# Start Your Own Cake Decorating Business at Home



By Andy McGeorge

# Contents

- Warranty, Disclaimer and Copyright Policy
- Get More Free eBooks and Other Cool Stuff
- Introduction
- Start Your Own Cake Decorating Business at Home
- Keep Your Home Based Cake Decorating Business Legal
- Make Your Cake Decorating Business More Efficient And Profitable
- Starting a Cake Decorating Business Advertising and Promotion
- Starting a Cake Decorating Business The Birthday Cake Niche
- Pricing Your Cake Decorating Business, Production Costs
- Pricing Your Cake Decorating Business, How Much to Charge
- A Home Based Cake Decorating Business Customer Service Part 1
- A Home Based Cake Decorating Business Customer Service Part 2
- A Home Based Cake Decorating Business Customer Service Part 3
- A Home Based Cake Decorating Business Customer Service Part 4
- Start a Cake Business Today

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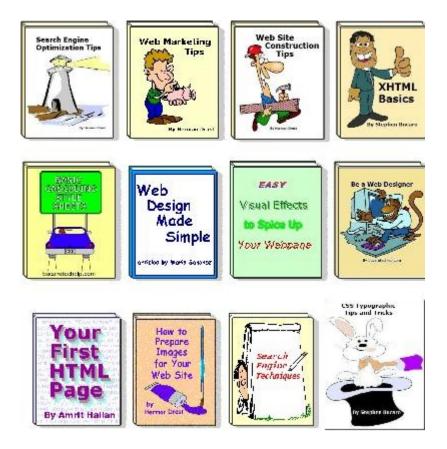
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**Contents** 

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## Contents

## Introduction

If you enjoy making and decorating cakes, why not consider starting a cake decorating business from home? You can start by making and decorating cakes for family and friends' birthdays and other special occasions, and when you have polished your skills and built up a reputation, you can move into the fascinating and lucrative world of wedding cake design. The creative possibilities are limited only by your imagination, and the potential is there for your cake decorating business to be anything from a part time self-funding hobby, to a very profitable full time business that can make you a very good living.

The key to success is two-fold: firstly you need to develop your cake making and decorating skills to a high standard, and secondly, you must treat it as a business. This lens will discuss some of the things you need to do in order to achieve this, and has links to an excellent and very comprehensive programme - Cake Decorating Business Secrets - that will take you through the process in detail; everything from cake recipes to dealing with the tax department (you can guarantee they'll want their slice of the cake!)

Visit <u>Andy's site</u> for more ideas and information about cake decorating as an art and a business, where you can also see some absolutely gorgeous photos and videos of all sorts of novelty and wedding cakes which are nothing short of inspirational. In the interests of honesty, you will also see some pictures of his own rather feeble attempts at cake decorating, which may explain why he is so fascinated with other people's creations. Andy also blogs on this subject at <u>Starting a Cake Decorating Business</u>

#### **Contents**

# Start Your Own Cake Decorating Business at Home

Start Your Own Cake Decorating Business at Home

By Andy McGeorge



You've probably made a cake at some time in your life, and chances are you have iced or frosted a cake as well. Then why not start your own cake decorating business at home? Think about it. Everybody has a birthday once a year, a large number of people get married, and there are thousands of retirements, graduations, and baby showers in your area each year, along with a number of other special occasions that are celebrated with the cutting of a cake as a centerpiece of the formalities. Someone is paid for making and decorating those cakes (millions every year!), so why not you?

It is vital to run this most artistic of enterprises as a business - you may be doing it because you love the art of cake decorating (and who could blame you - some of the cakes I have seen are simply breathtaking in their beauty of design and skill of execution), but it is an expensive and time consuming hobby and really needs to turn a profit to enable continued enjoyment. Besides - if you want to make and decorate cakes for fun - who is going to eat them? Plenty of people make a good living by running their own home based cake decorating business, but they have to take it seriously and work hard at both their cake decorating skills and their business management skills to do so. Following are a few things to consider when starting your own cake decorating business:

#### Choose a niche area to start with

The cake design industry is enormously varied: novelty cakes for childrens' birthdays, gorgeous creations of three tiered baroque extravagances for weddings, or the refined glamor of some of the modern minimalist designs - whatever niche you choose to start with, research it thoroughly, check out the competition, decide exactly what your product is, and then take the time to practice and perfect it until you are ready to start offering your cakes to the market. What you must not do to start with is to try and cover all genres - each has different styles, materials, market, and expectations, so choose one and work it until you have a thorough understanding of it and a well established customer base. Once you have mastered one genre, you can start on another. You will find that many of the skills you have mastered in one genre are easily transferable to another, and the new skills you pick up are interchangeable with other niches.

# Master your skills and techniques

Before you can offer your cake decorating service to the public, you need to be sure that your skills and your product are of a sufficiently high standard. Take classes or online courses if you need to, or just refine your methods at home. Then practice, practice, practice - you will eventually achieve perfection. Try out your creations at family occasions - you will soon know if people are going to like your cake decorating enough to pay for it. If your baking and decorating skills are up to standard (and if they're not, this can be easily achieved by means of online courses, instructional videos, or evening classes held in your area) then you are ready to enter the fascinating, creative, and profitable world of running your own cake decorating business from home.

## Don't forget to promote your business

Word of mouth is the best, but not the only, way to promote your cake decorating business. Most special occasion cakes will be seen by a lot of people at once, and if they like what they see, they will want to know who made it. You should view all guests at these occasions as potential clients, and the cake itself as your 'shop window'. It is also important to use other avenues for promotion - paid advertising has its place if researched thoroughly and used wisely - but a lot of your best advertising will come from word of mouth generated by the quality of your product and the reliability of your service.

There is a lot more to starting a cake decorating business than just the making and decorating of cakes. You need to plan and promote your business, you need to do market research, and you will need to deal with tax, health, and maybe commerce departments. You will also need a basic understanding of business accounting before you start so you can keep track of expenditure from the very beginning (and of course the profits which will naturally follow!) It is important to develop your competency in all these areas at the same time that you are perfecting your cake decorating skills, and then you will be ready to launch your enterprise in a professional and profitable manner. Here are a few things to consider (in conjunction with the tips presented in part 1 of this series):

## Presentation

How well you present yourself and your cake will determine whether you are seen as a professional, skilled operator, or just an amateur who doesn't really know what you are doing. This applies just as much to your general business practises as it does to the cake itself. Have your samples, photos, and price lists laid out cleanly and clearly, ready to show clients. Give them a copy of all other relevant information laid out in a simple, clear, and professional manner. Make sure you are dressed in a tidy and professional style when dealing with clients, and pay particular attention to personal hygiene and grooming - this is important in any food related business for obvious reasons. Always be punctual - whether for the initial consultation or for the delivery and installation of a cake - nothing is more bad mannered than lateness, and it creates additional stress for people who are already operating at a high level of tension, like a bride on her wedding day. Taking care over details like these will instil confidence in your clients that they are dealing with someone competent who takes pride in the service they are providing.

#### Know your limitations and work within them.

There is no point in offering to create an extravagant three tiered wedding cake with sugar sculpture flowers and figurines if your experience is thus far limited to three Elmo birthday cakes, and a chocolate mud cake for your sister's graduation dinner dessert. Different types of cakes require different levels of skill and experience, and until you have mastered them, you are best advised to stick with what you know, while always seeking to expand your skills and repertoire. Eventually you will be able to offer a full range of designs for all types of occasions, but this is an ongoing process.

It is also important not to over commit. You know what you are capable of, so don't contract to deliver ten cakes on the same day if you know you can only manage two. If you cannot fit a request in, recommend the person to another supplier - they will appreciate this and remember you next time they need a cake. This is far preferable than promising something you cannot deliver, or turning up with an inferior product because you have had to do a rush job. Anyway, if you are so busy that you have to turn away business, you must be doing something right, and it will add to your reputation if people know they have to book you well in advance.

## Use technology

There are all sorts of mechanical devices you can use to make the creation and decoration of a cake easier - food processors, electric knives, electric beaters - but don't overlook the fact that there are also a lot of technological advances you can use in the management and promotion of your cake decorating business. Websites, photo sharing sites, e-mail, digital photography, and digital video cameras can all be used to your advantage in this very visual of enterprises, and don't forget the accounting and bookkeeping programmes that are available. And communication - the technology now available for maintaining contact with friends, family, and business contacts is ideal for running a cake decorating business from home, and can only increase your networking and promotional capabilities. Take advantage of it.

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#### Contents

## Keep Your Home Based Cake Decorating Business Legal

By Andy McGeorge



All businesses are subject to certain legal requirements, whether they are a small enterprise like your home cake decorating business, or a large multinational corporation that operates in a lot of different countries. Different regulations apply to different businesses, so let's take a brief look at some of the things you need to be aware of and plan for.

## The Taxman

Whatever type or size of business you run, you will need to deal with the tax department sooner or later. I strongly recommend sooner - it is far better to find out in advance what you need to do regarding tax, instead of having to play catch up, because you can be certain that at some point the taxman will catch up with you. If you are generating income of any kind, it is subject to tax, and although the regulations and requirements are different in every jurisdiction in the world, the basic principle is the same - the government wants their cut, and they will have it.

There is no avoiding this - you may get away with it if you are only doing cakes for the occasional family function - but if you are serious about running this as a legitimate business, it is vital to gather all the relevant

information before you start, and adhere to their requirements. It is in your interest in the long term - if you are paying tax on a home based enterprise you will find that many things are tax deductible, like rent or mortgage payments, electricity and telephone costs, and many other things that you may not think of as directly connected to the business.

Believe it or not, most tax departments have people who are only too willing to advise and help you with setting up a business. In my own experience the guy I talked to even told me about a lot of things I was not aware I could claim as deductions. But be warned - most tax agencies have a range of penalties that they will apply ruthlessly if you try to avoid or con them. It is not worth it in the long run - check the bankruptcy notices in your local paper and you will find that a large percentage of these are instigated by the tax department. Who would want that? If you keep accurate and up to date books, even a random, surprise audit should not create any problems or delays in the running of your business.

#### **Health Regulations**

Cake decorating is part of the food industry, and as such is subject to health department regulations. It is imperative that you find out exactly what you can and cannot do in your home kitchen - the rules vary widely between local, county, state, and national jurisdictions, and these rules are enforced as strictly as tax laws, if not more so, because they pertain to public safety. Broadly speaking, food that is prepared for sale must be prepared in a registered and inspected kitchen, but in the case of cake decoration, you will find that there is quite a lot that falls out the strict definitions.

Some authorities allow certain types of icing to be prepared in a home kitchen, but not some of the more perishable ones, like buttercream for instance. Some will only allow decorating, but not baking, in which case you will need to source your cakes from an established bakery, or rent space in a commercial kitchen if you wish to make them yourself. Like tax regulations, it may seem daunting at first, and a little restrictive, but if you do your research and take advantage of the help provided by these departments before you get started, you will find that a lot of it is just common sense, and with a little experience it will become second nature. The important thing is to work with the system - not against it.

I hope you have found these suggestions helpful, and are not put off by the thought of all the red tape. Modern governmental agencies are usually fairly efficient and helpful nowadays - remember that your success is in their interest too - and keeping on top of this stuff from the beginning will then leave you free to do what you really love - making and decorating cakes that will wow everyone, even the taxman.

Andy is a freelance writer with special interests in film, music, art, literature, parenting, and of course Cakes! For more information on starting a cake decorating business, check out his blog <u>Starting a Cake Decorating</u> <u>Business</u> and his <u>Web site</u>

**Contents** 

## Make Your Cake Decorating Business More Efficient And Profitable



By Andy McGeorge

Like any creative or artistic enterprise, cake decorating is very labour intensive, and it can be difficult to receive remuneration that properly reflects the time put in. There are, however, a number of things you can do to streamline the process and maximise your productivity. Remember that greater efficiency leads to greater profitability. Here are a few tips to help you decorate more cakes in less time.

**Make bulk lots of frequently used decorations** There are a lot of decorative items that you will use repeatedly on cakes. Flowers, hearts, teddy bears - whatever is appropriate for your niche - can be made in advance so they are ready to use whenever you need them, and it is always useful to have a supply on hand for emergency repair jobs, or an urgent request. Be careful though - some things will keep well for months, while others should not even be made the night before, so you will need to research which items and ingredients are suitable for bulk production and which ones are likely to create problems with food safety and product quality.

**Exploit your niche** When working a particular niche - children's birthday parties, for instance - you will find a lot of recurring themes. Exploit this by keeping all templates, patterns, and designs for re-use on other cakes. There is nothing wrong with repeating yourself - really, it is essential in this business - you can always individualise a standard design. The important thing is - if the kid wants a Spongebob Squarepants cake, then that is what he shall have, and since he won't be the only one, you will find yourself with plenty of opportunity to maximise your skill and efficiency through repeated use of a base design and structure. (Thomas the Tank Engine, and Elmo are also very popular cakes at the moment). If you keep a record of every cake with full details of its creation, and take step by step progress photos, you will find the planning and design phase of subsequent projects a lot quicker

(and therefore more profitable!).

**Communicate with your clients** Obtain written details from clients as to their requirements (this should be part of the contract) and make sure that you have times, dates, and delivery addresses clearly spelled out. Delivering to the wrong function at the wrong time, or (heaven forbid!) on the wrong day, is not only a waste of your time, but also a sure way of making you and your cake decorating business look unprofessional and incompetent. Keep them posted as to your progress - this way they will be confident that you are doing the job in a professional and timely manner, and it will avoid them constantly interrupting you. E-mail is a good way of doing this - you can do it at any time that is convenient for you and avoids interrupting the client. You could attach progress photos to your e-mail if you think it appropriate - this is not essential but may help to placate the more nervous or less trusting client.

**Experiment with cake storage** It is a good idea to test freeze cakes - most of them freeze well, but some don't - and it is very handy to be able to take a cake from the freezer for a rush job (just make sure you allow enough time for it to thaw!). Many of the rich fruit cakes used at weddings can be stored without freezing for months if packaged properly, and in fact for certain types this will improve their quality. Of course good cakes can be bought fairly readily if you are in a hurry, or don't want to make them at all, although price will be an issue here, but it is a good idea to get to know local bakeries and groceries to find out exactly what will be available at any given time. And there's nothing wrong with using a packet of cake mix if you are in a hurry! Some really good books of children's birthday cake designs even specify the use of a certain brand or type of cake mix, so check out a variety of them and find the ones you like, then keep a few on hand for whipping up a quick cake.

**Be prepared for emergencies!** Always have a "plan B" for when things go wrong. Part of this is maintaining your supplies of materials and equipment, but you also need to be able to respond quickly and effectively to any problems that arise. Have everything readily accessible so you don't have to search for, or clean equipment before you can use it. As you gain more experience you will learn effective ways to make emergency repairs, and you can then decide whether or not you will make yourself available to clients in the event of disaster - drunken Uncle Albert stubs his cigarette out on the middle tier of the wedding cake half an hour before the cutting ceremony - that sort of thing.

Cake decorating, like any creative endeavour, is labour intensive, which means it can be difficult to maintain the level of profit needed to make your business viable, but with a bit of forethought and planning, there are a variety of ways in which the process can be made more efficient and productive, and therefore more profitable.

**Team up with someone who has the skills that you don't** If you are a great cake decorator and make really good sugar sculptures, but aren't very good at lettering, or you are a great decorating all rounder, but not much of a baker, then why not consider teaming up with someone who has the skills you lack? This means the cake will be of good quality, and you can focus on what you're best at while not wasting your time on producing an inferior product. You may wish to contract another person to do this, or you may wish to go into partnership with someone - either way make sure the

contractual and legal issues are clearly laid out in writing before you start. Business partnerships are great destroyers of friendships if they go wrong, so be clear about everything.

**Consider buying cakes, or some decorative elements** If you are better at decorating cakes than baking them, it may be worth your while to buy them from a good bakery. This can save you a lot of time, and leaves you free to do what you are really good at, as well as guaranteeing the quality of your cake. Check out a few bakeries until you find one that makes the range and quality of cakes that you need, and make sure that they can reliably supply the quantities you need. If you get to know them you may be able to negotiate a good price for ongoing business, and don't forget that they may be a good source of referrals for you as well.

The same applies to certain decorative elements - perhaps sugar sculptures - that you find are just too time consuming. Some people specialise in these and it may be best to purchase from them so your profits are not eroded by spending more time than is necessary on a project.

**Stick to a plan** This really goes without saying for any business, but planning your day, your week, and your year is vital in achieving the immediate and long term goals you have set for yourself and your cake decorating business. Keep a detailed diary (wall planners are ideal) of upcoming engagements so you can be well prepared and know what you have to achieve each day. Having a well organised plan also helps to avoid the last minute rush where mistakes are more likely to happen, and leaves you in a better position with more time to cope when something does go wrong.

**Maintain Supplies** If you keep a well managed inventory of all the supplies and equipment you need for your cake decorating business, then you will save a lot of time by not having to run out to various shops or suppliers all the time. Over time you will get to know how much of each item you should keep on hand at any given time, and this will ensure not only more efficient use of your time, but also of your money.

**Keep up with the paperwork** Do the books regularly - weekly is good. This will give you a much clearer picture of where you are at with your business and what you need to keep an eye on or improve. It also means you won't lose valuable production time or even customers by having to shut everything down so you can do a rushed, panic job on a whole year's worth of tax returns or bill payments. As you clean your kitchen regularly and thoroughly, so too should you keep clean and tidy books.

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#### <u>Contents</u>

## Starting a Cake Decorating Business - Advertising and Promotion



By Andy McGeorge

Now that you have perfected your cake decorating skills and are ready to offer your creations for sale, you will need to let the market know that you are available and what you are capable of. It is now time to think about various ways in which you can promote your business. Here are some suggestions.

**Word of mouth** - Without doubt, this is the best means of promotion for your cake decorating business. Always make sure people know who made the cake at the function they are attending, and make sure they have the means of contacting you easily. This is like highly targeted, and very effective advertising, and best of all - it's free, apart from the relatively inexpensive cost of getting business cards made. You get paid to make and decorate a cake for a special occasion, and the guests at the function provide you with a captive market for promoting your business for free.

**Make a calendar** - A wall chart is good for this, or if you are comfortable with computers you could use the variety of calendar, diary, and reminder programmes that are available. Note dates of all special occasions, local civic anniversaries, graduation days, or any other widely celebrated occasions and work out a plan to supply these markets. Keep a database of individual people's birthdays and anniversaries and contact them each year to congratulate them and enquire after any cake requirements they may have.

**Participate in bridal expos, local business forums, and trade shows** -Work out which ones are appropriate for you and establish a presence with well displayed examples of your best cakes (and bite size pieces of cake for people to sample), plenty of promotional material - business cards, brochures etc, and maybe even a demonstration of your craft. The end result of cake decorating is a beautiful, artistic creation, and people are always interested to watch the creative process in action. Give them an opportunity to admire your talent and to get an understanding of how much time, effort, and skill goes into the design and decoration of a cake.

**Photograph your cakes** - The advent of digital photography means that keeping a pictorial record of your creations is now not only really easy, but also very low cost. (and the cost of a digital camera is tax deductible if it is for your business). As well as enabling you to maintain a diary record of all the cakes you make and the methods you used on each of them, digital photographs are especially good to use in your promotional efforts and even just your basic business communications. Most e-mail programmes allow the use of a digital photograph as part of your signature - use a picture of your best cake. You can also attach photographic samples of your work in any communication with prospective clients.

And remember - you won't be the only one photographing the cake, it's the most photographed part of the ceremony. We've all got photos of cake cutting and candle blowing out in the family album, and every day hundreds of people ask "who made the cake?", no matter how long ago the photo was taken. This works like a visual version of word of mouth. If your cake is good, people will see it, remember it, and talk about it, your reputation will grow and spread, and your business will become better known and more profitable.

There is no point in spending time and money in developing your cake decorating skills to a professional standard if nobody knows about it. You are creating spectacular or charming cakes that will be very popular, but not if you are the only person who knows about it. In part 2 of this series, we look at some more ideas for promoting your cake decorating business and building your reputation.

**Deliver a top quality product every time** This is perhaps a bit obvious it applies to all businesses, not just a cake decorating business - but there are few businesses where first impressions are more important than a cake decorating business. The chief appeal of a well decorated cake is visual, and it is how the cake looked that will be remembered for the longest time, especially now due to the enormous proliferation of digital photography and the easy ability of anyone to transmit photographs instantly to anywhere in the world. In a visual medium like this, the cake is by far its own best advertising.

**Use all your networks** Everyone you know knows a lot of other people that have various celebrations coming up. Weddings, birthdays, anniversaries - the list is endless. Make it known in all circles in which you move that you are a professional cake decorator and available for business. Keep a supply of business cards with you at all times, give handfuls of them to people you know that have a lot of contacts, and never miss an opportunity to mention in conversation what you do for a living (people usually ask anyway). You'll be surprised how often someone will say "Oh, that's handy. My mother/sister/husband/friend/colleague etc is having a birthday/anniversary/graduation. Would you be interested in making a cake for that?" Of course you will immediately say yes and give them your card, but you must also get their contact details. People often forget what they

said at parties, or don't bother following up on things, but if you have their details you can call them yourself and secure the business.

**Get a website** This is great for promotion of your cake decorating business, excellent for showing your portfolio of photographs, really easy to do, and can be done completely free on sites like Squidoo and many others.

**Look for co-promotional opportunities within your niche** Most niche markets - weddings are a good example - are supplied by a variety of businesses that focus on one aspect of the occasion. Wedding dress makers, for example, or wedding planners. And don't forget - every wedding has a photographer, and these can be a good source not only of high quality photographs of your cakes for your portfolio, but also of informal co-promotional arrangements. You recommend him to your clients, he recommends you to his - you are both in different niches of the same industry, so you are not competing against each other - and in fact recommending other quality professionals to a client can only add value to the service you are providing.

You've baked the cake - it's delicious. You have practised and developed your decorating skills to the point where even you are impressed by your spectacular creation. Now all you need is to let everyone else know what you are capable of, and that you are available for their weddings, birthdays, anniversaries and any other occasion that needs a professional quality cake as a centrepiece. Here are some more promotional ideas for your cake decorating business.

**Get to know local cafe and restaurant managers** Many of these do catering for special occasions and celebrations - either as in-house functions, or as outside catering arrangements - and are always on the lookout for people to create cakes for them. Show them some good photos, or even samples of your work, and ask them to keep in touch with you regarding opportunities they may have. Become their "go to person" for cakes.

**Enter competitions** Showing your cakes in local agricultural shows or baking competitions is a very good way of getting your name and abilities known, and also gives you a chance to compare your skills and product with others in the field. If you win prizes, this gives added impact when mentioned in your advertising material, and can even get a mention in the local paper. Don't underestimate this avenue of promotion - there is a lot of opportunity here.

**Do a few "freebies"** It doesn't hurt to make and decorate the odd cake for free - perhaps family functions, or maybe the anniversary of a society or club you are a member of - this is another good promotional opportunity, especially if you are just starting out. Make sure everyone knows who made the cake - you are likely to be attending these functions as a guest, so don't be shy of doing a bit of self promotion. If the MC or person cutting the cake thanks you publicly, make sure you are seen so everyone knows who you are. This will lead to conversation and give you further opportunity to promote yourself and hand out your card. Remember that everyone attending these functions has their own networks independently of this, so word of mouth can spread exponentially. (And don't forget that the cost of freebies are a legitimate tax deduction as a promotional expense!)

**Use a follow up letter to secure repeat business** A few weeks after you have decorated a cake for a client, send them a follow up letter thanking them for their custom and enquiring as to their satisfaction with your service. A brief questionnaire may be useful here. Include a business card and a brochure, and invite them to contact you with any future requirements they may have. Repeat business is the lifeblood of any commercial enterprise, and the cake decorating business is in a unique position to take full advantage of this. Everyone has a birthday each year, every company has people retiring at some stage, and even though weddings are a one off, they generate an anniversary each year that many people like to celebrate formally. The opportunities are endless.

**Monitor engagement announcements in your local newspaper** If you are working in the wedding niche, this is a great source of clients for your cake decorating business. Most people announce their engagement a considerable time before the wedding, so they may not have started their planning yet. Now is the time to strike - find contact details by using the telephone directory and get your name and your business details to them.

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**Contents** 



# Starting a Cake Decorating Business - The Birthday Cake Niche

By Andy McGeorge

In a previous article we looked at the importance of focusing on a niche and working it thoroughly to maximise its potential. Let's now have a closer look at a specific niche - Childrens' Birthday Cakes - and examine the opportunities it presents you with.

**Market Research** Let's do the numbers - say your child is in an average sized class of 30 children at their primary/elementary school. Most of those children will have at least one brother or sister, giving you access to a potential market of a minimum of 60 children, and based on the fact that every child has a birthday once a year, that's an average of more than one

birthday a week! Of course not every child has a birthday cake, and of those who do, a lot will be made by their mother or another family member, but plenty of people do buy cakes and they do want something a little different from the fairly standard shop bought ones that are available.

Remember that this is just one class of children - if you have two children, the numbers are doubled. Then there's your own friends and family, sports teams etc, and you can see that the availability of potential clients is huge, just from your own immediate circle. Word of mouth will spread your reputation much wider than this relatively narrow network, so you can easily see yourself getting quickly to the point where you will have to turn down work.

**Talk to people** Now that you have identified a potentially huge market, you need to do some simple research and find out exactly what the prospects are in your area. The best way to do this is to talk to people. When you are picking up your kids, or delivering them to birthday parties, ask other parents what they do for birthday cakes. And, most importantly, compile this information in a notebook so you can get a realistic picture of your local market's potential.

You will need to ask: Who makes their children's birthday cakes? Do they have one every year? If they buy them, where do they get them from? How much do they pay? Would they pay more for a unique, personalised cake for their child? What type of cake do their children like?, and any other questions you consider relevant. The point is to give you a clear understanding of what proportion of the local population are likely to use your services, and also to get an indication of the sort of prices you will be able to charge.

**Children's tastes are pretty obvious** It is useful in this niche to keep abreast of trends in children's entertainment, for popular film, television, and toy characters are by far the most common themes for birthday cakes. It is easy enough to find this out, you will know from what your own children like (and assume that their friends will all like much the same thing - they are fairly tribal creatures), and from your observations of things like character schoolbags, t-shirts, sweatshirts etc that you see in the schoolyard, you will get a fairly good understanding of their preferences.

Of course, there are several perennial favourites - princess doll birthday cakes were common when we were young and they are still one of the most popular themes for little girls' birthdays, as are horse themed cakes, and pirate ships are always popular with boys. Train cakes never go out of fashion and are a great fun way to exercise your creativity with candy decorations, and there are a number of characters that have remained popular for years - Elmo, SpongeBob Squarepants, Winnie the Pooh, Thomas the Tank Engine, and a variety of Disney characters - all are a standard part of the repertoire. And don't forget the range of number cakes appropriate to the age of the child. The important thing here is that you can practise your skills at producing these character and theme cakes so you are ready to meet the inevitable demand for them.

**Don't forget variety** Certain characters will be popular among a group of children who all go to each others' birthday parties. If you get several orders for a Spider-Man cake within a few months and you make exactly the same one for all of them, you can be sure that the children (and their

parents!) will notice this. They want a different one from their friends', which will enable them to claim theirs is 'better', so you need to vary your design for each one. Some will just want a Spider-Man picture on the cake, some will want a flat cake in the shape of Spider-Man, and others will expect a full 3 dimensional Spider-Man action figure style. Discuss that with them and their parents, and make the most of this opportunity to extend your artistic abilities. And don't forget to charge accordingly!

Andy is a freelance writer with special interests in film, music, art, literature, parenting, and of course Cakes! For more information on starting a cake decorating business, check out his blog <u>Starting a Cake Decorating</u> <u>Business</u> and his <u>Web site</u>

#### <u>Contents</u>

# Pricing Your Cake Decorating Business, Production Costs



## By Andy McGeorge

Deciding what to charge is one of the most difficult parts of starting a creative enterprise like a home based cake decorating business. On the one hand you need to make a decent profit to keep your business viable and to adequately compensate you for your time and expertise, on the other hand you want to share your creations with people at a price they can afford, without breaking the bank - yours or theirs. It is difficult to strike a balance between the two, so pricing needs to be a major part of your market

research.

There are several things to consider here, and the first article in this series will focus on costing - analysing your out of pocket expenses in the creation of a cake.

How much does it cost you to make and decorate the cake? Work this out by calculating exactly (to the cent!) the cost of every ingredient used in the cake, and do the same for all decoration ingredients. Leave nothing out weigh everything precisely and be parsimonious. If you use five M&Ms to decorate a clown face for a children's birthday cake, count the number in the packet and divide it by the cost of the packet to find a per unit price. It may seem that the cost of a drop or two of food colouring is too insignificant to bother about, but seemingly inexpensive items add up quickly.

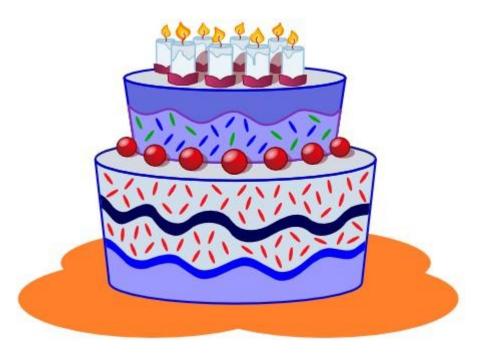
Every single thing used in the process must be included - electricity for running your oven, dishwasher, food processor, blender, electric knife etc (your power company should be able to give you this information), your telephone (a mobile is essential if you want to give good customer service), dish washing liquid and other cleaning supplies - there are all sorts of peripheral costs that you need to be aware of.

It is worth noting here that if you are just buying domestic quantities of ingredients and supplies at normal retail prices, then your costs will be significantly higher than if you buy in bulk at wholesale prices wherever possible. If you want to test the market to start with, by all means buy smaller quantities, but you should then work out pricing based on both approaches. The difference in cost here could make the difference between making a profit or not.

Factor in your time The biggest cost factor in this, or any other creative, service based enterprise, is your time. You need to keep an accurate record of every minute you spend on a cake, including time spent researching designs, talking with clients, baking, decorating, cleaning, shopping for ingredients, and delivery and installation of the finished product. Don't forget to include time spent on administration and accounting - all businesses incorporate this into their pricing structures as part of the cost of doing business.

You need to know how long it takes to produce a cake for two reasons: 1. So that you know how many you can promise to deliver within a certain time frame, and 2. So you know how much time to factor in to your costing. It pays to remember that you will spend more time per cake when you first start out, and as you gain experience you will get a lot quicker at the creative part of the business as well as the more prosaic things like bookkeeping, but it is best to work out pricing based on current information, and revise it as necessary.

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# Pricing Your Cake Decorating Business, - How Much to Charge

## By Andy McGeorge

What level of income are you looking for? This is an important thing to ask of any business - how much money do you need to get from every cake and every week so that your cake business is viable and can maintain a living income? An easy method to work this out is to start with a standard 40 hour working week (although most people who run their own business put in a lot more hours than this, and you should be prepared to as well).

Basing the calculation on a random figure of \$500 per week as the minimum required, for a 5 day week, you need to make \$100 per day. If you are selling cakes for \$50 each, and your profit on each cake is \$20, you will need to make and sell 5 per day. I have just used random figures here, but this shows a fairly straightforward method on which to base your pricing strategy. Before you can come up with realistic prices, you need an achievable goal regarding income and profit, you must establish an accurate production time, and the cost of doing so.

**The Market - Competition** Once you have completed the costing process, and know your income and profit targets, it is important to then find out what the competition is charging. You will find a considerable variation in price between more exclusive cake designers like you who discuss individual requirements with clients and create top quality cakes to order, and the supermarkets and bakeries who mass produce their products using stock designs.

This brings us to a very important point, and one that we should consider before going any further with our study of how to arrive at a realistic price for making and decorating cakes. As a personal design business, it will be very difficult for you to undercut or compete on price with the bulk suppliers, but nor will you want to. Although their products are fine for those who want them, they are catering for the convenience market people who want a quick, easy, and inexpensive cake that they don't have to make for themselves. What you are offering is a a customer focused design service based on a first rate product made to individual requirements, and clients will pay a lot of money for this. Your selling point is a top quality, personalised product and trustworthy service.

Perhaps the most important thing to keep in mind at all times is to have self belief, and trust in your skill and ability. And don't think that you have to worry about quality of product between yours and the shop bought ones. I have yet to eat any bought dessert or cake that is any better than what I make at home - most supermarkets and a lot of bakeries now use premix for their cakes and breads, and any self respecting home baker can whip up a much better, and cheaper cake than that.

In the city where I live, most of the three or four dozen supermarkets all get their premix from the same supplier - they buy it by the pallet load and just add water and eggs. Trust me - as a home baker who can follow a recipe, you have nothing to be afraid of in any kind of comparison! Your true competition is other professional designers, and this is where you should be looking to find out the sort of prices the market will bear.

Ask friends and family how much they have paid for cakes (make sure you know where they got them from, so you can keep your information relevant to your niche market), and ring other professionals to find out what they are charging for a similar service. Many of these now have websites (as should you!), so you can usually get a good, and up to date information from these (without having to identify yourself as a competitor!).

If the standard rate seems too high, you can certainly lower your price, but why undercut yourself? If the other operators are charging this, it means that the potential is there for this to be a lucrative business opportunity. If the prices seem too low, you will need to have another look at your figures and streamline your operation.

Remember too, that all businesses struggle to make a profit when they first start out, but plenty of people just like you make a lot of money in this industry, and with commitment to your craft and the service you provide, there is no reason why you cannot be as good as anyone else in the market.

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## <u>Contents</u>



By Andy McGeorge

Now that you have developed your cake decorating skills to a standard high enough to offer your product for sale, you need to focus on the other most important part of your business - customer service. It is no good producing exquisitely designed wedding cakes, or spectacular novelty birthday cakes if you don't provide customer service of an equally high standard. What you are selling is as much a service as it is a product, and you will be judged on your delivery of both.

A lot of customer service is just common sense and common courtesy. Of course you should be polite and friendly when dealing with customers, and of course you should be clean and well groomed at all times - especially in a food service industry like cake decorating. These things go without saying. But there are lots of other things you can do to make your clients' experience a pleasant and satisfactory one, and in this series of articles, we shall take a look at some of them.

Listen to Your Clients This one is a no-brainer - if you don't listen to your clients, then how will you know what they want? But it is not just listening to them tell you what style of cake they want, or what flavour. Remember that you are selling a service, and there is more to this service than just the product. You need to know why they want a particular style, so you will be able to help them by making suggestions, and if you know something about their life or personality, you will be better able to guide them through the selection process.

If you can see that they are prone to stress (what bride on her wedding day isn't?), you will know that part of your job will be to help minimise this by making sure you are well prepared and deliver on time. If they seem a little fussy or picky, you will know that you need to pay extra attention to detail, and make sure that you get everything in writing and perhaps give more frequent progress updates than usual. Whatever the personality type of your clients, by listening carefully to them, you will be in a much better position to understand and meet their needs.

Communication Modern communication technology is great for a service enterprise like cake decorating. Mobile phones mean that you can be contacted anywhere, which makes you readily available for new clients and existing ones, and messaging features of these enables you to avoid being interrupted when it is not convenient. The accessibility and ease of use of this technology should be used to your full advantage, but you need to be careful with it.

For instance, if you prefer people to leave you a message instead of speaking to you directly, it is essential that you check and return these calls on a very regular basis. It may be something urgent, so it is wise to have a regular time when you check these messages - I would suggest no less than hourly. It is common courtesy to return calls as soon as possible, but it is also good business sense - if someone is ringing around different suppliers and you either don't answer, or take too long to call back, you will lose this business.

The most efficient way to communicate with clients is with e-mail. If you don't have an account, get one now. It is very easy - the sign up process takes a couple of minutes - very reliable, and it's free. The advantage of e-mail is that you can stay in touch with people without interrupting them, or them interrupting you. You can relay more detailed information than a quick phone call, and there is a record of all communication, which can be very useful in case of doubt or dispute.

If you do use this (and I strongly recommend that you do) you must check your mail several times a day and reply to it promptly. This is even easier now with the growing range of mobile devices - Blackberry's, iPhones and other such multi-function gadgets which enable you to communicate from anywhere. You can also send photographs on e-mail - handy for samples or progress reports, and you can send links to your website.

One last point to keep in mind - it is not only efficiency of communication that counts, it is quality of communication.

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#### **Contents**

#### A Home Based Cake Decorating Business - Customer Service - Part 2



By Andy McGeorge

Apart from the quality of the cakes you design and decorate, nothing is more important to your business than the quality of customer service you provide. In the second part of this series, we look at some more ways to ensure that you are known for good service as well as a good product.

**You are charging top dollar - make sure you are worth it.** Note that I did not say make sure your cakes are worth it - that goes without saying. I mean make sure You are worth it. You are charging for service - give it. If your clients just wanted a cake, they would go to the nearest bakery and buy one. What they want from you is a custom designed cake that meets their needs exactly, and they want to know that you care about the success of this most important part of their celebration as much as they do. You will find that people expect to pay good money if they are receiving a product and service that is not available elsewhere to the same standard, and they will pay it.

**Meet your customer's needs - not your own.** What you sell them may not be as expensive or profitable as what you could sell them, but if it is more suitable for their needs, then it is your duty to sell it to them. I am reminded of a customer I served many years ago when I worked in a men's clothing store. This young man wanted a smart reefer jacket for a ballroom dancing competition. Asking me how a particular jacket looked, I told him it didn't fit him properly and that he should try another one that I had, for the reason that the double side vent would sit more neatly and allow more room for movement when dancing. He tried it and it was perfect for his needs.

He was then very surprised to see that the price was considerably less than the first one he tried, and he bought the jacket. A few weeks later, this same chap returned to the store to thank me for taking the time to help him find a jacket that suited his requirements. He was extremely pleased with it, but even more so with the service I gave (which I considered a part of my job) and from then on bought all of his clothes from my store, and also recommended us to colleagues in the dancing fraternity. I gained a repeat customer simply by being honest, listening to the customer and thinking about what would suit him, and putting his needs ahead of the store's turnover or profit.

When he came back to the store, this guy would always wait until I was free to serve him - he could have bought the same clothing from the other assistants (we were on wages, not commission), but he liked to receive personal service from someone who took the trouble to get to know him. This shows how important it is to make your customers feel important and special - they are paying for a personal service - make sure they get one.

And don't forget - in the market you are operating in, price is not the first consideration. People know they will have to spend a fair bit of money - your job is to make sure it is worth it for them. The old adage "You get what you pay for" is appropriate here - make sure your cake decorating business clients do get what they pay for - and more.

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## **Contents**

# A Home Based Cake Decorating Business - Customer Service - Part 3



By Andy McGeorge

A lot of business procedure is just good manners and plain common sense, but it can be very easy to overlook these basics if you do not carefully consider them as an important part of your business planning right from the start. The personal nature of the service you are providing with your cake decorating business makes it extremely important that you take great care over this part of your enterprise. **Be Punctual** Punctuality is important in all areas of life, not just business. If you arrive late for a meeting or appointment, you are disrespecting the other person's time and telling them that you don't care enough about them to arrive when you say you will. Being on time is easy, but being late is an easy way to offend and annoy people. In a business like cake decorating where it is important to engender confidence in your clients that you can deliver what you promise, punctuality is fundamental, and it is one of the first things people will judge you on. Remember that for your first consultation with a prospective client you do not have the finished cake to show them - they have to trust that you are able to deliver it at the agreed time. This is an enormous amount of trust to ask a stranger for, so prove that you are trustworthy by always being on time (or slightly early).

**Be specific** Don't say "sometime on Wednesday". Say "10 o"clock on Wednesday morning", and stick to it. Don't just promise someone a spectacular cake, tell them exactly what will be on it to make it spectacular. If you are using sugar roses, specify the colour, the size etc. If you appear too casual when making arrangements with a client, it will lead to the assumption that you are also fairly casual about the whole transaction. This will not inspire confidence in a potential client, and it won't inspire them to contract you.

**Avoid mistakes before they happen** Everyone makes mistakes, it is expected occasionally and they can be forgiven, but it is how you respond to them that people will remember. Timely and efficient response to problems is what counts. Of course, you cannot keep making the same mistake - if you do, you might as well have not bothered fixing it in the first place. This is true in most situations, but - to put it bluntly - there simply is no room for mistakes in the cake decorating business.

A retail operation can afford to make the occasional mistake when they are selling a large number of mass produced items - they can replace faulty goods immediately from off the shelf - but you can't do this. This is a business dealing with one off products designed to individual requirements. It is labour intensive and takes several days to create the product. If it is discovered faulty on the wedding day, or at the birthday party, it cannot be fixed with an immediate replacement.

So - practise your skills. Schedule your working time so that you do not have to rush, and so you have time to make repairs if necessary. Take extreme care with everything you do, especially when it comes to the delivery and installation of your cake.

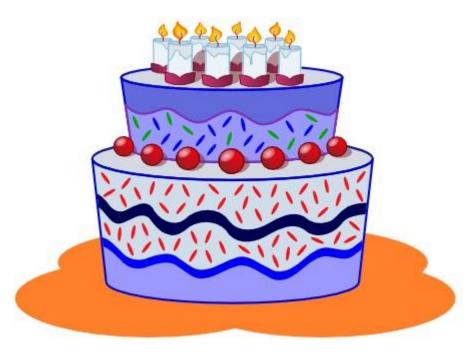
**Have a policy in place to deal with complaints and problems.** You need to know your position in advance, for instance if a problem can be repaired or replaced, or if it may require a partial or full refund. At what point do you stand your ground and not fix a problem? Are you available to fix a cake damaged by a drunken dancer at the wedding? This is not a hypothetical situation - just check out You Tube to see how many wedding cakes are damaged carelessly - but you need to be clear in your own mind before these situations arise. (The answer to this one is yes you should be - but be careful not to admit liability, and also to be clear that you will repair to the best of your abilities, but you cannot work miracles). People will especially appreciate you responding to emergencies that are not of your making. This is part of good customer service, even if it is a little

inconvenient for you.

All the points covered in this article are just a natural part of the transaction - things you should do anyway. In part 4 of this series, I shall look at the concept of "going the extra mile" for your clients, as a vital part of good business practice.

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#### **Contents**



## A Home Based Cake Decorating Business - Customer Service - Part 4

By Andy McGeorge

In a cake decorating business, it is one thing to fulfill the terms of a contract to supply, but true customer service involves doing more than the customer expects - 'going the extra mile'. This makes the difference between adequate service and truly outstanding service, and it is the reason your clients will remember you and come back to do business on a repeat basis.

It is not difficult to give excellent customer service, in fact we have become so disillusioned by several examples of poor service in our town, that nobody would need to go the extra mile to impress us - just the extra inch. In fact, all they would have to do is supply us what we pay for, without making us wait half an hour while they work out how to operate the cash register to process our payment, and then deliver our purchases within a realistic and mutually convenient time frame. Like most customers in any business, all we want is to be treated with respect and courtesy, and with the underlying assumption that the business values our custom and wants us to return. Delivery and installation should be done at our convenience, not that of the store we purchase from.

A cake decorating business is ideally placed to enable you to exceed your customers' expectations. Because many of the celebrations you cater for happen on a regular (usually annual) basis, you have a great opportunity for follow up service - you could send a birthday card the following year whether you are doing the cake or not, and the same for anniversaries after you have done a wedding cake. You won't always get repeat business from this, but people do appreciate and remember these little personal touches - it makes them feel that you value them as a person as well as a customer. (It should be noted here that you must be very careful not to make this kind of follow up too much of a sales pitch - just a personal courtesy is enough for previous clients to remember you when they need your service again).

Because of the celebratory, gift giving nature of this business, you have other opportunities to add some personal value to your service. Perhaps some handmade chocolate or fudge, or a cake - something as a thank you gift to the person who contracted you. Perhaps a small birthday present for the cake recipient - this will be particularly appreciated by the parents of children for whom you provide cakes.

Whatever you do to gold plate your service, it is still important to remember that the most important thing you can do is to be efficient, reliable, courteous, and professional at all times. Sometimes it really does only take the fulfillment of expectations to impress people with the quality of your service. If you ensure this becomes a standard part of your professional behaviour, then the little extras you do can be the "icing on the cake".

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<u>Contents</u>

Start a Cake Business Today



Has anyone ever said to you, "Your baking is so delicious, or your cakes are so beautiful... you should go into business!?" Have you ever taken a cake decorating class and thought, "How could I turn this into a career?" Perhaps you just enjoy working in the kitchen and want to learn how to start a real home-business. Whatever your reason for choosing cake decorating as a business, this book offers the expertise and solutions to the many situations you will encounter as you start your journey as a business owner. This book combines the business start-up knowledge and cake decorating experience of people like you from around the world who have successfully started home businesses.

Reader Nakale Ayovunefe from Clarkston, GA, says,"This book is indeed written by an angel. I was always frustrated when I would search on Google for a book that talks about starting a cake decorating business and come up with little or no result. I had no choice but to print out E-zine articles. I almost paid a start up business consultant five hundred dollars. The author of this book covered everthing from marketing to State Department of Agriculture list, and provided website addresses. I read this book religiously. My husband also likes the book. For those who are planning on starting a cake designing business, look no further. This is it!"

# **Partial Contents**

- Cake Basics
- Classic Recipes
- Pricing
- Taxes and the IRS
- Insurance
- Orders and Contracts
- Know the Law
- Food Safety
- Checklist for Small Business
- Cake Consultations
- Legal Considerations for Home Food Preparation
- plus much more

Reader Crystal H. from utah, says,"This book was exactly what I was loooking for. My husband (has a business degree) said this is the best book I have ever spent money on. It really does cover everything you would need to know about starting your own cake business. There are also a ton of great references and web adresses to find out more. If you are even thinking of selling cakes this book is a must!



<u>Click here</u> for more information...

# <u>Contents</u>

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# **Contents**