

KIAN BREAD

A PERSIAN BREAD CONCEPT

**BUSINESS PLAN PREPARED BY THE UNIVERSITY OF SYDNEY IN PARTNERSHIP WITH
THRIVE SOCIAL ENTERPRISE**



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THE BUSINESS

EXECUTIVE SUMMARY

Kian Bread is a Persian breads bakery envisioned by Saeid Safdarian, an Iranian refugee, with the central mission to contribute to the Australian multicultural landscape with a proud example of authentic Iranian food. Produced using scalable Iranian baking equipment, Kian Bread will bake three breads: Taftoon, Barbari, and Lavash. Kian Bread will take advantage of a considerable market opportunity, with increasing populations of Persians arriving in Sydney and being deprived of their cultural breads. The bakery will distribute to Persian restaurants and specialist stores, as well as to Lebanese communities and Eastern Suburbs cultural food enthusiasts. The bread products of the bakery will be marketed as healthy alternatives to other Middle Eastern breads, and will consequently take advantage of the increasingly health aware Australian population. All packaging will clearly reinforce the Halal certification of the breads to ensure maximum distribution amongst Muslim communities. Additionally, the breads will boast their cross Australian-Iranian identity to create cultural awareness and deconstruct stereotypes of Iranians in Australia. The bakery will operate in North Parramatta, and have a staff count of 5 at full operation. The success of the business relies upon wholesale distribution partners, and this will be achieved by Saeid leveraging his immediate network and engaging in a test phase offering discounted prices. At the end of the first year of operation, the Bakery will have a base case wholesale customer count of 8, and will be selling 1751 pieces a day through its retail and wholesale channels. The Bakery will break-even when daily sales reach 796, and this is forecast to occur during the second month of trading.

CLIENT PROFILE: SAEID SAFDARIAN

Saeid possesses qualities that will enable him to confidently direct and execute the bakery venture. Having run a dishwashing liquids wholesaling business in Iran, Saeid is well-versed in business operations and management. Saeid will therefore be capable of executing sales and marketing strategies, forming strategic partnerships, delegating responsibilities and building viable business practices. As well as this, Saeid is an Uber driver and is consequently proficient in mobile technology. This suggests he will be able to appropriately leverage mobile technologies in the running of his business, particularly concerning marketing and other promotional activities that will likely be run online.

Extending past Saeid's business experience and capabilities, he displays passion and determination, and is entirely committed to the bakery venture. His ambition to make Kian Bread into a leading Persian breads distributor is evident in his forward-looking plans to have his product sold in leading Australian supermarket chains. His decision to purchase scalable production facilities shows that he couples his ambition with a capacity to plan ahead. His entrepreneurial spirit is evident in his location of a clear problem, the lack of Persian breads in Sydney, and his desire to remedy it with a healthy and authentic product.

BUSINESS OVERVIEW

Kian Bread's **vision** is to entrench a rich image of Persian culture in the local mind by distributing Persian breads throughout Sydney

The business's **mission** is to provide healthy and high quality Persian breads to customers at a competitive price

The business aims to achieve this **goal** by establishing sales partnerships, constructing targeted marketing strategies, pricing its products competitively, hiring talented staff, and closely integrating with the wider Australian community

Kian Bread will **retail and wholesale three products**; one primary product, Taftoon, and two secondary products, Barbari and Lavash. All breads will be retailed for \$1.20, and offered to wholesale partners for \$0.80. These breads are similar to popular Lebanese breads, but are baked using healthier ingredients

The bread will be **retailed on-site**, and sold at wholesale prices to a **network of targeted restaurant and specialty store** distribution partners.

BUSINESS DETAILS

Registration:

Business and trading name: KIAN BREAD

Date registered: 19/07/2017

Address for register service: 45/118 Adderton Rd Carlingford NSW 2118

Business structure: Person/ Sole trader

ABN: 23 106 550 633

GST: registered for GST

Business Premises:

Business location is at 15 Iron St, North Parramatta NSW. It is located beside North Parramatta supermarket with neighbouring stores such as Romana's Pizza and Laundry services. It is a one-minute walk to the closest bus stop station and two blocks away from Church St, a highly populated street with many established businesses.

The bakery is positioned on a high-traffic shopping strip. This is intended to gain the business exposure to Persian and Lebanese target market consumers. This particular strip is frequented by Middle Eastern consumers seeking a range of groceries and products. The business is located in North Parramatta so as to be accessible to individuals living in the immediate surrounding suburbs (Baulkham Hills, Ryde and Hornsby), as well as to consumers from the South Western Suburbs (Auburn, Granville and Merrylands). Further, there are public transport facilities nearby, and there is parking situated directly in front of the store for optimal convenience.

Lease:

An offer was made of \$700 per week for the premises but awaiting confirmation from agent.

CULTURAL COMPETANCE STATEMENT

Kian Bread seeks to entrench a positive image of both Iranian identity and refugee contribution in the national mindset. Saeid is aware that the reputation of Iran is intertwined with hostility and conflict, and wants to exchange this understanding for one of family, culture, and heritage. The naming of the bakery after his oldest son, Kian, is an effort to show the Australian community that Iranians are committed to the same family values and morals that Australia proudly protects.

Saeid is conscious of the complicated situation of refugees in Australia and wants to exchange the narrative of burdensome refugees for one of significant contribution to the national economy and identity. Saeid seeks to share his story with his customers and the wider public to express his gratitude for the security offered by Australia, and to show his ambitious efforts to contribute to the Australian economy.

Saeid wants to contribute towards the integration of Middle Eastern identities into the broader Australian multicultural national identity. He seeks to do this by retailing high quality breads produced with integrity to a diverse range of buyers.

THE MARKET

MARKET POPULATION SIZE

The central market for a Persian Bakery stretches three specific nationalities: Iranian, Afghani, and Iraqi. These communities extend Sydney's Western, Eastern, and Northern suburbs, with a considerable segment residing in the West. Between 2006 and 2011 these communities experienced a >50% population increase, and it appears from the recent census information that this trend has been maintained (see Appendix A). With 25% of the nation's Persians residing in Sydney, Kian Bread is positioned well to gain mass Persian adoption.

<i>Immigration (DSS Report Data)</i>	<i>Iran</i>	<i>Afghanistan</i>	<i>Iraq</i>
<i>Total Population (2011)</i>	34453	28597	48170
<i>Change from 2006 Census:</i>	52.80%	70.70%	48.10%

<i>Country of Birth (2011 Census Data)</i>	<i>Iran</i>	<i>Afghanistan</i>	<i>Iraq</i>
<i>Total NSW</i>	15463	8948	29341
<i>Sydney (~53% of NSW)</i>	8258	4779	15670
<i>Western Sydney (~54% of Sydney)</i>	4423	2560	8393
<i>Eastern Sydney (~7%)</i>	578	335	1097
<i>Northern Sydney (~7%)</i>	578	335	1097
<i>Total Market Population - Western, Eastern, and Northern Suburbs</i>			19395
<i>Adjusted for 1.5% Growth Rate (6 Years to 2017)</i>			21207
<i>% of Population Buying Bread (Weekly)*</i>			72%
<i>Target Bread-Buying Population (Persian)</i>			15333

**<http://www.roymorgan.com/findings/7198-slicing-up-australias-bread-market-201703281034>*

Additionally, the Lebanese community will be a focus segment for the Kian Bread. The Lebanese communities of Sydney are growingly reluctant to consume their national breads as they are seen to be unhealthy. In a 2013 survey, 12% of a sample of Lebanese immigrants complained about the bloating side-effects of consuming their national breads (Burrell 2013). Therefore, an opportunity has arisen for a middle eastern bread to exist in the market that is considerably healthier, one that is devoid of oils and preservatives.

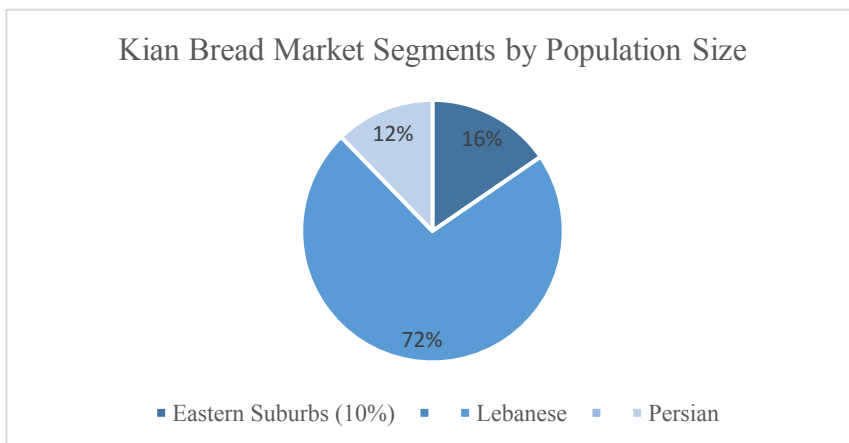
<i>Country of Birth:</i>	<i>Lebanon</i>
<i>Sydney</i>	125257
<i>Western Sydney (~54% of Sydney)</i>	67639
<i>Eastern Sydney (~7%)</i>	8768
<i>Northern Sydney (~7%)</i>	8768
<i>Total Market Population - Western, Eastern, and Northern Suburbs</i>	85175
<i>Adjusted for 1.5% Growth Rate (6 Years to 2017)</i>	93134
<i>% of Population Buying Bread (Weekly)*</i>	72%
<i>Target Bread-Buying Population</i>	67336

**<http://www.roymorgan.com/findings/7198-slicing-up-australias-bread-market-201703281034>*

The combined market size of the Persian and Lebanese communities in Sydney is 114,000. Recognising that 72% of Australians as a whole consume bread on a weekly basis, this leaves Australians Kian Bread with a direct approachable market of 82,668. Further, Kian Bread will target the food enthusiasts residing in Sydney’s Eastern Suburbs. As Kian Bread becomes more established, the lucrative Eastern Suburbs market will become more relevant.

<i>Eastern Suburbs Market Segment</i>	<i>Population</i>
<i>Eastern Suburbs Total Population (2011)</i>	249,546
<i>Eastern Suburbs Total Population (2016)</i>	267,037
<i>Population Increase 2011-2016</i>	7%
<i>Population Aged 15-24</i>	35249
<i>Population Aged 24-34</i>	56078
<i>Population Aged 35-44</i>	41925
<i>Population Aged 45-54</i>	31243
<i>Total Population 15-54</i>	164495
<i>10% Penetration</i>	16449

The below chart displays the population sizes of each customer segment and identifies the core groups that will need to feature at the centre of sales and marketing efforts.



MARKET VALUE

In order to value the size of the opportunity, it is necessary to form a clear understanding of the target market's bread consumption habits. This information was gleaned from sources working for Kian Bread's closest competitor, *Sangak*. *Sangak* operates in Guilford and claims to be Australia's 'first and only Persian Bread Bakery,' and sells to Persian and Middle Eastern clients.

Sangak sells a single 250g bread. A spokesperson from *Sangak* has said that their customers purchase 1 piece of bread for every bread-meal. A spokesperson from *Sangak* stated that its customers in Australia have bread one meal per day, as they may have rice with another meal. In Iran, Iraq, Afghanistan, and Lebanon, this spokesperson expressed that bread would be consumed with three meals, but in Australia, the culture of bread consumption has been revised. Given *Sangak* bread is double the size of the Kian Bread Taftoon, this suggests that the Kian Bread will sell 2 pieces per customer, per day. This lends itself to a total purchase of 14 pieces of Taftoon per individual, per week.

The below data quantifies the value of the market opportunity considering the above finding. The tables below focus on the primary customer segments; the Persian and Lebanese communities, and offers revenue figures at different levels of market penetration.

Persian Market

<i>Average Weekly Purchase</i>	14 (<i># pieces as per Target Market Bread Consumption Trends</i>)
<i>Wholesale Product Price (Specialty Stores & Restaurants)</i>	1.20
<i>Retail Product Price (Bakery)</i>	0.80
<i>Distribution Channel Weekly Revenue</i>	
<i>Specialty Store</i>	\$51,889
<i>Bakery</i>	\$11,366
<i>Restaurants</i>	\$4,536
<i>Distribution Channel Annual Revenue</i>	
<i>Specialty Store</i>	\$2,698,213
<i>Bakery</i>	\$591,037

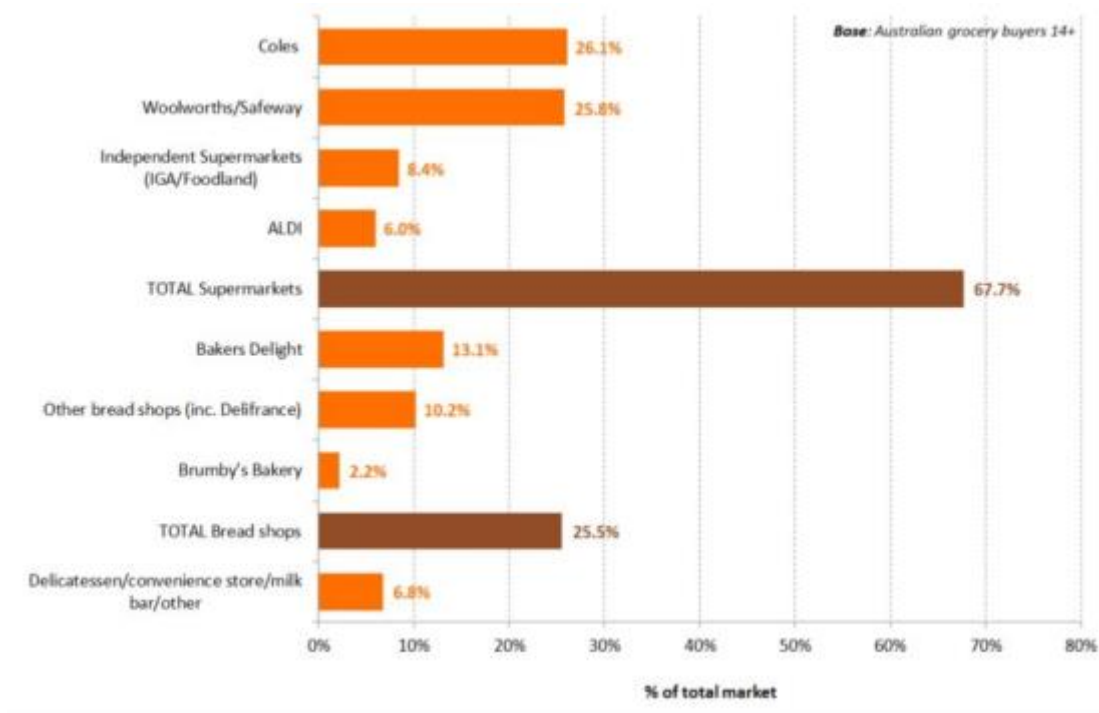
Restaurants	\$235,872		
Total Annual Market Size	\$3,525,122		
Penetration Scenarios	5%	10%	15%
Specialty Store	\$134,911	\$269,821	\$404,732
Bakery	\$29,552	\$59,104	\$88,656
Restaurants	\$11,794	\$23,587	\$35,381
Revenue at Penetration Figure	\$176,256	\$352,512	\$528,768

Lebanese Market

Average Weekly Purchase	14	(# pieces as per Target Market Bread Consumption Trends)	
Wholesale Product Price (Specialty Stores & Restaurants)	\$0.17	*prices according to Baalbeck Bakery, a significant Lebanese bread distributor established in 1977 (http://www.smh.com.au/news/good-living/rise-and-rise-of-an-ancient-bread/2008/04/29/1209234842714.html)	
Retail Product Price (Bakery)	\$0.23		
Distribution Channel Weekly Revenue			
Specialty Store	\$32,893		
Bakery	\$14,410		
Restaurants	\$655		
Kebab Stores	\$4,053		
Distribution Channel Annual Revenue			
Specialty Store	\$1,710,424		
Bakery	\$749,329		
Restaurants	\$34,047		
Kebab Stores	\$210,767		
Total Revenue Across Distribution Channels	\$2,704,567		
Penetration Scenarios	5%	10%	15%
Specialty Store	\$85,521	\$171,042	\$256,564
Bakery	\$37,466	\$74,933	\$112,399
Restaurants	\$1,702	\$3,405	\$5,107
Kebab Stores	\$10,538	\$21,077	\$31,615
Revenue at Penetration Figure	\$135,228	\$270,457	\$405,685

INDUSTRY GROWTH

The Kian Bread is positioned within a stable industry that is experiencing growth at equal rates to the entire food sector (3.1%). Kian's Bakery is being launched in an environment where specialised bread shops are seeing their market share slowly increase.



Roy Morgan (2016)

Despite the heavily concentrated market, with dominant players Coles and Woolworths accounting for over 50% of the nation's weekly bread purchase, demand is shifting to high quality and artisan breads distributed by more localised bakeries and grocery stores. As the above graph suggests, this suggests a shift of attention to the localised distributors that currently have a 6.8% market share.

Industry analysts IBIS World and Roy Morgan forecast the growth of the bread industry to result from the sales of low-carb and healthier bread offerings appealing to the increasingly health conscious market. Given the oil-free recipe used in Kian's Bakery, the traditional preparatory methods and the rejection of preservatives, Kian's Bakery is in a strong position to take advantage of the demand shift in the bread industry.

COMPETITION

Until recently, there existed a single Persian bread competitor, *Sangak Bread*. Located in Guilford, 5km from the expected site of Kian's Bakery, this bakery retails a single bread product, Sangak, and it is this product that is sold in Persian supermarkets and restaurants across Sydney. Unlike Kian's Bakery, *Sangak* has a restaurant on site where the retail product is sold and drives further retail sales. Sangak bread is marketed as an authentic Iranian bread with various health benefits. Sangak recommends the bread for patients with diabetes, high cholesterol, cardiovascular disease, or individuals with a family history of gastric cancer, obesity or diabetes. Sangak bread has no added oil, no added sugar and no preservatives.

Despite the appearance of an unsaturated market, sources have revealed that two new Persian bakeries are soon to open in Sydney's Western Suburbs. This is likely a result of the clear market opportunity presented by an under-exploited market.

Further, there are two Afghani bakeries that are both positioned in Auburn. *Kabul International Restaurant* caters to Afghans, Indians, and Pakistanis. This restaurant has a bakery attached, but its primary focus is the restaurant. *New Afghan Bread* has just opened in Auburn and is gaining momentum, with positive customer reviews commending the product and its price.

SALES STRATEGY

PRICING STRATEGY

Market Penetration Model: Kian Bread will follow a market penetration strategy in order to undercut the prices of existing competitors in the market. In the introductory phase which is inclusive of the first two months following the store's launch, Kian Bread will price their products at a discounted price of 15% off of the original price to attract price conscious customers. This strategy will allow consumers to initially test the product and allow a formation of likeability and brand acceptance. Once brand loyalty is established, Kian Bread will increase the price to \$1.20 based on competitor's pricing as well to cover startup costs.

Bundle Pricing Model: Owing to business' capability in mass production, bundle pricing will be used for consumers who demand bread in high quantities. This is predominantly targeted required for consumer parties, weddings, family gatherings and community events. The bulk pricing strategy encourages greater volumes of sale by which purchases of over 20 packs of bread, the entire purchase is discounted to 25% off.

GROWTH STRATEGY AND SALES FORECAST

Kian Bread's growth strategy is based on its marketing efforts, Saeid's salesmanship and personal network, and the acceptance of his bread by the target ethnic and cultural communities. In the first month of trading, Kian Bread will be selling directly to 2 established specialist store partners emerging from Saeid's existing network. As well as this, Saeid will leverage a trial strategy where he will expose 6 restaurants and 6 specialty stores to Kian Bread with the intention of forming further business partnerships. This trial will include a 15% price discount on the 80c/\$1.20 prices in order to entice wholesale distributors. Despite offering a cost premium to comparable Lebanese breads sold at Woolworths,¹ Kian Bread will be pushing its healthy and authentic proposition to drive mass adoption.

The parties included in this test will be:

Business Name	Location	Delivery Time
Aria Store	North Parramatta	4 min
Bahar Supermarket	Ryde	18 min
Darband Restaurant	Auburn	14 min
Jaam-e-Jam Restaurant	Hornsby	35 min
Anais Restaurant – Taste of Persia	Baulkham Hills	16 min
Zam Zam Market	Auburn	13 min
Aria Persian Fast Food	Merrylands	12 min
Honey Persian Restaurant	Parramatta	7 min
Pasargad restaurant	North Willoughby	34 min
Vatan Restaurant	Auburn	17 min
Little Persia	Parramatta	5 min

² Woolworths (2017), *Nana Premium Lebanese Bread*. Woolworths Limited, Retrieved from <https://www.woolworths.com.au/shop/productdetails/650860/nana-premium-lebanese-bread-white?googleshop=1&cmpid=smaf014>

Munch Coffee & Grocery (Arabicus.com.au)	Auburn	18 min
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It is expected that this trial strategy will garner new business, with an additional 2 restaurants and 2 grocery stores forecast to form partnerships with Kian Bread in the second month of trading. Sales and concurrent revenues are forecast to accelerate as a result of these commercial arrangements.

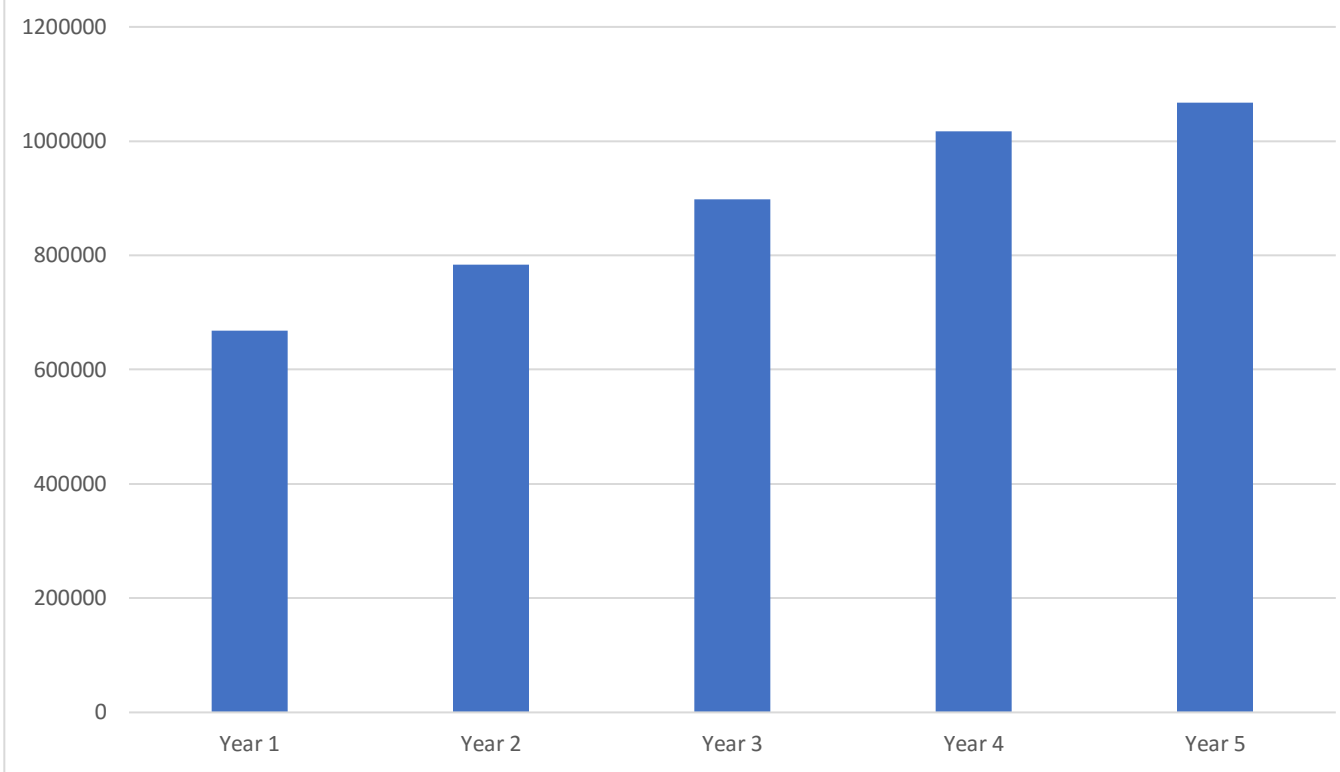
By the sixth month of trading, it is expected that Saeid will have increased the number of partnered stores from 6 to 8 as a continued marketing campaign and word of mouth attracts both new retail customers and attracts new businesses to sell Kian Bread.

From month 6 onwards, sales are expected to grow as positive reviews about the bread, continued marketing, and expansion into new geographical areas widens the customer base. A particular focus for growth will be an increase in sales outside of Kian Bread’s core target market, including greater sales to other Middle Eastern customers and an increase in sales in Northern and Eastern Sydney.

After the fifth year of trading, it is expected that Kian Bread’s organic growth will slow and the business will mature. In order to enhance the growth and revenues of the business, Saeid has commented that he will introduce new products to his offering, including sweets and Persian coffee. In an effort to maintain focus on the current product offerings, these forward-looking innovations have not been built into the growth projections. As such, the long-term sales growth for Kian Bread is expected to be 3.1% p.a., as this is in line with industry trends concerning artisanal bread.

The below graph visually depicts the growth trajectory of Kian Bread.

Kian Bread Sales Forecast



MARKETING PLAN

POSITIONING

Kian Bread's unique selling point is its commitment to high quality Persian breads offered at competitive prices. The bread will be differentiated from other products in the market, with the relative unavailability of Persian Breads a significant marketing opportunity for the bakery. The uniqueness of the bread's composition, its size, shape and flavour, will all be considered in marketing the bread as a unique and culturally authentic taste of Persia.

The bakery will also meet the trend of 'cultural exploration' in the Sydney community, with increasing numbers of Sydney residents engaging in cultural consumption by seeking out cultural food experiences. Saeid has expressed his intention to contact Concrete Playground and Urban List, two experience-focused online publications targeting millennials, to expose the wider public to his authentic breads.

Further, Kian Bread's products will capture the increasingly health conscious market, with the core Persian bread, Taftoon, markedly healthier than both Western breads and Lebanese comparables. Taftoon contains low saturated fat, no cholesterol, high amounts of selenium and thiamine, and consequently provides extensive health benefits to consumers. On a specific note, this bread will greatly appeal to consumers who suffer from hypertension and seek to reduce their cholesterol levels by shifting their consumption habits. On a final note, the ingredients used in the recipes of the three breads will be high quality, with this quality image introduced into the marketing content.

This positioning is tailored to the bakery's generalised customer persona:

<i>Age:</i>	18-65 (Families likely to buy the most bread)
<i>Weekly Income:</i>	\$2081 for a Persian family
<i>Ethnocultural Background:</i>	Iranian, Iraqi, Afghani and Lebanese
<i>Location:</i>	Western Sydney, likely around North Parramatta
<i>Motivations:</i>	Providing affordable, authentic, healthy Persian food for themselves and their family
<i>Frustrations:</i>	Expensive cost of living, poor quality food and lack of distinctly Persian Bakeries in Western Sydney

BRANDING

The core branding elements that will showcase Kian Bread's positioning in the Middle Eastern bread market are listed in the following:

1. **Tagline/slogan:**

High emphasis on quality. Examples:

“Best quality always.”

“Quality is our recipe.”

“Only the best for your family.”

“Quality is the highest regard.”

“Only the best at Kian Bread.”

2. **Logo:**

Australian and Iranian infused symbol, symbolising cultural integration. Given a logo is yet to be created, one of the below sites should be consulted:

- Paid online services:
 - <https://logoventures.com.au>
 - <https://www.fiverr.com>
- Personally design through free online software:
 - <https://www.canva.com/create/logos/>
 - <https://www.graphicsprings.com/start-your-logo>
 - <https://logojoy.com/>

3. **Colours:**

Natural, neutral tones and earthy colours reflecting the ‘fresh bread’ theme - variations of brown tones (reflect colours in logo, website design, Facebook banner and print advertising)

4. Halal certification

Given the primary customers will be practicing Muslims, it is integral that Kian Bread maintains Halal certification and promotes this in marketing content, specifically the product packaging.

PROMOTIONAL STRATEGY

Kian Bread will adopt several promotional strategies; notably, print advertising, Facebook, a website, Iranian Community Organisation promotional services, events, and word of mouth. These strategies are discussed below:

Print:²

- General business card
- Print posters and flyers in retailers that sell the bread
- Scan QR code on phone which directs consumers to website and Facebook page. If Saeid chooses this strategy, he should use one of the following providers:
 - QR code online generators
 - <http://www.qr-code-generator.com/>
 - <https://www.qrstuff.com/>
 - <http://goqr.me/>
 - Paid online services that include delivery and design templates
 - <https://www.vistaprint.com.au/>
 - <https://www.moo.com/>
 - <http://www.snap.com.au/>
 - Create logo on free graphic design software and print out manually (cost-efficient alternative)
 - <https://www.canva.com/>
 - <https://vectr.com/>
 - <https://www.befunky.com/>

Facebook:

- Kian Bread Facebook page – includes link to website
- Advertise through ‘sharing’ page to Persian Facebook groups relating to commercial and advertising:

² Costs will differ according to service chosen

- Au Iranian Advertising اطلاعات و آگهی ایرانیان استرالیا = 'Australian Information and Announcements' (5,202 members)
- راهنمای زندگی و گردشگری در استرالیا = 'Guide to Living and Tourism in Australia' (9,427 members)
- Digital posters/banners marketed on Persian Facebook groups and advertising media pages
- Introductory Persian Bread Facebook event

Kian Bread website:

- Products offered (Taftoon, Lavash, Barbari)
- Location (including map)
- Partnered retailers – Business names and locations of grocers that supply Kian Bread
- Opening hours
- Contact information (email, phone number)
- Question section for enquiries
- Link to Facebook Page
- Family recipes with Kian Bread

Given Saeid is yet to create a website, he will be best to survey the below options for the option that resonates with his vision.

- Paid services:
 - <https://www.squarespace.com/>
 - <https://www.shopify.com.au>
 - <https://www.mywork.com.au/>
- Cost-efficient alternatives
 - <https://wordpress.com/>
 - <https://www.wix.com/>
 - <https://www.weebly.com/au>

Australian Iranian Community Organisation:

- <http://www.aic.org.au/> - promotion services specific to Iranian businesses

Events:

- Community events
- Weekend markets - Flemington; Fairfield

Word of Mouth

Although Saeid will be incapable of personally driving word of mouth promotional activities, entering the bakery and purchasing its products will be a positive experience that will lead to consumers sharing their sentiments with their networks.

MARKETING CALENDAR, BUDGET AND MILESTONES

A broad overview of the timeline of marketing initiatives is presented below:

Month	Marketing Theme
1	Logo and brand image
2	Facebook page
3	Website development
4	Business card
5	Persian newsletter
6	Print poster advertising development
7	Store decor
8	Facebook groups/pages – create Facebook event for sale
9	Revisiting website (alterations)
10	Community events
11	Email
12	Annual review

Budget:

- Introductory stage = \$500
- Every following month = \$100
- Total Annual Marketing Budget: \$1700

Marketing milestones:

Milestone³	Start date	End Date	Budget⁴	Manager	Executed by
Logo Design	1/06/18	22/06/18	\$200	Saeid Safdarian	Logo Design Company
Facebook Page	1/07/18	Continuous updates	\$0	Ghazaleh Riazi	Ghazaleh Riazi
Website Design & Development	1/09/18	10/10/18	\$300	Ghazaleh Riazi	Ghazaleh Riazi
Business Card Design	1/10/18	11/10/18	\$20	Saeid Safdarian	Card Printing Business
Persian Newsletter	1/11/18	1/12/18	\$400 one month (one-off, but continue depending on results)	Saeid Safdarian	The Persian Herald Weekly
Print Poster Advertisement - Design and Printing	1/12/18	14/12/18	\$200	Saeid Safdarian	Printing Business
Facebook Advertisement	1/02/19	Ongoing & depend on results	\$500 (\$0.19 per click - total cost dependent on clicks/views)	Ghazaleh Riazi	Facebook

³ Dates may alter when closer toward date and according to needs of business.

⁴ Costs of promotional milestones are estimated according to the typical cost of the paid services option of each promotional activity and also remaining within the overall annual marketing budget. Costs will differ if the client were to select the cost-efficient alternative or otherwise.

BUSINESS OPERATIONS

BUSINESS MANAGEMENT AND PERSONNEL

Owner: Saeid Safdarian

Personnel:

Current staff:

Job Title	Name	Skills or strength
Owner	Saeid Safdarian	Prior experience in running a business.
Marketing Manager (owner's wife)	Ghazaleh Riazi	Simple knowledge in business operations.

Required staff:

Job Title	Role	Skills or strengths	Wage requirement/ hour ⁵	Total wage/day
Baker (Full-Time)	Head chef baking bread.	Have previously conducted an apprenticeship as baker of up to 36 months is preferred. At least 2 years experience in the industry as a baker is preferred. ⁶	Early morning shift pay rate applied. Weekdays: \$20.58/ hour. Saturday: \$30.87/ hour. Sunday: \$41.16/ hour	\$200
General Staff	Packing and	At least 1 year experience in	Early morning shift pay rate	\$200

⁵ FairWork Ombudsman (n.d.), *Pay guides*, Australian Government, Retrieved from <https://www.fairwork.gov.au/pay/minimum-wages/pay-guides>

⁶ Government of Western Australia Department of Training and Workplace development (2017), *Baker*, Retrieved from <http://www.careercentre.dtwd.wa.gov.au/Occupations/Pages/baker.aspx>

(Full time)	selling bread	sales cashier or experience in hospitality is preferred. ⁷	applied. Weekdays: \$20.58/ hour. Saturday: \$30.87/ hour. Sunday: \$41.16/ hour	
Delivery Person (Casual)	Transport bread to specialist stores and restaurants.	At least 5 years experience in driving, holding full license. ⁸	N/A	\$150

⁷ This was based on a number of recruitment websites such as SEEK and Indeed.

⁸ Ibid.

RECRUITMENT AND TRAINING

Recruitment Process:

Staff will be recruited using the Sydney Persian community newspaper, the Persian community Facebook page, word-of-mouth, Seek, and Gumtree.

Training Process:⁹

1. On-the-job training for Chef.
 - Inducted on machine operations.
 - Training of preparation and procedures of the bread.
 - Food safety detailed for safe handling of bread and during preparation.
 - WHS detailed during training shifts.
 - Inducted on workplace conditions - workplace rights.
 - Detailed employee responsibilities and behaviour requirements.

2. On-the-job training for general staff.
 - Staff will be inducted on roles and general procedures.
 - Food Safety must be advised in detail for safe handling of bread.
 - WHS detailed during training shifts.
 - Inducted on workplace conditions - workplace rights.
 - Detailed employee responsibilities and behaviour requirements.

⁹ Australian Government (n.d.) *Working conditions*, Retrieved from <http://www.australia.gov.au/information-and-services/jobs-and-workplace/working-conditions>

LEGAL AND RELATED CONSIDERATIONS

Taxes

Obtained:¹⁰

- Registered the business with ASIC and obtained an ABN and TFN;
- Sales tax compliance including registering for GST
- Registered for Fringe Benefit Tax (FBT)
- Company tax compliance including lodging annual tax returns;
- PAYG tax withholding and instalments

Pending:

- Taxes including income, land, capital gains, excise duties, stamp duty, rates.

*Compliance for Selling Goods*¹¹

Pending:

- Product safety rules and standards
- Product labelling standards must comply with Competition and consumer Act 2010 (CCA).
- Products must comply with Australia's trade measurement law.

*Food Safety Standards*¹²

Pending:

- Obtainment of Food safety supervisor certificate
- Food safety program: how business will monitor and control hazards in regards to food safety.

¹⁰ Australian Business Government (2016), *Standards and Codes of practice checklist*, Retrieved from <https://www.business.gov.au/Info/Run/Fair-trading/Standards-and-Codes-of-practice-checklist>

¹¹ Australian Business Government (2016), *Selling goods*, Retrieved from <https://www.business.gov.au/info/run/goods-and-services/selling-goods-and-services/selling-goods>

¹² Food standards Australia New Zealand (2016), *Food safety standards (chapter 3)*, Retrieved from [http://www.foodstandards.gov.au/foodsafety/standards/Pages/Food-Safety-Standards-\(Chapter-3\).aspx](http://www.foodstandards.gov.au/foodsafety/standards/Pages/Food-Safety-Standards-(Chapter-3).aspx)

- Food safety practices: addressing controls specific to the receipt, storage, processing, display, packaging, transportation and disposal of food.
- Food premises and equipment: design and construction requirements of food premises, equipment, fixtures and vehicles.

Halal Certification¹³

Saeid will need to formalize certification with one of the below Australian Halal certification bodies:

- Adelaide Mosque Islamic Society of South Australia
- Al-Iman Islamic Society
- Australian Federation of Islamic Councils Inc.
- Australian Halal Development and Accreditation
- Australian Halal Food Services
- Global Halal Trade Centre Pty Ltd
- Halal Australia Pty Ltd
- Halal Certification Authority Australia
- Islamic Coordinating Council of Victoria Pty Ltd
- Islamic Council of Western Australia
- Muslim Association of Riverina Wagga Wagga Inc.
- Supreme Islamic Council of Halal Meat in Australia Inc.
- Western Australia Halal Authority

Employee Regulations¹⁴

Pending:

- Complying with workplace health and safety regulations;
- Employee tax compliance including superannuation payments

¹³ The Parliament of Australia (2016), *Halal Certification in Australia: Quick guide*, Retrieved from https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/HalaCert

¹⁴ Australian Business Government (2016), *Employ people*, Retrieved from <https://www.business.gov.au/Info/Run/Employ-people>

*Insurance*¹⁵

Pending:

- Workers compensation: in case of accident or illness in the workplace it is essential to protect employees against such events.
- Asset and revenue insurance: must insure motor vehicle and fleets for business use and also consider other that involve buildings, equipment or goods in transit.
- Public liability insurance: to protect the business against financial risk of being liable to a third party for death or injury, loss or damage to property.
- Product liability: this covers businesses if you sell, supply or deliver goods that may have caused injury, property damage to another business or person.

¹⁵ Australian Business Government (2016), *Types of insurance*, Retrieved from <https://www.business.gov.au/info/run/insurance-and-workers-compensation/types-of-insurance>

INVENTORY AND EQUIPMENT

Suppliers:

Supermarkets: Woolworths and Coles

Plant and Equipment:

Equipment	Purchase date	Purchase price	Running cost
Bread machine	07/2017	\$60,000	\$300/month
Exhaust	To be purchased	\$10,000	\$300/month
Cash register	To be purchased	\$500	\$100/month
Other equipment: utensils, bowls, bench tops	To be purchased	\$700	N/A

Inventory:

Based on a Saeid's expected daily production of 3600 pieces of bread. The below is constructed using the periodic inventory system:

*Assuming each batch makes 4 loaves - so 900 batches made

*Assuming inventory purchases from Coles supermarket¹⁶

Inventory item	Quantity needed for each batch	Unit price	Quantity in stock	Total cost
-----------------------	---------------------------------------	-------------------	--------------------------	-------------------

¹⁶ Coles Supermarket Australia (2017), *Coles*, Retrieved from <https://shop.coles.com.au/a/a-national/everything/browse>

Flour	267g	90 cents / kg	240 kg	\$200-220
Salt	15 g	1 dollar/ kg	15 kg	\$15
Yeast	7g	40 cents / 7g sachet	6.3 kg	\$360
Yoghurt	100g	4 dollars / kg	90 kg	\$360

OPERATING SPECIFICS

Technologies used: Business website and telephone.

Trading hours: 7 days a week, 5am-5pm

Popular times: 7am-9am (Breakfast times), 3pm-5pm (purchases before dinner)

Communication Methods with Customers:

- Phone
- Shopfront
- Social Media (Facebook page – Persian community)
- Website

Payments types:

- **Customers:** Initially cash only.
- **Wholesaling:** electronic cash transfer.

Quality control: Food Safety supervisor certificate must be obtained, implement Food Safety Program and show proof to local authority and determine what licenses or permits are required to operate in the food business classification.

RISK MANAGEMENT

For Kian Bread to be a viable, sustainable long-term venture, it is necessary to locate key risks and express how they will be mitigated.

The risk management process adopted by Kian Bread is the system used by the Australian Department of finance¹⁷ and The National Organisational Development Network.¹⁸ It includes three steps: (1) Establish the context (2) Identify the risks (3) Analyse and evaluate the risk

The below risk breakdown considers this process. A more detailed overview of the risk management process is contained in Appendix B.

Scale:

- Likelihood
 - Highly unlikely: Probability of risk occurring is extremely low.
 - Unlikely: Probability of risk occurring is low due to the strategies in place to address it.
 - Likely: Probability of risk occurring is possible where strategies must be implemented well or extra consideration must occur for this factor.
- Impact
 - High: These risks will have a significant effect on the operations of the business if not addressed - possibility of ceasing operations.
 - Medium: These risks will affect the operations but may not lead to ceasing in operations if it occurs.
 - Low: These risks affect operations but due to strategies that will be in place or probability of it occurring, it is not a great impact.

¹⁷ Department of Finance (2016), *An Overview of Risk Management Process* Australian Government, Retrieved from <https://www.finance.gov.au/sites/default/files/Risk-Management-Process.pdf>

¹⁸ National Organisational Development Network (n.d.) *Risk Management Process*, Australian Government. Retrieved from https://www.ausport.gov.au/__data/assets/word_doc/0005/454928/Risk_Management_process.doc.

Risk	Likelihood	Impact	Strategy
Increased competition	Likely	High	Ensure the quality of the bread at competitive prices.
Food safety- inappropriate manual handling	Unlikely	High	Food safety will be implemented in the business to ensure safe handling amongst all staff.
Slips and trips in bakeries	Unlikely	Medium	Strategy to build in non-slip tiles or floor treatments to prevent this.
Injury at workplace	Unlikely	High	Insurance purchased to address worker's compensation requirements.
Power outage	Highly unlikely	High	Ensure there is contact if this were to happen.
Unable to work	Highly unlikely	Low	Engage strategy so that staff have the relevant skills to continue running the store if there is absence of owner.
Fire and emergency	Unlikely	High	Fire hydrant present in kitchen with plan in case of evacuation.

FINANCIALS

FINANCIAL OVERVIEW

Key Objectives & Financial Review

Financial Objectives:

The financial objective of Kian Bread is to establish a sustainable business with a 3.1% p.a. sales growth rate in the long term. This will allow the bakery to pay back the \$20,000 loan at the end of the 3 year term. As a sole trader, Saeid will sacrifice his salary and reinvest all earnings to support the development of the business. In accordance with this, he has no intention to withdraw his initial \$120,000 capital investment.

Assumptions for Financial Statements Generation:

The financial tables on the subsequent pages are based on the assumptions listed below:

1. Useful life: A useful life of 12 years is adopted for the baking machine and exhaust
2. Financing costs: Approval of \$20,000 interest only loan at an interest rate of 9.5% with a term of 3 years
($\$20,000 \times 9.5\% = \$1900/\text{year}$)
3. Capital investment from Saeid: \$120,000 without intention to withdraw in three years
4. Inventory system: Perpetual inventory system is used, and it is assumed closing Inventories will be 80% of next period's COGS
5. Sales revenue: A 20% retail sales & 80% wholesales revenue distribution is generally assumed. The details of sales forecast is presented above.
6. Premise renovation: The premise renovation is estimated to take 3 months, and a 3 month free rent is offered
7. Discount and allowance: Opening discount of 15% offered in the first month to attract customers, the products wastage and allowance is estimated to be 5% of the COGS
8. Insurance: The insurance fee \$1500 p.a. is general advice provided by Gordon Newton from Choice Insurance Solutions Pty Ltd.¹⁹

¹⁹ Gordon Newton (Personal communication, September 29 2017) suggested this general insurance pack option based on the business information we provided.

9. Marketing Budget: The budget for advertising and marketing is estimated to be \$500 at the introductory stage and \$100 per month afterwards
10. COGS growth: A 2.5% annual costs growth rate is adapted based on average wheat commodity price inflation rate.²⁰

Start-up Costs:

- Baking machine including shipping fee: \$60,000
- Premise renovation costs (Front is preferred by Saeid): \$40,000-50,000
- Other equipment/facilities besides the baking machine: Exhaust: \$10,000

²⁰ Trading Economics (2017), Wheat | 1982-2017 | Data | Chart | Calendar | Forecast | News , Retrieved from the Trading Economics website: <https://tradingeconomics.com/commodity/wheat>

BREAK-EVEN ANALYSIS

Sale Price:

- 80-90c wholesale/ loaf²¹
- 1.20c retail/loaf

**Assumption: 20% retail sales & 80% wholesales*

COGS:

- 42c/loaf (\$1521/3600)

For every 3600 loaves produced per day:

- Direct Materials Costs:
 - Flour: \$220
 - Salt: \$15
 - Yeast: \$360
 - Yogurt: \$360
 - Packages: \$50²²
- Direct Labour Costs: \$400
- Direct Manufacturing Overhead: Utility: \$100

Profit Margin:

- $(1.2-0.42) \times 0.2 + (0.8-0.42) \times 0.8 = 0.46$

Fixed cost: \$366

- Rent: \$100/ day

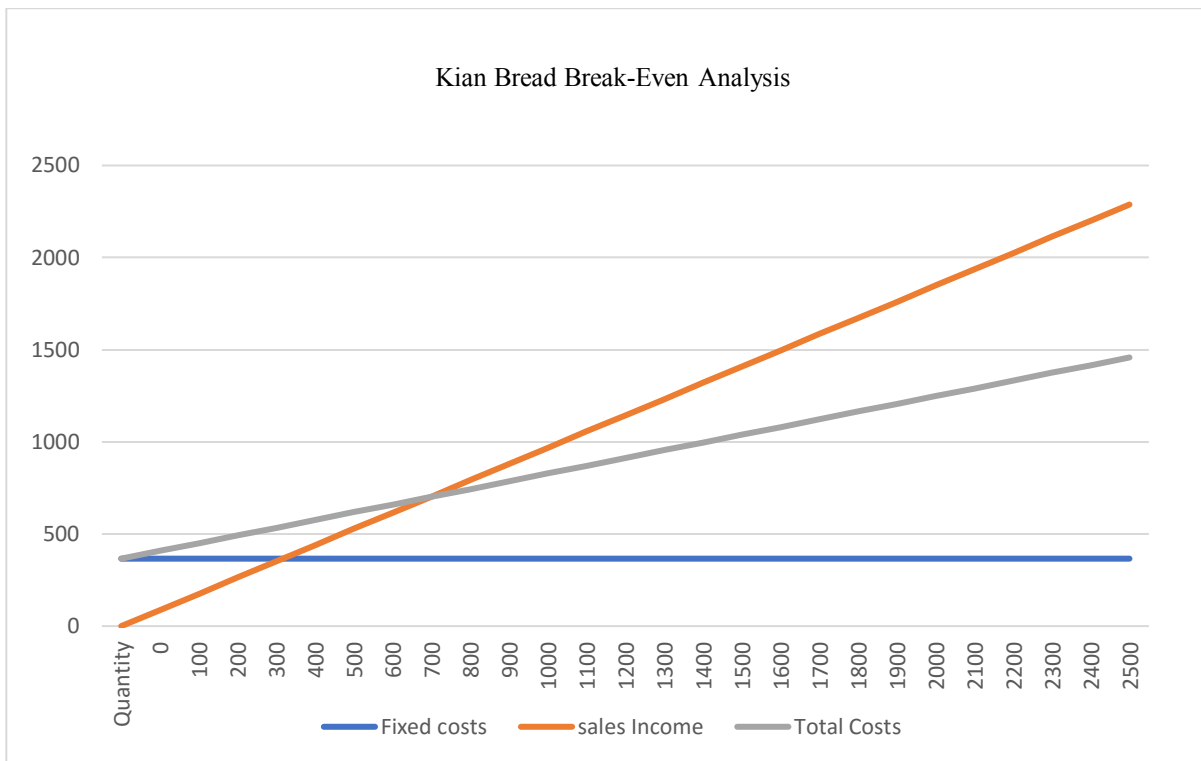
²¹ The current price is set based on Saeid's will. However, the exact price may vary based on the pricing strategy Saeid choose to implement.

²² The ingredients are based on current recipe may need further adjustments in real operation.

- Advertising and general administration costs: \$100/day
- Delivery guy: \$150/day²³
- Machine Depreciation: \$16

Break-even point: 796 loaves/day

Please see below for a graphical representation of the break-even analysis:



²³ Though the delivery guy is required by Saeid, it may not be mandatory when the distribution work can be done by himself at the introductory stage.

OVERVIEW OF FINANCIAL STATEMENTS

Income Statement:

The earnings before tax for the first year of Kian Bread is \$69,488 due to a short operating period, sales discount offer and premise renovation expense before commencement. However, increased customer loyalty and the business's brand image will allow Kian Bread to have higher sales revenue in the following years. The earnings before tax is estimated to reach \$232,384 and \$281,630 in Year 2 and 3 respectively. Please see **Appendix C** for details.

Balance Sheet:

Given Kian Bread's financial performance, the \$347,253 cash in hand at the end of second year and additional \$281,630 earnings in Year 3 demonstrates Saeid's capability to repay the \$20,000 business loan at the end of three-year term. Furthermore, the balance sheet projection proves the financial sustainability of the business, highlighting its capacity to develop independently after the loan is repaid. Please see **Appendix D** for details.

Cash Flow Statement:

For the first three months leading up to the official launch of the business, the main cash flows will derive from Saeid's own capital investment and the bank loan, covering the purchase of assets and premise renovation costs. According to the sales forecast, Kian Bread will break-even at the second month of its trading, and net cash flows will rise from \$6,634 to \$21,244 per month by the end of the first calendar year (7 months of trading). However, it will experience another negative cash flow at the end of the first year due to the purchase of inventories and insurance prepayments. Please see **Appendix E** for details.

THRIVE LOAN

Thrive Social Enterprise offers refugees without prior credit histories a low interest loan to afford them a history that will allow for future loans. It does this with the central mission to transform the narrative of refugee contribution to Australia.

The client already has a credit history, and as such, he believes he can access other lower interest products in the market. The Thrive/USYD consulting team has proceeded to explain Thrive's competitive interest rate structure to the client, however the team has decided to respect the client's own sources surrounding financial services in Australia. It has become clear from the Thrive/USYD consulting team's meetings with the client that he has considerable on-hand capital, however the high costs of his business have led him to seek out funds wherever the opportunity may exist.

The client has commented that the \$20,000 loan would be useful to make the business a reality. Beyond this comment, the client has been reluctant to provide any specifics. The Thrive/USYD consulting team believes this loan will go towards his operating expenses given funds have already been offloaded or set aside for the Bakery retail outlet, refurbishments, and the equipment.

APPENDIX

APPENDIX A: REFUGEE IMMIGRATION SINCE 2011

<i>Immigration (Refugee Status from DSS Reports)</i>	<i>Iranian</i>	<i>Afghani</i>	<i>Iraqi</i>
<i>2011-2012</i>	1623	2020	494
<i>2013-2014:</i>	740	2839	2464
<i>2015-2016:</i>	337	1714	4358
<i>Total 2011-2016</i>	2700	6573	7316
<i>Total Refugee Arrivals over 5 Years</i>			16589
<i>% of 2011 Census Figure Arriving as Refugees</i>			15%
<i>Total 2011-2016 to Sydney</i>	643	1564	1741
<i>Total Refugee Arrivals over 2 Years in Sydney</i>			3948
<i>% of 2011 Census Figure Arriving as Refugees and residing in Sydney</i>			4%

APPENDIX B: RISK MANAGEMENT PROCESS

The Risk Management Process has used Australian government sources of the Department of finance²⁴ and The National Organisational Development Network²⁵ as guidelines.

STEP 1: Establish the context

It is necessary to recognise the relationship between the business and the environment operations occur in so the business is aware of the risks that may occur.

This is categorised into two of:

- Internal context: these are risks that directly impact the business's objective and operations.
- External context: these risks involve the strategic environment involving objectives of market, legal, political, cultural, technological and economical aspects.

STEP 2: Identify the risks

This step involves highlighting potential events that can happen and the impact of it on the business. Risks can be from different areas of legal, ethical, physical or financial risks. The risks should also not only cover events that will occur in the initial stage of the operations but also events that can emerge in the future. This is seen in the first column of the table.

STEP 3: Analyse and evaluate the risk

²⁴ Department of Finance (2016), *An Overview of Risk Management Process* Australian Government, Retrieved from <https://www.finance.gov.au/sites/default/files/Risk-Management-Process.pdf>

²⁵ National Organisational Development Network (n.d.) *Risk Management Process*, Australian Government. Retrieved from https://www.ausport.gov.au/__data/assets/word_doc/0005/454928/Risk_Management_process.doc.

This step consists of determining the likelihood and the impact of the identified risks to in turn prioritise key risks. This can be seen in the table in the report in columns of likelihood and impact. Moreover, to further discuss the evaluation of the table, the scale of the likelihood and impact can be seen as:

- **Likelihood:**
 - **Highly unlikely:** Probability of risk occurring is extremely low.
 - **Unlikely:** Probability of risk occurring is low due to the strategies in place to address it.
 - **Likely:** Probability of risk occurring is possible where strategies must be implemented well or extra consideration must occur for this factor.
 - **Highly likely:** probability of risk occurring is almost certain, thus if any risks fall under this category it must be prioritised.
- **Impact**
 - **High:** These risks will have a significant effect on the operations of the business if not addressed - possibility of ceasing operations.
 - **Medium:** These risks will affect the operations but may not lead to ceasing in operations if it occurs.
 - **Low:** These risks affect operations but due to strategies that will be in place or probability of it occurring, it is not a great impact.

Risk priority table

Following identifying the risks and assigning a relevant likelihood and impact, prioritising it can be conducted in a visual form.

	Impact		
Likelihood	High	Medium	Low
Highly likely	Extreme	Extreme	Medium
Likely	Extreme	Major	Medium
unlikely	Major	Medium	Medium
Highly unlikely	Medium	Medium	Medium

Scale:

Extreme: Main priority, that will be of serious consequence of the business if not addressed.

Major: These risks are potentially serious to the business and should be addressed instantly.

Medium: These are the lowest priority risks however it must be addressed and also requires immediate attention.

STEP 4: Treat the risks

This involves developing plans in the business to address the risk to achieve desired outcomes for the business. Potential strategies are highlighted in the table and must be ensured whilst also considering the consequences the risks, the costs involved of implementing the strategies and benefits of treating the risk.

STEP 5: Monitor and review

This is a continuous process that will ensure the improvement of the process so it is effectively integrated in the business over time. This will include altering any risks as they occur as well as its impact or likelihood so it is relevant to the business as it emerges.

APPENDIX C: INCOME STATEMENT

		Income Statement (Forecast)		
		For the year ended 30 Jun		
		Year1	Year2	Year3
Revenue				
Retail Sales		112235.28	188011.20	215627.52
Wholesale Sales		299294.08	501363.20	575006.72
Sales Discount		7525.45	0.00	0.00
	Total Revenue	404003.91	689374.40	790634.24
Expenses				
Cost of Goods Sold		196411.74	337245.09	386781.86
Wastage and Allowance		9820.59	16862.25	19339.09
Depreciation Expense		5833.00	5833.00	5833.00
Rent Expense		30600.00	36500.00	36500.00
Wage Expense		41250.00	54750.00	54750.00
Interest Expenses		1900.00	1900.00	1900.00
Machine Maintance Expense		900.00	1200.00	1200.00
Insurance Expense		1500.00	1500.00	1500.00
Premise Renovation		45000.00	0.00	0.00
Advertising and Administration Expense		1300.00	1200.00	1200.00
	Total Expenses	334515.33	456990.34	509003.96
EBT		69488.58	232384.06	281630.28

APPENDIX D: BALANCE SHEET

	Year1	Year2	Year3
Assets			
Current Assets			
Cash	112,338.58	347,253.18	611,313.93
Accounts Receivables	0.00	0.00	0.00
Prepaid Insurance	1,500.00	1,500.00	1,500.00
Prepaid Bonds/Rent	9,000.00	9,000.00	9,000.00
Inventories	22,483.01	25,785.46	29,187.99
Total Current Assets	145,321.58	383,538.64	651,001.92
Non-Current Assets			
Machine	60,000.00	60,000.00	60,000.00
Exhaust	10,000.00	10,000.00	10,000.00
Other equipment			
Less Accumulate Depreciation	-5,833.00	-11,666.00	-17,499.00
Total Non-Current Ass	64,167.00	58,334.00	52,501.00
Total Assets	209,488.58	441,872.64	703,502.92
Liabilities			
Current Liabilities			
Accounts Payable			
Accured Expenses			
Interest Payable			
Total current Liabilities			
Non-current Liabilities			
Business Loan	20,000.00	20,000.00	0.00
Total Non-current Liab	20,000.00	20,000.00	0.00
Total Liabilities	20,000.00	20,000.00	0.00
Owner's Equitiy			
Owner's Equity			
Capital	120,000.00	120,000.00	120,000.00
Retained Earnings	69,488.58	301,872.64	583,502.92
Total Owner's Equity	189,488.58	421,872.64	703,502.92
Total liabilities and Owner's Equity	209,488.58	441,872.64	703,502.92

APPENDIX E: CASH FLOW STATEMENT

Month *	Month one	Month two	Month three	Month four	Month five	Month six	Month seven	Month eight	Month nine	Month ten	Month eleven	Month twelve	Total
Cash balance at the start of each month #													
Cash in (record when actually received)													
Operating revenue													
Cash receipts from customers	\$0.00	\$0.00	\$0.00	\$6,967.62	\$35,676.61	\$41,972.48	\$41,972.48	\$41,972.48	\$58,860.56	\$58,860.56	\$58,860.56	\$58,860.56	\$404,003.91
Other operating revenue received													
Total Operating Revenue	\$0.00	\$0.00	\$0.00	\$6,967.62	\$35,676.61	\$41,972.48	\$41,972.48	\$41,972.48	\$58,860.56	\$58,860.56	\$58,860.56	\$58,860.56	\$404,003.91
Other Sources of Cash Inflows													
Proceeds from sale of assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Funds borrowed	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00
Other sources of cash inflow	\$120,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$120,000.00
Total other cash inflows	\$140,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,000.00
Total monthly cash in	\$140,000.00	\$0.00	\$0.00	\$6,967.62	\$35,676.61	\$41,972.48	\$41,972.48	\$41,972.48	\$58,860.56	\$58,860.56	\$58,860.56	\$58,860.56	\$544,003.91
Cash out (record when actually paid)													
Total Cost of Goods	\$0.00	\$0.00	\$0.00	\$3,912.30	\$20,032.32	\$20,032.32	\$20,032.32	\$20,032.32	\$28,092.54	\$28,092.54	\$28,092.54	\$28,092.54	\$196,411.74
Total Wastage Costs	\$0.00	\$0.00	\$0.00	\$195.62	\$1,001.62	\$1,001.62	\$1,001.62	\$1,001.62	\$1,404.63	\$1,404.63	\$1,404.63	\$1,404.63	\$9,820.59
Purchase of Inventories													\$22,483.01
Total Advertising and Administration	\$0.00	\$0.00	\$200.00	\$300.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,300.00
Total Salaries Expense	\$0.00	\$0.00	\$0.00	\$4,650.00	\$4,650.00	\$4,500.00	\$4,650.00	\$4,500.00	\$4,650.00	\$4,500.00	\$4,650.00	\$4,500.00	\$41,250.00
Total Rent Expense	\$0.00	\$0.00	\$3,000.00	\$3,100.00	\$3,000.00	\$3,100.00	\$3,100.00	\$3,000.00	\$3,100.00	\$3,000.00	\$3,100.00	\$3,100.00	\$30,600.00
Total Machine Maintenance Expense	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$900.00
Prepaid Insurance	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00
Total Interest Expenses	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$1,900.00
Other Cash Outflows													
Bonds	\$8,000.00												\$9,000.00
Purchase of assets	\$70,000.00												\$70,000.00
Preise Renovation	\$15,000.00	\$15,000.00	\$15,000.00										\$45,000.00
One-off bank fees													
Investment of surplus funds.													
Other cash outflows													
Total Other Cash outflows	\$85,000.00	\$15,000.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124,000.00
Total monthly cash out	\$95,658.00	\$15,158.00	\$18,358.00	\$12,415.92	\$29,041.94	\$28,991.94	\$28,141.94	\$28,891.94	\$37,695.17	\$37,355.17	\$37,695.17	\$61,442.17	\$431,665.33
Net difference †	\$44,342.00	-\$15,158.00	-\$18,358.00	-\$5,448.30	\$6,634.67	\$12,980.54	\$12,830.54	\$13,080.54	\$21,255.39	\$21,505.39	\$21,255.39	-\$2,581.61	\$112,338.58
(subtracts the Cash out from Cash in)													
Cash balance at the end of each month ‡	\$44,342.00	\$29,184.00	\$10,826.00	\$5,377.71	\$12,012.38	\$24,992.92	\$37,823.47	\$50,904.01	\$72,159.40	\$93,664.80	\$114,920.19	\$112,338.58	\$112,338.58

APPENDIX F: SWOT ANALYSIS

<p>STRENGTHS</p> <ul style="list-style-type: none"> • High capacity of the machine • Differentiated product (Persian bread is not a saturated product within the middle Eastern bread market) • Simplicity in production of product, which shows healthy image • Past experience in running a business back in home country. • Low COGS with high profit margin allows price flexibility 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Geographical location, close proximity to Church St and North Parramatta supermarket - tapping into Northern areas where there is a high demand for Middle Eastern bread but a bakery is not yet available in such locations • Expansion of the product line within shop in the future (coffee, sweets, nuts) • Attract to people want healthy bread alternative • Potential to distribute to a wide range of supermarkets and restaurants
<p>WEAKNESSES</p> <ul style="list-style-type: none"> • High start up and operating costs • Lack of thorough marketing plan and strategies • Limited product line • Lack of customer base and reputation as a start-up • Heavily focused on existing competitors' supplies/ingredients and suppliers • Quality and low price positioning is contradictory 	<p>THREATS</p> <ul style="list-style-type: none"> • Large number of existing competitors • Wide range of product substitutes • Fluctuation of ingredients price • Greater price sensitivity • Technology may become out of date

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