



## The Cookie Business

Everyone enjoys the cookies that you bake. To earn money, you decide to go into business for yourself by making and selling your cookies. Your mother said that you could use the kitchen and her baking equipment, but you will have to buy your own ingredients. Before you begin, you must make a business plan to see if this really is a good idea. Complete each of the following steps to create a business.

**1**

Who will buy your cookies? Create a questionnaire asking students, neighbors, and others if they would buy cookies from you. Ask what types of cookie they would buy, how much would they be willing to pay, and how many would they buy from you. Here is your first decision. Are there customers for your enterprise?

**2**

How much will it cost to make the cookies? After determining the types of cookies that the customers will buy, research the cost of making the cookies by going to the store and getting prices for the ingredients.

**3**

Add up the cost for all of the ingredients and divide by the number of cookies the recipe will make. How much does it cost to make each cookie? Subtract this amount from what your potential customers said that they would pay for the cookies. This is the amount of profit for each cookie sold. If all the cookies are sold, what would be the profit? What would it be if only  $\frac{1}{2}$  of the cookies sold?

**4**

Now consider different scenarios. Should those who buy more than one cookie receive a discount? Should someone who wants to buy cookies every week receive a discount? Look at some of the ways other business people encourage customers to buy their products, and list some creative ideas for marketing the cookies.

**5**

If the plan looks good, it can be shown to people who might be willing to “invest” in the business or make a loan to get the business started. The plan will show that this is a serious and well thought out enterprise.

Write your plan on another piece of paper, and if you are serious, you are on your way.