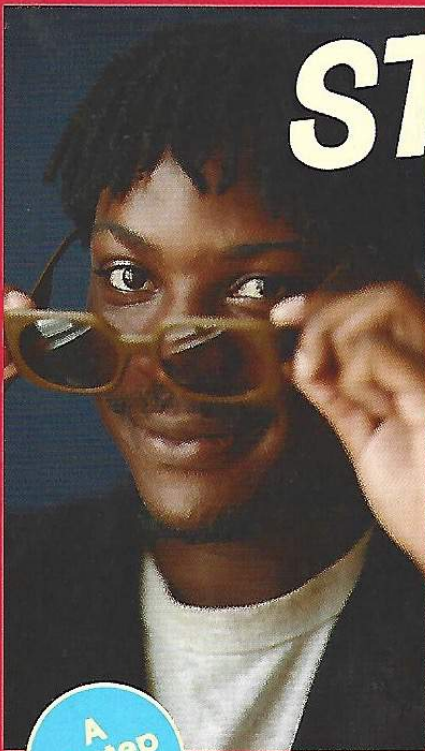




Courier

HOW TO START AND GROW A BUSINESS



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- 2 — Nail your offer
- 3 — Fund your growth
- 4 — Validate your idea
- 5 — Develop your product
- 6 — Grow out the brand
- 7 — Keep the lights on
- 8 — Get customers
- 9 — Nurture a community
- 10 — Build your team



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Case study



PANADERA

Filipino bakery

London, UK

Opening a new venue is a huge decision for any bricks-and-mortar business. For the founders of Panadera bakery, it meant getting resourceful with what they had and keeping a very close eye on the business' day-to-day financial health.



Filipino sandos are among the treats served at the Panadera bakery in north London.

The opening day of Panadera, a north London-based Filipino bakery, wasn't quite the buzzy, queues-around-the-block event that co-owner Florence Mae Maglanoc had grown accustomed to. 'It was snowing and there was literally no one here,' she recalls, laughing. 'It was probably the worst opening day ever!' Although Florence Mae and her partner, Omar Shah, had already launched five successful food ventures across London – including the photogenic Mamasons Dirty Ice Cream parlor – this time the financial stakes were higher. Instead of using a piecemeal approach to the startup costs, they had taken a gamble on Panadera and invested significantly in kitting out the kitchen.

Having initially balked at the predicted £50,000 professional equipment costs, Florence Mae retreated to her spreadsheets to weigh up the financial risks. 'I needed an oven that could realistically make 1,000 loaves of bread a day,' she says. 'I could have cut costs and bought a cheaper oven that made smaller batches, but it would have cost me more in labor in the long run.' Having estimated Panadera's sales projections, she took the plunge and paid out for the machinery, financing it independently. 'All of our businesses have been organically funded,' she says. 'I don't want the pressure of paying back a giant loan.'

Florence Mae clawed back the budget by doing much of the build herself and becoming skillful at haggling. Meeting suppliers face to face to build

rapport – and demonstrating she was building relationships for the long term – made the difference when it came to getting that discount. It's just one example of the diligent care that's gone into funding the growth of a burgeoning food-and-drink empire.

Baking resourcefulness into everything

Right from the get-go, the bakery was created with a zero-waste mindset. Panadera's main revenue driver is its dough, used in everything from its sandos (east-Asian sandwiches) to the Filipino milk buns filled with creamy condensed milk and brown sugar. Although the ingredients used in bread are inexpensive, the labor costs involved in making it are not. So, rather than throwing unsold bread out at the end of the day, it's redistributed and used in the evening service at the pair's other London restaurants.

Bread is what's bringing in the dough at the moment, but Florence Mae has one eye on the future and insists that all of the equipment is multi-use. 'Right now, our ovens are used for bread, but soon we'll be expanding to pies and large cakes. I've been trying to train myself to look at what we already have and think: what else can I do with this?'

Keeping a close eye on cash flow

Florence Mae's financial nous has been learned both on the job and through attending the occasional business seminar. 'I'm heavily involved in managing



COUNTING DOUGH
Panadera's Florence Mae Maglanoc knows that her bookkeeping is just as crucial as baking.



the cash flow,' she says. 'No matter what the size of your business might be, I believe that it's always good to be hands-on in every department.'

That means spending two hours every day on QuickBooks accounting software, number crunching the daily invoices and takings. 'I also have a little box at home where I chuck all my receipts at the end of the day,' she says. 'I staple them to a piece of paper with an explanation of what each payment was for.'

Once a week, Florence Mae and her team put aside four hours to focus on the financial health of the company. 'We use a system called reconciliation, which is the accountancy term for cross-referencing your payments,' she says. 'It helps to keep everything nice and neat for our accountant and also means we don't miss paying invoices, even when things get really busy. When I'm reconciling, I'm also triple-checking the prices. Sometimes a supplier will get a bit cheeky if they know you need a product and up the price. But I have a good relationship with all our suppliers and will happily pick up the phone to ask what's going on if I spot an unexpected price hike.'

Zooming out to the bigger picture

Once a month, Florence Mae takes a wider view of Panadera's growth. 'At the end of the month, we'll do a data sheet to reflect on the times when we made money or things dipped,' she says. 'We'll ask ourselves: were we crazy busy because of something specific, or are we selling more of a certain product because of the season?' It's also a chance to assess the bakery's profit margins. 'We're looking at the correlation between sales, the cost of goods and labor. It helps me to decide whether we should invest or save money.'

These percentages also flag up rising costs. 'I might see that wages are pushing up towards 35% of our income, which shows that we need to slim down

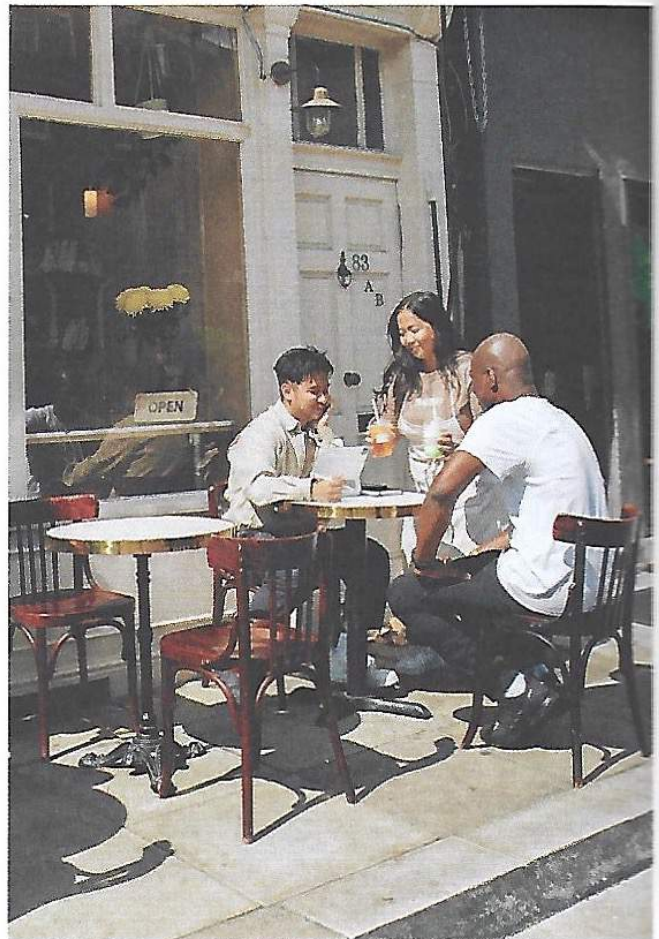


'It's good to be hands-on in every department.'



FLORENCE MAE'S BUDGETING TOOLS

01. 'If I'm developing a recipe I use an app called **Fillet**, where you enter the list of ingredients and it prices up all of the products.'
02. 'We started out using **Excel** spreadsheets for our finances, which is useful for an overview of what we're making and selling daily, and to keep track of products before they sell out.'
03. 'We use the accounting software **QuickBooks** to document our invoices. I like the fact that you can take a picture of your invoice and it logs it for you, making the process paperless. It also syncs on my phone, iPad and computer, which works well as I'm always on the go.'





Panadera's Camden outpost is the sixth food-and-drink venture launched by its co-founders in London.



'I have a good relationship with all our suppliers and will happily pick up the phone to ask what's going on if I spot an unexpected price hike.'

on staff or drive up sales. Or it might just be down to something like taking a while to get used to a new machine.' The hospitality world has notoriously tight margins, so Florence Mae uses these daily, weekly and monthly sessions to stay on top of the bakery's budget.

Learning on the experts

Florence Mae brings in an external accountant to help with filing taxes, and open communication is crucial. 'Keep asking questions, even if it takes a few goes to fully understand it,' she says. 'You have got to be completely transparent about what you're doing with your money, so they can advise you properly. And keeping things organized is really important. When it comes to filing, I'd find it too stressful if I couldn't remember what any of the receipts were for.'

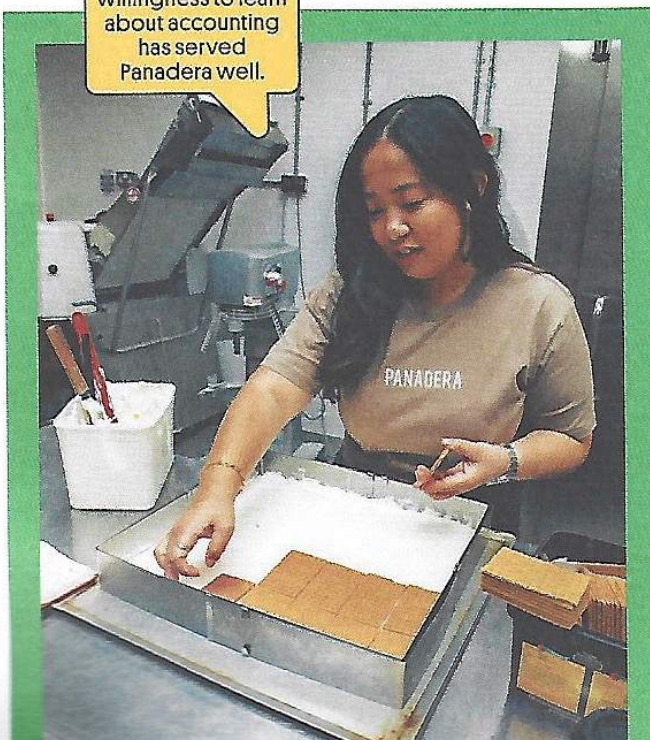
Florence Mae has also employed an in-house bookkeeper to help with invoicing, and together they have come up with Panadera's chart of accounts,





BREAD AND BUTTER

Florence Mae's willingness to learn about accounting has served Panadera well.



a filing system that sorts different transactions into subcategories. Florence Mae now carries a physical copy of her chart of accounts on her at all times. 'If I'm buying something like flowers for the store, I'll have a peek in the book and see how I'd categorize it.'

Despite a slow-burning start, and the difficulties of opening in March 2021 during a global pandemic, the financial gamble paid off: Panadera is on track to pay back its launch costs within just six months of opening its doors. For Florence Mae, the key to keeping the lights on has been taking a pragmatic step back from the business aspects she personally finds more exciting – such as developing new recipes for the bakery – to carve out slices of time for regular cash flow sessions. 'Starting a brand is about creating something new, so it's almost like bringing a child into the world,' she says. 'It's wonderful to be sparking all these new ideas, but keeping a business afloat is also about less romantic things like balancing the books.'