

Case Study: Amy's Cupcakes

Amy's Cupcakes is a local bakery, on the edge of Preston. Amy started the business about a year ago working out of her own kitchen. She has been an avid baker ever since she was a child, baking for family, and local events. Friends and family were constantly telling her how amazing her cupcakes were and that she should start a business. Tentatively she decided to give it a go, thinking she would probably never have enough customers to make it work. However, the business took off very quickly, and within three months she realised that her kitchen was too small, and she would need some proper premises. When a small bakery shop came up for rent a couple of miles from her home, she took the plunge Amy now currently employs 6 members of staff who work part-time shifts, and their responsibilities include: baking the cupcakes, selling in the shop, trips to the wholesalers to collect ingredients, and cleaning duties.

Currently, the bakery sells around 500 cupcakes every day. Each morning the bakery staff make several batches of cupcakes in different flavours and with different icings and decorations. These go onto the counter and are almost always all sold by the end of the day.

As well as the shop sales the bakery takes orders for Birthdays, Weddings, etc. Orders usually come in via telephone, or sometimes over the counter, and are written down in a sales order book. There is a set order/price list that the customer can choose from. This list is on display in the shop and can be emailed to the customer on request. If the customer has a special request for something that isn't on the list, e.g. a vegan or gluten free version, this is noted down on the order sheet.

The order side of the business is proving very popular however, Amy struggles to keep track of how many orders she has pending for a particular day, and making sure there are enough ingredients on hand for both the orders and day to day baking for the shop.

At the moment, the bakery does not keep a record of ingredients in stock. To see how much they have of any particular item they just go and look in the pantry. Consequently, they often run short of ingredients for an order and Amy has to make a quick trip to the wholesalers. There have been a few occasions where they have not met an order on time.

As well as the sales of the cupcakes the shop also stocks a variety of baking merchandise such as cake boxes, cupcake cases, cake decorations, flavourings, and colourings, etc. They get quite a few customers ordering over the telephone and asking for their order to be delivered, however Amy doesn't feel that she can deal with this side of things at the moment, on top of everything else, and so currently customers have to come and collect their order from the shop.

Amy has also recently started running a Cupcake Baking Workshop once every month. The workshops are based around themes, such as Christmas, Halloween, Vegan Baking, etc. and are advertised via posters/leaflets which are given out to other local shops and businesses. They currently cost £15 per class and the customers get to take home their bakes and receive a certificate at the end of the session. So far these have been fully booked and there is now a waiting list for classes.

As the shop is proving to be very successful Amy now has plans to open another shop nearer to the town centre within the year. She has a very limited budget but realises that if she is going to improve the viability of the business, she must invest in a new information system to help her keep track of things better.