***ROOSBOOM BAKERY***

VISION FOR ROOSBOOM BAKERY

PROVIDING TRAINING AND JOB OPPORTUNITIES FOR THE UNDERPRIVILEGED YOUTH IN RURAL AREAS

1. SECTION ONE: INTRODUCTION

The purpose of this assignment is to prepare a business plan, which will be used as the incentive for the **funding** of a local community development project from the Emnambithi Local Economic Regeneration Fund. This business plan describes the key elements of the project in the following sections:

## **2. SECTION TWO: STATE OF THE ECONOMY**

In this section the nature and the state of the local economy of Emnambithi are presented. This section also identifies the community development project that has the potential to revive the local economy of a semi-rural area, known as ***Peacetown*.**

Emnambithi is a local municipality in the area of the uThukela District that includes the towns of Ladysmith, Steadville, Ezakheni, Colenso and Van Reenen and the rural areas of Matiwaneskop, Driefontein and Peacetown. Emnambithi has been affected by economic decline where unemployment and decreasing investment and income are synonymous with the rest of the uThukela region.

**3. SECTION THREE: DEVELOPMENT PROJECT**

# In this section the “aggregate project” (Harvard Business Review May 1994) approach was selected for assistance to:

* restore the economy;.
* give buying power to the local community of Emnambithi through the creation of local jobs using local resources and promoting local ownership and local reinvestment; and
* promote commercial activityin the form of a small micro business enterprise.

**DEVELOPMENT PROJECT: PEACETOWN** **BAKERY**

**3.1 DESCRIPTION**

The bakery project will be located in the semi-rural community of ***Peacetown***. This Bakery is seen as a project that will be supported by the community because the nearest access to a bakery outlet means travelling to the Central Business District (CBD) of Ladysmith approximately ten kilometres away.

**3.2 MARKET ASSESSMENT**

The bakery will produce the primary product of bread that is consumed by local households on a daily basis. The spaza shops in ***Peacetown*** are currently selling white and brown bread to the community at R5.00 and R4.80 respectively. The high price of the bread is because the bread is bought and transported from outside of the area. Peacetown Bakery will have the advantage of producing the bread and selling it locally at cheaper prices because the Bakery will operate in a market where there are no major competitors.

**3.3 OPERATIONAL PLANS**

The establishment of the bakery will take place in two phases:

3.3.1 PHASE 1: Preparing the physical infrastructure

The project is to be located in Mbulwane in Peacetown. A three-roomed structure with an area of 15 m x 10 m will be sufficient area with one room for production and the other two smaller rooms for the purposes of storage and selling to customers. This structure already exists and is unoccupied at the present moment.

3.3.2 PHASE 2: Equipping, staffing and start-up

The community project members will need training in producing baked bread on a large scale. Baketek (specialists in manufacturing and reconditioning of bakery equipment, operating from Berea Road, Durban) have agreed to supply all the machinery and equipment required and will also provide the training required for a period of one week. The equipment needed for the bakery is listed in the Table below:

TABLE: EQUIPMENT AND PRODUCTION INPUT FOR THE PRODUCTION OF BREAD

|  |  |  |
| --- | --- | --- |
| PRODUCT | EQUIPMENT | PRODUCTION INPUT |
| Bread | 1 x dough mixer 3 x stainless steel tables  2 x scales (electric and manual)  3 x bread pan sets  1 x oven  1 x dumping table  1 x cooling rack  1 x double bread slicer  Bread crates | White bread flour Brown bread flour  Yeast  Premix  Water |

4. **CONCLUSION**

Peacetown has two high schools, two primary schools (approximately 500 pupils per school), and many spaza shops, which the bakery aims to supply with the daily requirement of bread. The bakery’s target-market will be both the school and household population. The Peacetown Bakery also aims to supply to functions of local community organisations and church groups in Peacetown as a means of expanding its market. The marketing strategy will be by word of mouth as well as through brochures and posters. It is expected that the business will be viable and that in the long-term, revenues will be high. Based on the fact that there is no competitor and the demand high, the bakery has a positive growth potential.

I trust that this **funding proposal** meets with your favourable approval and look forward to your support.

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| --- | --- |
| ANSWER SHEET FOR ACTIVITY | |
| a |  |
| b |  |
| c |  |