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**FATHER TUCKERS**  
**PUDDINGS**

**\* Feasibility Study \***

**December 1995**

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## **EXECUTIVE SUMMARY**

The following report is based on a brief to investigate the feasibility of a Community enterprise for the Brotherhood of St Laurence in the area of Boutique Manufacturing, specifically the production of a one line item to be known as Father Tucker's Pudding.

The feasibility study has researched the project through consultation with Industry, Training Providers, Brotherhood of St Laurence Management and staff as well as the Community and Government sectors. The use of data and local comment has also been used to support the recommendations.

In summary this report will recommend that DEET and the Brotherhood of St Laurence join forces in the development of this enterprise for the following reasons;

- Industry experts support the feasibility of the enterprise
- Industry experts have indicated their willingness to contribute to the project to ensure its success
- The Financial plan indicates that the enterprise will produce profit for the organisation after the first year of operation
- The enterprise is in a growth employment industry
- The enterprise can facilitate key learning outcomes
- The product has the potential to develop into an expanding market
- The Brotherhood of St Laurence has an established market share that will initially capture a solid consumer base
- The Brotherhood has an established infrastructure that will reduce many facets of the operation (ie. Fundraising department, Telemarketing, Labour Market Programs, Accredited Training and support, an industrial kitchen, Management and Accounts.

The following feasibility study will now demonstrate how the following project objectives have been formulated, and suggests how they could be achieved over the period.

1. Produce a high quality product for distribution through the Brotherhood of St Laurence mail order catalogue.
2. Ensure skill development, experience and an entry point for unemployed people in a growth industry.
3. By 1997 generate a financial surplus that would support the Brotherhood of St Laurence's' community work.

## **A. CORPORATE SUMMARY**

### **1. PROJECT DETAILS**

Father Tuckers Pudding will be a project of the Brotherhood of St Laurence.

**LEGAL NAME:** Brotherhood of St Laurence  
**ADDRESS:** 67 Brunswick Street, Fitzroy  
**TELEPHONE:** 9 419 7055  
**FAX NUMBER:** 9 419 3685  
**CONTACT PERSON:** Maria Alibrando

### **2. SPONSOR INCORPORATION**

The Brotherhood of St Laurence was incorporated as an association in the State of Victoria under the Associations Act (1981) and Father Tuckers Pudding will seek registration as a Business name.

### **3. SPONSOR/PROJECT ORGANISATIONAL STRUCTURE**

Eight trainees will be recruited over the period and will be directly supervised by the Project Co-ordinator. The Project Co-ordinator will report to the Employment Action Centre's Manager, who reports to the BSL General Manager, who reports to the Director of Operations who ultimately reports to the Brotherhood of St Laurence Board.

### **4. INDUSTRY ADVISORY COMMITTEE**

As this project is new, there is currently no established Industry Advisory Committee. It is recommended that such a committee be established to assist the project in reaching its success benchmarks.

It is recommended that this committee consist of the following people;

- BSL General Manager (Chair)
- EAC representative
- Father Tuckers Pudding Project Co-ordinator
- Industry expert (William Angles College)
- Industry Mentor (George and Simpson)
- BSL Fundraising representative
- BSL Accounts representative
- BSL Purchasing Officer

## **B. PROJECT OVERVIEW**

### **1. MISSION STATEMENT**

*"Father Tucker's Puddings provides unemployed people with the opportunity to access a pathway into the labour market.*

*At the same time it intends to produce high quality products that will generate funds to assist the Brotherhood in its community work"*

### **2. PROJECT HISTORY**

In October of 1992, The Brotherhood of St Laurence facilitated the Certificate in Occupational Studies (Hospitality). The training provided real life work experience for trainees in our Coolabah day centre for elderly residents.

In 1993, a staff canteen was established as an initiative of the program. This canteen was intended to be an additional site for trainee development.

In 1994, competitive tendering and curriculum variations to include Bar and Beverage modules, unfortunately, resulted in the programmes core funding being transferred to a commercial provider.

The canteen became redundant and the ability of the BSL to assist people access industry experience in this field still an issue.

### **3. REVIEW OF PRESENT SITUATION**

Father Tucker's Pudding is currently not operational. In the past the Brotherhood has facilitated training in the Hospitality industry and has created successful enterprise projects such as the "Pixie Cleaning Service".

The Brotherhood has also been generating funds through the facility of a mail order service, which distributes to a donor base of members in excess of 70,000. The support of this donor base has been demonstrated through the successful sales of the Christmas card campaign. Financial records indicate that new and past donors consistently contribute to the purchasing of this product. (see appendix 2).

## C. LABOUR MARKET NEEDS ANALYSIS

### 1. CATCHMENT AREA

This product will be sold in five ways;

- Direct mail order through the BSL mail order catalogue that has a distribution of 70,000, and forms the merchandising arm of the organisation (see appendix 3)
- Corporate companies already captured through the Brotherhood of St Laurence network.
- Brunswick Street Local traders
- Father Tuckers canteen located at 67 Brunswick Street, with distribution points in the Brotherhood of St Laurence opportunity shops.

Accordingly, it is able to assume patronage/consumers from;

- BSL Donors who will purchase through direct mail
- Corporate sector who will be targeted
- Consumers on the Brunswick street area
- BSL staff and referring agencies.

The purchase will attract buyers who :

- Want to buy a top quality Christmas Pudding

and/or

- Want to contribute to the work of the Brotherhood of St Laurence.

### 2. INDUSTRY WITHIN THE AREA NOW

Local industries currently producing a Christmas Pudding include;

#### **George and Simpson (Office in East Melbourne)**

George and Simpson are the guru's in the plum pudding industry. Their customers range from David Jones, Myers and are sold Nationally. This product is of high quality with an excellent reputation. Their Plum puddings retail at Myers for \$15.95(1kg) and \$24.95(1.5kg). This company also produces additional Christmas lines such as small one person puddings, Christmas cakes, Cranberry and Orange Sauce (\$5.95) and Brandy Butter (\$5.95).

#### **Rotary**

Rotary produce puddings but mainly to their members rather than to the public. Brain Millar from the Fitzroy Rotary Club on hearing of our idea said "Go for it".

**San Remo Bakery** (Located in Brunswick)

In 1994 they produced Puddings for retail distribution but will not be doing so in 1995. They will, however, produce a Christmas cake, instead that sells for \$20 for a 2kg cake.

**Sweet Temptations** (Pastry shop/cafe, located in Brunswick Street, Fitzroy)

Production of Plum Puddings on a small scale to satisfy their cafe demand. The puddings are made on the premises and sell at \$20 for 1.25kg or \$16 for 1kg. Packaging is the standard calico and string.

**The Lions Club**

Christmas Cakes are sold throughout Melbourne. These cakes are manufactured on their behalf and are sold through their network of clubs. Approximately 1 and half million in sales is recorded annually.

- No other welfare organisation in the area makes and distributes the same or like product and distributes it through a mail order service.
- No organisation sells the product through the knowledge that local unemployed people have produced the product.

**3. COMPETITIVE EDGE**

This product is produced by local unemployed people. It is a mutually beneficial way to assist the Brotherhood in its welfare work. It is a high quality product packaged with an attractive but novel profile. (see appendix 4)

**4. PROJECTED INDUSTRY GROWTH**

Projected growth is somewhat unknown, as the project is attempting to capture an untapped market. All industry experts agree however, that we would have no problem in selling this product. (see appendix 5 and 6)

Industry growth will emerge through the opportunity to fulfil other complimentary line products such as a brandy sauce, mince pies and shortbread. It was suggested to us by **George and Simpson** that we consider making small one person puddings as the market is not able to satisfy current customer demand.

We would also seek to access the Corporate sector through our current fundraising efforts and could possibly package Christmas baskets.

## 5. CURRENT AND FUTURE EMPLOYMENT OPPORTUNITIES

"There is an Australian shortage of Pastry chefs. The expansion of the industry is great and we can't keep up with it. Currently, we export people from overseas to fulfil the demand. "

"Gaining access to skills in this area can provide people with entry points into the following vocations, Pastry Chef, Bread makers, Chefs/ Cooks, Bar People, Waiters/Waitress, Cleaners - all expanding areas. "

*Andy Stuart, Head of the Baking Department William Angless, 1995*

This project aims to give people skills in cooking, manufacturing, handling and storage, telemarketing and customer servicing. Bearing this in mind the following market trends appear to identify a match between industry growth and skill development, existing in this project.

### **Regional Labour Market Trends**

#### **National Summary**

Bureau of Industry Economics publications (June 1995) nominate service industries as the most significant contributor to increased economic activity in Australia. Manufacturing, although showing a slight decline is also a significant contributor. In both areas, small business played the major role. Also noted is that service industries account for 80% of employment in Australia. DEET publications indicate that at a National level industry employment prospects are above average in the following industries;

1. Wholesale and retail trade, prospects are expected to be above average for the next few years, many jobs expected to be casual or part time.
2. Accommodation/cafe/restaurant, strongest growth over past five years.
3. Transport and storage, prospects are above average for the next few years, many jobs expected to be casual or part time.

#### **Local Summary**

The Victorian labour market is recovering more slowly than other states, so unemployment will remain high. Locally, the labour market is dominated (60%) by community services, manufacturing and wholesale/retail activities. Local CES officers (see appendix 7) report that opportunities exist in professional and semi professional careers, hospitality retail and cleaning. Local EAA case managers are seeking opportunities for participants in landcare, arts/music, labouring, cleaning hospitality and retail. The former two are not considered to have good longer term prospects but the others are.



## **Other Trends**

### **Direct Mail**

The trend of buying through the electronic mail system (ie. Internet) and direct mail order services appears to be on the increase. Quality of product and servicing will become more important as product competition increases. This change in how as consumers we will buy products will create additional skills required and employment opportunities. The boutique manufacturing industry will begin to emerge.

### **Telemarketing**

Vacancies in this area appear to be increasing. With the trend towards direct mail order buying/internet selling, this vocation should gain some vocational recognition as well as an increase in employment opportunities.

### **Articulated Pathways**

In the vocations nominated there is opportunity for employment and training access through the following articulated pathways.

### **Traineeships**

Traineeships are on the increase due to increased flexibility's and subsidy rates. Netforce have indicated the development of Hospitality specific traineeships in the following fields

#### **Kitchen Hand Attending**

ASF Level 1, Skill Level B

#### **Food and Beverage**

ASF Level 2, Skill Level B

#### **Fast Food (being developed)**

ASF Level 1, Skill Level B

#### **Warehouse Operations**

ASF Level 2, Level B

#### **Catering**

ASF Level 2, Skill Level B

**Small Business Traineeship** (this would be a good traineeship to create a vocation in telemarketing)

ASF Level 1 and 2 Skill Level B

### **Apprenticeships**

Apprenticeship access is still available in the Hospitality industry, however, it is essential for candidates to have an employment history. After speaking with The Hospitality Industry Group Training Scheme, they indicate to us that they will only take people with a minimum of six months work experience.

### **Direct employment**

The Fitzroy area has many small cafes and restaurants that often call for kitchen hands and casual staff.

### **Small business**

Opportunities exist for trainees to use their experience in a Small Business Initiative.

## **6. COMPETENCIES AND STANDARDS**

The Brotherhood of St Laurence is an Accredited Provider of training programs. A training plan would be established and implemented to ensure appropriate skill development and job preparation. After consultation with Accredited Training providers, the training plan would be based on the following learning needs;

- Health and Safety
- First Aid
- Food Hygiene
- Communication skills
- Product Knowledge
- Trade Calculations
- Food Handling
- Food Preparation
- Food manufacturing
- Packaging
- Telemarketing and direct selling
- Distribution
- Job Searching

William Angless College have indicated that they would be prepared to support us in this project. This may be through our students being taught specific modules by the school or by the school giving us parts of the accredited curriculum (see appendix 5).

## **7. TARGET GROUP COMPOSITION**

The project aims to align its employment access of trainee staff with the identified BSL target group which consists of ;

- Long Term unemployed
- People with disabilities
- Early School leavers
- NESB population
- Homeless
- Youth at risk

All trainees are sought from the local community, and priority is given to people who have a desire to work in the Hospitality industry and are referred from CCM or EAA.

## **7. STAFFING**

It is recommended that staffing will include one full time Co-ordinator, and four trainees at any one time. (two intakes of 4 at six month intervals)

## **D. STRATEGIC ANALYSIS**

### **1. KEY SUCCESS FACTORS**

Key success factors are those aspects of this operation that will need to be present for the entity to achieve its corporate objectives. The key success factors for Father Tuckers Puddings are:

- The ability of the project to access DEET funds in the establishment and consolidation of the enterprise
- BSL financial support to ensure cash flow without return for the first year of operation
- The ability of the project to ensure budget targets are achieved
- Access to an industry expert, who will be the Project Co-ordinator
- Production of a high quality product
- Access to an appropriate storage facility
- Access to an appropriate, affordable and approved cooking facility
- Access to the fundraising section of the BSL and its donor base
- An effective Marketing strategy
- The ability of the project to develop the skills of trainees in order for them to succeed in gaining further employment and training

## **2. IMPLICATIONS**

The following implications derive from the Key Success Factors:

- Gain a financial commitment from DEET prior to Feb 1, 1996
- Ensure BSL commitment through the Executive council
- Appointment of a qualified industry expert who is able to facilitate the food/service production and able to also ensure the development of training components for delivery, and to be appointed by Feb 1996
- Provision of appropriate on the job training modules
- Develop a positive relationship with local traders.

## **3. SWOT ANALYSIS**

The following is an analysis of the strengths and weaknesses of the operation and the perceived opportunities and threats.

### **STRENGTHS**

Father Tuckers Puddings is strengthened by :

- Good entry product for beginners as it is labour intensive, but not too difficult to master
- Limited wastage as the product does not burn. If there is a mistake you just recycle the ingredients
- Product has a shelf life of 18 months
- Product is seasonal which ensures sales a known cash return
- Linkage with the Brotherhood of St Laurence which provides credibility to the project and access to an already established infrastructure of operations and policy procedures.
- Strong Industry support
- On site access to an Industrial kitchen that has the required equipment
- Proposed kitchen has council approval
- BSL has access to a pool of unemployed people for trainee positions
- Project complies with DEET objectives, giving the BSL to access the New Work Opportunity participants which will give financial benefits in the establishment of the project, whilst adhering to organisational principles of service provision.
- The Brotherhood of St Laurence through its Employment Action Centre is an experienced Labour Market provider, with available supports for the unemployed.
- Creates employment access and opportunity in a industry growth area.
- BSL has unoccupied space that could be used in the first instance as storage space and training space
- The Brotherhood of St Laurence could rent out a premise near the sponsor as this part of Fitzroy has many unoccupied kitchens.

## **WEAKNESSES**

The project is weakened by:

- No staff currently on board to implement project
- There is limited access to the Industrial kitchen
- Dependency on BSL funds to meet operational budget and cash flow.
- Dependent on DEET funds
- NWO scheme has some flaws that BSL would need to address
- Consumer market share not tested with this product.

## **OPPORTUNITIES**

The project perceives the following sources of opportunity :

- Establishment of Father Tuckers Pudding as an enterprise that is a training ground for unemployed people
- To access the New Work Opportunity scheme to provide structured learning, and ensure some external financial support.
- To link into the Brotherhood fundraising department to maximise the promotion and marketing tools available through the organisation.
- Identify wholesale sellers who might be prepared to donate required items to the project, including food, postage, packaging.
- Expansion into the Corporate sector that through time could pre order for following years.
- Expansion into other complimentary products in the future
- Promote the work of the BSL through this product. All products should be known as Product Advocates.

## **THREATS**

Operations are threatened by :

- The project is dependent on the appointment of a multi skilled expert who is able to provide advise on industry specific needs, but also training, program management and selling.
- At this stage there is no financial support from DEET.
- Access to appropriate resources such as space and time.
- The market doesn't buy the product.

## **CONCLUSIONS**

The proposal to operate Father Tuckers Pudding as an Enterprise appears possible by :

- Ensuring that the project integrates all facets of BSL operations ie. fundraising, employment training(EAC), merchandising, donor support, accounts, human resources, public affairs, and management.

- It is crucial that the project gets some money from DEET to establish and support the proposal.
- The New Work Opportunity scheme is appropriate and should be accessed.
- Training to be provided is documented and established
- On the job training and facility is established and planned
- An attractive marketing plan occurs to ensure sales
- To link in with the services at EAC to ensure trainee referral and ongoing support.

## **E. OBJECTIVES AND STRATEGIES**

### **1. Production of 9,000 thousand high quality Christmas Puddings to be sold for Christmas 1996 and 1997.**

- Identify suitable venue for the production and manufacturing of goods (see appendix 8)
- Identify equipment required and access (see appendix 8)
- Arrange for suitable packaging of product (see appendix 8)
- Purchase ingredients through preferred buyers (appendix 8)
- Preparation of recipe (see appendix 9)
- Manage the filling of orders
- Organise project labour (see appendix 10)

### **2. Ensure adequate financial support for project establishment as identified with the proposed budget.**

- Submission to DEET to identify the possibility of accessing two forms of financial support.
  - SkillShare Enterprise monies for project establishment, equipment, Co-ordinator part wage. Request up to \$15,000.
  - New Work Opportunity Scheme funds to support the employment of eight trainees and part payment of project Co-ordinator. (see appendix 11)
- Preparation of a submission to the Corporate sector to identify any companies that might be prepared to sponsor the project. This would also include accessing support for the purchasing of equipment, food, packaging.

**3. Prepare a campaign for the BSL Executive Council to ensure financial support in the area of cash flow, and in kind contributions that are identified as follows;**

- Use of the BSL Industrial kitchen and cooking facilities
- Access to the Graphic artist and public affairs
- Access to the administration, accounts, and managerial support usually charged out to each centre
- Space at Millot Hall for the first year for training, packaging and distribution.
- Access to BSL donor data base and use of telemarketing strategies.

**4. Ensure efficient project management to met success benchmarks**

- Establish the success benchmarks and evaluate on a regular basis
- To establish an advisory team made up of the recommended people to manage the project
- Recruitment of a suitable Project Co-ordinator by January 1996.
- Establish and implement a timeframe production and distribution schedule.(see appendix 1)
- Policy and procedures manual to be implemented for uniform Best practice.
- Monthly financial and project reports to be provided to the Committee for evaluation and monitoring.

**5. Ensure the production of a top quality product.**

- Base recipe prepared and initial market testing undertaken
- Market research to be instituted on a regular basis to ensure that the consumer is satisfied with the recipe.
- Ensure that all quality assurance standards and practices are followed.
- Institute a return of money policy for unhappy customers.

**6. Ensure that trainees achieve learning outcomes**

- In consultation with Industry implement the Training Schedule that has been identified by the Training division of the BSL.
- Regular review and evaluation of the training plan to assess training effectiveness
- Provision of adequate support for trainee involvement.
- Provision of suitable a staff person who has industry and training experience.
- Ensure professional development for all project staff

## **7. Promote the product to the identified market share**

- Connect with BSL fundraising and create integration with the merchandising catalogue and Christmas Card promotion.
- Make sure that the product is attractive to the consumer
- Packaging is organised
- Design and implement a Marketing plan that would include information distribution, promotion and a product profile.

## **G. FUTURE DIRECTIONS**

It is envisaged that this project will prove to be successful and produce profit for the organisation after two years of operation.

It is then intended that the project would diversify and investigate the production of a brandy sauce, mince pies and other related line items.

The development of a merchandising catalogue will be the outcome where products will be sold to donors with the knowledge that they have been made by local unemployed people and that the products will communicate BSL mission and vision.

In the first two cycles of production the New Work Opportunity scheme would be used. After this the National Training Wage would be recommended and combined with the opportunity for casual labour where required. In essence it appears that this project will provide ongoing benefits to all key stakeholders and should develop in line with its identified vision.



<b>FINANCIAL PLAN</b>			
<b>INCOME</b>	<b>1995/6</b>	<b>1996/7</b>	<b>1997/8</b>
	(Jan ' 96 - June ' 96)	(July ' 96 - June ' 97)	(July ' 97 - December ' 97)
DEET ESTABLISHMENT	15,000	0	0
SALES	0	45,000	90,000
NWO SCHEME	13,000	91,000	0
INTEREST	0	0	0
FEES - POSTAGE	0	15,000	30,000
<b>TOTAL INCOME</b>	<b>28,000</b>	<b>169,000</b>	<b>120,000</b>
<b>EXPENDITURE</b>			
SALARIES AND WAGES	16,750	16,750	16,750
TRAINEE WAGES	7,020	49,140	0
ANNUAL LEAVE	2,500	2,500	2,500
WORKCARE PREMIUM	80	290	80
AWARD SUPERANNUATION	400	2,000	1,005
AMENITIES	100	200	300
STAFF TRAINING	100	200	200
ELECTRICITY	128	541	791
INSURANCE	50	150	267
RENT - EXTERNAL	685	2,055	3,783
MAINTENANCE/EQUIPMENT	1800	3,600	0
CLEANING	60	175	324
DEPRECIATION	110	330	608
TRAVELLING	100	200	200
STATIONARY AND PRINTING	100	900	1,000
POSTAGE AND HANDLING	0	15,000	30,000
EXTERNAL AUDIT	0	600	700
TELEPHONE	200	500	500
COMPUTER LEASING	0	0	0
CONTRACT TRAINING	2,000	4,000	0
FOOD COSTS	9,000	9,000	9,000
PACKAGING COSTS	0	6,000	12,000
PROJECT SUPPORT	500	500	500
ACCOUNTS/MANAGEMENT	750	1,000	1,000
ENTERTAINMENT	200	200	300
CONFERENCE AND SEMINAR	100	100	200
PROMOTION	200	200	400
<b>TOTAL EXPENDITURE</b>	<b>42,933</b>	<b>116,131</b>	<b>82,408</b>
<b>SURPLUS (DEFICIT)</b>	<b>-14,933</b>	<b>45,369</b>	<b>37,592</b>