

# BUSINESS PLAN



## «Missis Tortvill» Confectionary



2014

*Adaptation of this business plan is possible for similar project around the world.*

*The financial model in separate file is attached to this business plan, which makes it easy to build a new financial plan by entering the appropriate data.*

## **Business Plan Description**

**Project idea:** Startup of confectionary in Moscow

**Project name:** «Missis Tortvill».

**Basic products categories:** cakes to order (all categories), pastries, candy bars, cupcakes, cake-pops, decorative painted gingerbreads, handmade cookies.

**Project Audience:** the main buyers of confectionary products are:

- women of 30-39 years old – 25%;
- women of 50-65 years old – 30%;
- children and teens under 18 years old – 30%;
- men – 15-20%;

**Project Geography:** Moscow.

**Market:**

<i>Leaders of the project industry</i>	Three largest by the revenue producers of bakery and confectionery in Russia are: «Fatser» JSC, «Karavay» JSC and «Kellogg Rus» Ltd.
<i>Basic tendency and indicators of consumer demand</i>	Production with three days use made by almost every bakery and confectionary is the absolute market favorite. It is bought by 70% of households while the cakes of long-term storage (more than 2 weeks) – by 6% only.
<i>Market growth rate</i>	As for the growth rate of bakery and confectionary industry in Russia in 2014, the indicator value can vary between 3% and 12% depending on tendencies of economic development in the country and favorability of investment climate; herewith the most probable indicator value is expected at the level of 8%.

**Competitive Environment (Moscow):**

- Confectionary network «Volkonskiy»;
- Confectionary «Madame Boulanger»;
- Confectionary «Upside Down Cake»;
- Confectionary «I Love Cake».

## Financial plan of project:

<i>Financial indicators by the project</i>		
Revenue for 3 years of operating	RUB	***
Necessary Investment	RUB	***
Net Profit for 3 years of operating	RUB	***
NPV	RUB	***
IRR monthly	%	***
IRR annual	%	***
Payback period	months	16
Discounted payback period	months	18

## Excerpts from Research

Project purpose is a startup of «Missis Tortvill» confectionary. The confectionary for production of bakery and preserved pastry goods will be organized in rent premises.

The confectionary is a full-cycle enterprise, i.e. includes all production processes from confectionary provisions forming to shipment of products to the sale or offer points.

### *Confectionery market of Russia*

For today in the market of confectionary and bakery industry the tendency for decrease of products demand is observed, which is associated with the population reduction as well as income growth leading to change of nutrition model.

So, on the territory of Russia \*\*\* mln t of bakery and confectionary production were made for the first half of 2013, which is less by 0,39% in comparison with the similar period of previous year.

In the same time bakery of low humidity (bagel products, rusks, toasts, crispbread) show a significant growth of production, the volume of which has increased by 17.42% in comparison with indicators of previous year and composed \*\*\* thsd t. Also the stable growth of chocolate and sugary producers is noticed, which has enlarged the volumes of production by 6.5% in comparison with previous year.

Today together with searching and development of new kinds of production and extension of the product range many producers restore the old recipes production. Besides, so-called ecologically clean food gains the increasing popularity among

consumers. A modern buyer pays a great attention to quality of foodstuffs, considering their composition and terms of storage. Due to the results of the first half of 2013, the volume of bakery products of long-term storage showed the most significant decrease by 11.08 percentage points and composed \*\*\* thsd t against \*\*\* thsd t a year ago.

Preserved pastry goods are the products of every day demand. Almost 95% of consumers buy them (mainly cookies and gingerbreads) for daily tea. The main buyers of confectionery products are women of 30–39 years old (about 25%) and 50–65 years old (about 30%). 45% of buyers have school-age children, about 30% are accounted for children and teens under 18 years old, the rest 15–20% are accounted for men.

Older consumers prefer the domestic products mainly purchasing biscuits, sugar cookies and gingerbreads. They still remember the Soviet times, when cookies and gingerbreads had high taste characteristics. The goods themselves have much greater value than their image.

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worked on a specific business plan*
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answer all questions related to the structure and  
content of the business plan*

*Respectfully,  
«VTSConsulting» team*



## INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

### «VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

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And we are proud of our customers!**

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This is not a complete list of those  
who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

**You invest.**

*Respectfully,  
Vladyslav Tsygoda,  
the head of «VTSConsulting»*