



# How to Start a Cake Business From Home

## 1 Know Your Local Requirements

- Make sure your state and local government allow home-based baking businesses
- Check with your HOA to ensure you can operate a business from your home
- Obtain a business license
- Know your local health department's standards
- Familiarize yourself with your state's cottage food laws

## 2 Prepare Your Home

- Assess your kitchen's size, storage capacity, and countertop space
- Consider remodeling your kitchen or moving to a place with a larger one
- Take a look at what supplies you already have and what you still need
- Purchase multiple of certain supplies (measuring cups, stand mixers, etc.)

## 3 Name Your Business

- Ask yourself what feeling you want your business to evoke in customers (playfulness, nostalgia, etc.)
- Think about what makes your business unique (ingredients, artistry, etc.)
- If you specialize in a certain type of cake, use your business' name to highlight this
- Register your business' name

## 4 Create a Business Plan

- Decide if you want to deliver, ship, and/or have customers pick up their cakes from your home
- Ask yourself if you will be making custom cakes to order and/or selling cakes you've already made
- Consider selling your cakes to cafes and coffee shops where they will be available for resale
- Add up the cost of your ingredients and labor to help price your cakes
- Set prices that compete with other similarly sized local businesses (not grocery stores)

## 5 Promote Your Business

- Set up a booth at a local farmers market
- Give out free samples of your cakes or sell cakes at discounted prices to entice new customers
- Have a physical portfolio on hand at farmers markets to show people cakes you've made
- Create and hand out business cards with your contact info and pictures of your cakes on them
- Build an online presence on social media platforms like Facebook, Instagram, and TikTok

## 6 Protect Your Business

- Purchase liability insurance to protect your business' reputation and profits
- Get FLIP's cake maker liability insurance starting at just **\$25.92 per month**
- Shield your business from unexpected costly claims and give yourself peace of mind