



Passionade.Club LLC

A healthy cafe with a combination of beverage and desserts for students

PROJECT OVERVIEW

WITH BUSINESS PLAN ATTACHED

May 2022 to July 2023

Presented by Stacie Tan Yee Sing

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Abstract:

This project evaluates the development, market engagement, and operational management of Passionade.Club, a business community focused on offering healthier desserts and beverages. The project aimed to address the growing demand for nutritionally dense desserts and beverages by incorporating whole grains, fruits, and herbal ingredients. This doc discusses the challenges faced, strategies implemented, and the outcomes achieved, with a focus on product innovation, market differentiation, and customer engagement through workshops.

Introduction:

The consumption of desserts and beverages with high sugar content is prevalent in many markets, contributing to adverse health outcomes such as obesity and diabetes. **Passionade.Club** was created in response to a rising trend in consumer preferences for healthier food options post-pandemic, aiming to provide desserts and beverages that combine taste with slight nutritional benefits. This project outlines the conception, execution, and evaluation of a café offering nutrient-dense desserts, including an exploration of its impact on consumer behavior and market trends. Passionade.Club was created in summer, May 2022 and ended July 2023. Marketed from online to retail, and sold.

Objectives:

The main objectives of the Passionade.Club initiative were:

- To develop and market healthier dessert and beverage products using whole grains, fruits, and low-sugar alternatives.
- To engage the local community through educational workshops that promote healthier baking practices.
- To differentiate from competitors by offering customizable products that cater to various dietary needs, including gluten-free and keto options.



Methodology:

Product Development:

- **Recipe Formulation:** Healthier alternatives to traditional desserts were created using reduced sugar, whole grains, and nutrient-rich ingredients such as fruits and herbal extracts. Products included customized birthday cakes, crepes, and a variety of teas (milk, fruit, and herbal).
- **Ingredient Sourcing:** Fresh and locally sourced ingredients were prioritized to enhance nutritional value and product freshness.

Market Engagement:

- **Workshops:** Regular baking workshops were conducted for the community, teaching participants how to create healthier desserts at home. These sessions targeted both students at University of Cincinnati, aiming to foster a health-conscious community. Successfully engaged over 30 participants.
- **Digital Marketing:** Social media platforms (wechat and instagram) were used to engage with customers, increase brand visibility, and promote educational content related to healthy eating habits.
- **Collaboration:** Partnering with community bubble tea shops located at Oxford, Ohio were supplied every week for a month cycle. Six different flavors of products were served every week, the market focusing on adding sweet options to the beverage market at Oxford, Ohio and achieving a **50%** gross profit margin by optimizing production costs and implementing an effective wholesale pricing strategy.

Operational Management:

- A pre-order system held in Wechat and Instagram was implemented to streamline the production of customized cakes, ensuring quality and freshness.
- Financial forecasting and inventory management were employed to maintain business sustainability.

Marketing and Sale -- Implementation showcase

(From e-platform to retail)

Events Presentation and Workshop:

a. Bake Sales (once bi-weekly)

- Creating group chat via media platform, upload and run group announcement and pre-sale action.
- Deliver and pick-up options available for purchasing

b. Nutrition Dessert Baking Workshop

- Collaboration with UC nutrition education club
- Giving speech to present **passionade.club** in on campus student organization.
- Develop workshop in teaching low sugar dessert for University of Cincinnati Students

c. Picnic and BBQ

- Engage Cincinnati community (students and folks) with



Above images show collaboration with UC_Nutried fall 2022, holding a nutrition baking workshop.

Recipe Development Exploratory:

- Develop a new menu every month and apply it on bake sales for the Asian population in Cincinnati.
- Implement higher nutrition alternative for new products

Example 1

Sweet and Savory Ube Taro layer cake with meat floss



Product Details:

2. Box cake design in transparent container.
3. Cake layer was made by chiffon cake based.
4. Filing made of fresh mashed taro and ube paste with added 50% of 35% heavy whipped cream.
5. To enhance texture, added mochi (milk and corn starch combination)
6. Topped with Dry Meat floss to add savory taste.



From Online to Retail:

- Buying local business (Oxford, Ohio) and implementing “Passionate.Club Products” into the original bubble tea shop name of “Yum Cha”, partnering with two other co-partners.
- Rebranding “PASSIONADE. CLUB” with graphic design branding strategies
- Implant 10x dessert selection to bubble tea shops.



At

passionade.club



Attachment above shows one of the batch desserts supplied to bubble tea shops at Oxford, Ohio.

Attachment on the right showed a festive gift box Passionade.Club provided during Christmas festival 2022.



NEW ARRIVALS

fresh milk
boba milk tea
fruit tea, smoothie...

We are selling low carb cakes now!

Address: 411 S Locust St Ste 103, Oxford, OH 45056

<p>招牌鲜奶茶 SIGNATURE FRESH MILK TEA</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;">16OZ</td> <td style="text-align: center;">22OZ</td> <td></td> </tr> <tr> <td>伯爵鲜奶茶 BLACK FRESH MILK TEA</td> <td style="text-align: center;">\$4.95</td> <td style="text-align: center;">\$5.75</td> <td></td> </tr> <tr> <td>茉香鲜奶绿 GREEN FRESH MILK TEA</td> <td style="text-align: center;">\$4.95</td> <td style="text-align: center;">\$5.75</td> <td></td> </tr> <tr> <td>四季春鲜奶茶 OOLONG FRESH MILK TEA</td> <td style="text-align: center;">\$4.95</td> <td style="text-align: center;">\$5.75</td> <td></td> </tr> <tr> <td>黑糖鲜奶茶 BROWN SUGAR FRESH MILK TEA</td> <td style="text-align: center;">\$4.95</td> <td style="text-align: center;">\$5.75</td> <td></td> </tr> <tr> <td>冬瓜鲜奶茶 WINTERMELON FRESH MILK TEA</td> <td style="text-align: center;">\$4.95</td> <td style="text-align: center;">\$5.75</td> <td></td> </tr> </table> <p> WE USE FRESH LACTOSE-FREE MILK FOR OUR SIGNATURE MILK TEA SERIES!! 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Above showcases Yum Cha at Oxford Ohio details with menu and new dessert.



Results:

Revenue and Market Penetration:

- **Sales Growth:** Passionade.Club achieved significant growth through its diverse product offerings. Customized cakes and healthier beverage options contributed significantly to revenue generation, with notable demand during seasonal events and holidays.
- **Customer Engagement:** The workshops attracted a broad range of participants, and the brand successfully grew a loyal customer base interested in health-conscious products.

Educational Impact:

- The workshops not only promoted healthier eating practices but also served as a valuable marketing tool, increasing brand recognition. Customers reported increased awareness of healthier ingredient choices and demonstrated interest in continuing to implement these practices at home.

Challenges and Solutions:

- **Competition:** The presence of established dessert brands posed a challenge. Passionade.Club countered this by emphasizing product customization and the use of healthier ingredients, which created a unique selling proposition.
- **Operational Efficiency:** Managing the production of fresh, customized products required streamlined processes. The pre-order system significantly reduced waste and improved operational efficiency, while maintaining high product quality.
- **Small Sample Size:** Audience reaching toward were marketed through (n) 200 via wechat group and majority were asian population. Applicable to the American local population were not reached.
- **Time Limitation:** Managing product development and marketing required long hours of effort and high energy output, limited time spare from school and lack of employees were established as a shortage and difficulties to tackle.



Discussion:

Revenue and Market Penetration: Passionade.Club has demonstrated substantial success in expanding its market presence and increasing revenue through a strategic combination of product diversification and customer engagement. The focus on customized cakes and healthier beverage options has resonated well with consumers, particularly during high-demand periods like seasonal events and holidays. This approach has not only driven sales growth but also cultivated a loyal customer base, which is crucial for sustained success in a competitive market.

Customer Engagement: The workshops organized by Passionade.Club have proven to be an effective tool for customer engagement. By educating participants about healthier eating practices and the benefits of nutritious ingredients, the brand has enhanced its reputation and visibility. This educational component has not only attracted a diverse audience but also fostered a community of health-conscious consumers who are inclined to integrate these practices into their daily lives.

Educational Impact: The positive feedback from workshop participants highlights the educational impact of Passionade.Club's initiatives. Increased awareness about healthier ingredient choices among customers is a significant achievement, indicating that the brand's efforts are making a tangible difference. This enhanced awareness could lead to long-term changes in consumer behavior and further solidify Passionade.Club's position as a leader in promoting health-conscious eating.

Challenges and Solutions:

Competition: The challenge posed by established dessert brands has been addressed effectively by Passionade.Club through a focus on customization and healthier ingredients. This differentiation has helped carve out a niche in a crowded market, providing a unique selling proposition that appeals to health-conscious consumers.

Operational Efficiency: Managing the production of fresh, customized products presented operational challenges. The implementation of a pre-order system has been instrumental in addressing these issues, reducing waste, and improving efficiency. This system not only optimizes resource use but also ensures consistent product quality, which is essential for maintaining customer satisfaction.

Small Sample Size: The marketing efforts primarily targeted an audience of 200 individuals through a WeChat group, predominantly comprising the Asian population. This limited reach to the American local population suggests a need for broader marketing strategies to capture a more diverse audience. Expanding outreach efforts could enhance market penetration and brand recognition among different demographic groups.



Time Limitation: The demands of product development and marketing have posed challenges due to time constraints and limited resources. The lack of employees and the balancing act between academic commitments and business responsibilities highlight the need for strategic time management and potential investment in additional support to streamline operations and sustain growth.

Conclusion:

Passionade.Club has achieved notable success in revenue generation and customer engagement through its innovative product offerings and educational workshops. The brand's focus on customization and healthier ingredients has effectively differentiated it from competitors and attracted a loyal customer base. However, challenges such as competition, operational efficiency, limited sample size, and time constraints need to be addressed to sustain and enhance growth.

To build on its success, future branding strategy should consider expanding its marketing efforts to reach a broader audience, including the American local population. Additionally, exploring options for increased staffing and resource management could alleviate operational burdens and support continued growth. By leveraging its strengths and addressing these challenges, the project is well-positioned to further solidify its market presence and continue making a positive impact in the realm of health-conscious eating.



Business Plan Proposal

Executive Summary

Company: Passionade.Club, Healthier dessert and beverages.

Product:

Passionade.Club provides a series of products and services surrounded with new era healthier lifestyles in the combination of desserts and beverages with higher nutrition values. Our products in beverages are milk tea, fruit tea, lemonades, herbal remedies, and desserts in slices cakes, crepes, mochi, customized birthday cakes include ingredients made with teas, fruits, whole grains, milks, etc. that are discovered to provide nutrition values and served freshly when purchased.

We also provide services such as workshops and classes for the public to participate, teaching how to recognize nutrient dense food and ingredients while baking and how to make your baked goods more healthier.

Customers:

The target audience for Passionade.Club are mainly those who wish to stay healthy, maintain healthy condition with a hobby of enjoying eating sweet treats but are not limited to ages. Men and women, who are active or inactive in fitness, who also like to do home bakes, pursuing food trends are provided workshops and classes where they can find weekend activities to join and bake health goods. We also open baking classes specifically for young parents to engage with their children and spouse.

Future of the Company:

Although the industry of desserts and beverages is highly competitive, we believe there is great room for improvement with the insertion of health values, high quality and aesthetically pleasing. Especially after Covid-19, more and more people are paying attention in building healthy lifestyles. Our goals are to provide more options in the combination of health and desserts/drinks. Believing that even sweets can provide nutrition values for our health.



Company Description

Mission and Vision Statement:

We are here to provide a new era of high quality healthier desserts and beverages for the public, from everyday sweets to birthday cakes celebrations. "You don't have to cut off cakes and drinks for your diet, we got you back."

Organization & Management

Principal Members:

Stacie Tan Yee Sing --- Co-founder with 50% ownership , designer, and primary builder, treasury assistant

- Duties and responsibilities:
 - Design product and flyers, recipe developments, updates monthly new product released, accountant and keep cashier record and daily supply revenue and expenditure.

Norman Zi Han Yu ---- Co-founder with 50% ownership, business manager, primary builder, webmaster

- Duties and responsibilities:
 - Marketing and audience targeting, create and manage websites, online customer services and catch up with online services and responses.

Legal Structure

Passionade.Club is a Limited Liability Company, incorporated in Cincinnati, Ohio.



Product & Service Line

Passionade.Club will sell high quality healthier desserts and beverages (all forms and flavor of cakes, customized birthday cakes, bubble teas, fruit teas and workshop classes). The desserts are handcrafted and freshly baked within the night prior or the day and served with either ready stock or pre order versions based on customer requirements. All beverages are handmade right after customer orders and served freshly within 5-10 minutes. Workshop classes will be held in another space with all essential equipment and recipe preparation, open one class per week.

Our current menu includes the following options:

Cakes

- Slices Cakes (Chocolate, Mango, Matcha, Purple Yam, Coffee latte, Lemon cheese, etc)
- Crepe Cakes (Chocolate, Mango, Matcha, Purple Yam, Coffee latte, Lemon cheese, etc)
- Cream Puff (Berries, Tiramisu, Seasonal Fruits, etc)
- Customized occasion cake (4inches, 6 inches, 8 inches)

Beverage

- Milk Tea (all flavors with boba)
- Fruits tea (grapes, mix fruits, pineapple, orange, mango, etc)
- Lemon tea (passion fruits, lemongrass, yogurt)
- Smoothies (all fruits flavor)
- Regimen hot drinks (dates, roses, detox, etc)

Workshop classes

- Baking class for family (during weekend)
- Baking class for birthday cake (flavor and design are to be determined)
- Special seasonal decorating class

Pricing Structure

Cakes

- Slices Cakes, \$6-\$8
- Crepe Cakes, \$7-\$9
- Cream Puff, \$5-\$10
- Customized occasion cake (4inches, 6 inches, 8 inches), \$38-\$100

Beverage

- Milk Tea, \$4-\$8
- Fruits tea, \$4-\$8



- Lemon tea, \$4-\$8
- Smoothies, \$6-\$10
- Regimen hot drinks, \$4-\$8

Workshop classes

- Baking class for family (during weekend), started at \$45
- Baking class for birthday cake (flavor and design are to be determined), started at \$45
- Special seasonal decorating class, started at \$45

Product Lifecycle

All products and services are produce within a day of requirement and preparation and inventory is being accumulated

Intellectual Property Rights

Passionade.Club is a trademarked name in the state of Ohio.

Research and Development

The company is planning to conduct the following research and development:

- Creating websites and all types of common social media (instagram, facebook, tiktok, snapchat, etc.) to reach out potential customers and spread the words and information we share on the ingredients and culture of our brand.
- Acknowledging a higher degree in food and nutrition related professionals to enhance our brand professionalize by providing the scientific approved product to customers, and adding values.
- Find trends in food flavor and design changes, catching up with the flow may provide potentially competitive popularity to our brand.
- Determine the needs of additional customer review and feedback from customer and repeat buyers to apply VIP settings and unique gifts.
- Opening up online order and delivery service for customers who want to enjoy desserts and drinks at home.
- Improving to spread Asian Regimen Recipe and knowledge into our product and websites to share cross-cultural nutrition desserts and drinks to local culture in order to create a wider population to enjoy international desserts and drinks.
- Design Passionade.Club series of unique designed tote bags, recyclable cups, accessories, t-shirts, etc for branding.



Market Research

Industry

Passionade.Club will be a part of the food & beverages industry. Currently, data from Zippia calculated that the United States' non-alcoholic beverages industry is valued at \$225 billion and on average, adults consume about 341.1 drink calories everyday, which is showing an inclined perspective since 2013. Moreover, the bubble tea industry has become more and more popular. According to a recent survey, up to 90% of adults aged between 20 to 29 bought bubble tea in the last three months (June 24). In another forecast data from Mordor Intelligence expected in the year of 2023 to 2028, health drink needs will increase with the factor of consumers shifting to maintain a healthy lifestyle that aids in sustaining fitness and reducing the chances of lifestyle disease, this factor drives the demand for health nutrition products.

According to an industry statistic tracking from 2004 to 2029 from IBISWorld, the bakery industry has given a rise up to millions of dollars in the United States, the fact of market size for bakery cafes industry is \$17.1bn in 2023. In Contrast, the latest research by Future Market Insights describe that healthy desserts (eg. low-fat, less sugar) markt are estimated in a growing number at 6.1% CAGR in the forecast 2021-2031 industry.

Reviewing in the Cincinnati area, largest companies, such as the Cheesecake Factory, Insomnia cookies, Graeter's Ice Cream, or KungFu Tea have already collected a large local population, reputation and large inventories of products manufactured from factories. Smaller local shops such as desserts and beverages shops sell homemade products, at farmers markets, or on online settings.

Detailed Description of Customer:

The target population of Passionade.Club are adults, who wish to maintain and pursue healthy lifestyles. People who are fans of fitness can find healthier options for birthday cakes and catering. Our target customers are willing to spend more money in receiving higher quality food and beverages. Men and women, who enjoy eating sweets and drinking beverages can find products such as milk tea, fruit tea, slices cake that are high in nutrient dense (eg, whole grains, less sugar) in our stores. Our target customers are interested in following food trends, who also like to do home bakes, and provide workshops and classes where they can find weekend activities to join and bake health goods together with their friends and families.

Company Advantages:

Passionade.Club has the following advantages compared to competitors:



- Nutrition background staff members.
- More options in nutrient dense baked goods and teas.
- Drink with more fruit and focus on less-sugar.
- Offer customized cakes for occasion with gluten free, keto diet, and various diets.
- Offer cakes without buttercream or meringue icing for cake decoration.
- Offer customized sweetnest and customized grains contained in cake orders.
- High-quality, interactive websites.
- Dua-language menu, Chinese and English.



Marketing and Sale (Preparation)

Growth Strategy

To grow the company, Passionade.Club will do the following:

- Establish a company website and social media that will engage and boarding networks to the Cincinnati community about our stories and services.
- Engage and sell products in local farmers markets, downtown, Westchester, Hyde park, etc. surrounding communities.
- As business grows, advertise in target markets, especially in advance of the holidays and special occasions.
- Looking for endorsement and brand ambassadors to promote our product and services by sending PR boxes and free-in store visiting sponsorship.

Communicate with the Customer

- Meeting with customers by in-person services.
- Using social media chat boxes, (instagram, i-messages, email, etc.) to communicate with needs and orders.
- Using targeted Google and Facebook advertisements.
- Providing contact information via company websites.
- Adding QR codes and title on our package bag-to-go and providing brochures with in-store customers visiting.

How to Sell

Currently, the people in charge of sales for Passionade.Club are the owners, Stacie Tan Yee Sing and Norman Yu Zi Han. As profit increases, Passionade.Club is targeted to look for part and full time workers to assist with product making and ordering services. The targeted customers for the company are people who wish to stay healthy and seek a healthier selection of desserts and beverages, either men or women in all-aged. The company will increase awareness to reach out more potential targeted customers through online advertising and proactive attending farmers market and in-store cafe settings.



Financial Projection & Funding Request (below are falsed number)

Forecast Passionade.Club LLC Start-Up Investment:

Beginning Inventory (ingredient and equipment)	\$500
Business cards and flyers	\$160
Business Licenses (City and State)	\$300
Rental	\$1200
Cash box and other	<u>\$200</u>
Total start-up investment without contingency	\$2360
Contingency @10% of start-up investment	<u>236</u>
Total start-up investment with contingency	\$2,596

Passionade.Club LLC.

Forecasting Income Statement for the Month Ended May 31st, 2023.

Net Revenue		\$15,670
	Cost of Goods Sold	4670
Gross Profit		\$11,000
Operating Expenses		
	Rents	1200
	Salaries	2100
	Utilities	1000



	Advertising	<u>100</u>
	Total Operating Expenses	<u>\$4,400</u>
Operating Income (EBIT)		\$6,600
Income before Taxes		
	Taxes(22%)	<u>1,386</u>
Net Income		<u>\$5,214</u>

**Passionade.Club LLC Expected Yearly Projection
Balance Sheets**

Assets	
Current Assets	
Cash	\$4,500
Accounts Receivable	\$5,600
Inventory	\$6,400
Supplies _____	<u>\$600</u>
Total Current Assets	\$17,100
Long term Fixed Assets	
Furniture and Fixtures _____	<u>\$3,400</u>
Total Net Fixed Assets	\$3,400
Total Assets _____	<u>\$20,500</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$6,670
Accrued Wages	\$2,100
Accrued Taxes Payable _____	<u>\$1,386</u>
Total Current Liabilities	\$10,156
Owner's Equity	
Capital Stock	\$7,400
Retained Earning _____	<u>*\$2,944</u>
	<u>\$20,500</u>
Retained Earnings = Total Assets - (Total Liabilities + Capital Stock)	



$$\begin{aligned} &= \$ 20,500 - (\$10,156 + \$7,400) \\ &= \$2,944 \end{aligned}$$

Forecast Cash Flow Statement

Passionade.Club LLC Statement of Cash Flows Year ended December 31, 2023.	
Cash Flows from operating activities	\$4,500
Cash Flows from investing activities	(2,596)
Cash Flows from financing activities	<u>(300)</u>
Net Increase (decrease) in cash	\$1,604
Cash at the beginning of the year	<u>\$1,000</u>
Cash at the end of the year	<u>\$2,604</u>

Forecast Capital Expenditure for a month

Expenditure List	Expected	Actual	Variance
Wages and Salaries	\$2,000	\$2,100	\$100
Rental	\$1000	\$1,200	\$200
Advertising	\$100	\$150	\$50
Maintenance	\$200	\$300	\$100
Utilities	\$500	\$700	\$200
Others	\$300	\$500	\$200
Total Expenditure	\$4,100	\$4,950	\$850



Funding Request

As previously noted, since the global pandemic Covid-19 has happened, more people in the world are taking more care for their health. Food and beverages we consume everyday seem more important. Therefore, we are providing the community with a new era healthier lifestyles in the combination of desserts and beverages in higher nutrition. Our community members (customers) can enjoy beverages and desserts without much unhealthy concerns. Although the industry of desserts and beverages is highly competitive, we believe there is great room for improvement with the insertion of health values, high quality and aesthetically pleasing. Our goals are to provide more options in the combination of health and desserts/drinks. Believing that even sweets can provide nutrition values for our health.

The starting capital needed for running the first month would be \$3,000. Therefore, in order to implement the ideas to serve our communities, funding of \$36,000 in debt and/or equity from a lending institution or enquiry investor is needed to start up a year. Terms for an equity or debts position are negotiable. Debt funding is anticipated to have a 1 to 3 years with an interest rate between 5% to 7%. Principal and interest payment will be made monthly, using cash flows from the company. For an equity position, percentage of ownership in the company will be negotiated between current owner(s) and investors. Investors will be compensated through quarterly dividend payments.

Invested Capital will be used as follows:

- Buildout \$8,000
- Advertising \$1,200
- Working Capital \$26,800

With this funding, our company will better buildout and serve our future customers within the communities, as well as create a solid foundation for future growth and prosperity to a healthier society.



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