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Sweets and Pastry Store

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Table of contents

Summary	2
1- Description of the project	3
1-1 Description of the product	
2- Market analysis	3
2-1 Competition	
2-2 Pricing	4
2-3 Target market	
2-4 Market opportunities and risks	
3- Description of the service delivery	5
3-1 Working hours	
3-2 Assistance	
3-3 Seasonality	
3-4 Location	6
3-5 Premises and equipment	
3-6 Sourcing and supplies	
4- Marketing strategy	7
5- Financial plan	7
5-1 Initial capital and loan requirements	
5-2 Income statement : average Scenario	8
5-3 Projected balance sheet	10
5-4 Projected cash flows	11
5-5 Break-even analysis	
5-6 Sensitivity analysis	
6- Key success factors and recommendations	12
7- Conclusion	12

The points of view expressed in this study reflect the author opinion.

Summary

This study assesses the establishment of sweets, pastry, ice cream shop in a Lebanese rural area. The owner can start hi or her business in a 35 m² shop, including a display room and a kitchen. The shop will be run by an experienced sweets-pastry cook who will need at least two more persons, a sales persons, and an assistant cook to help him with his business.

Competition in the field is highly price-related. However, location and quality contribute significantly in developing a clientele base. However, this study considers that the potential sweets, pastry shop will focus on medium to low income earning households.

A specificity of this business relates to its favorable cash flow movements, since the operations imply insignificant accounts receivable, while raw materials are usually bought on credit.

This study projects that, given the location and the business conditions, the sweets, pastry shop's net income will almost be equal to :

- 580 \$US in the average scenario in the first year, such that it ranges between 470 \$US, worst case scenario, and 740 \$US, best case scenario.
- 970 \$US in the average scenario in the fifth year, such that it ranges between 700 \$US, worst case scenario, and 1 400 \$US, best case scenario.

As by the standards of the sweets/pastry industry in Lebanon, the sweets/pastry shop, whose first year turnover figure is estimated to be around 18 500 \$US, will operate such that :

	Net Profits	Fixed Costs	Variable Costs
As a % of total yearly turnover	40 %	30 %	30 %

The sweets, pastry shop provides several expansion and development possibilities, catering services, coffee shop, etc... which further amplifies the potential of the business.

Note : Data and information was provided by Mr. Bachir Baba, from Helwayat El Baba El Moumtazah, by Mr. Hani Nahouli, owner of La Granita, and Mr. Ahmad Tabbara, owner of Zeina sweets.