



# The Home Bakery

*Custom cakes at \$150-600, cookies by the dozen, and a legal path to sell from your own kitchen. The cottage food business, run like a business.*

\$300-800

START LEAN

7-14 days

FIRST DOLLAR

65-80%

TYPICAL MARGIN

# Is this your business?

Cottage food laws in nearly every state let you sell baked goods made in your home kitchen, which makes this one of the lowest-cost legal food businesses in America. Custom celebration cakes run \$150-600, decorated cookies sell by the pre-ordered dozen, and your customers find you through photos of work you already made. The bakers who burn out take every order; the bakers who build wealth take deposits, set minimums, and sell out a limited calendar.

\$300-800

LEAN STARTUP COST

\$1,500-3,000

STANDARD BUILD

7-14 days

TIME TO FIRST DOLLAR

65-80%

TYPICAL GROSS MARGIN

Yes, fully

SOLO-FRIENDLY

Yes (cottage food)

HOME-BASED

## BUILT FOR THESE FOUNDER TYPES

THE CRAFTSMAN

THE STORYTELLER

2/5 difficulty

### THE HONEST FIT TEST

You will bake on Thursdays and Fridays for Saturday pickups, decorate while the house sleeps, and tell people no when the weekend is full. If you cannot decorate a cake people gasp at, or you cannot hold a price when a stranger asks for a discount, this will grind you down. If your baking already gets requests, this is how requests become revenue.

# Who pays, and why now.

Every birthday, baby shower, graduation, retirement, and gender reveal in your zip code needs a centerpiece dessert, and the people ordering it are not comparison shopping at grocery stores. They are searching for a baker whose photos match the party in their head, and they decide from an Instagram grid in about ninety seconds. Custom celebration work is bought on emotion and proof, which is why a home baker with a strong portfolio routinely outsells bakeries with storefronts and payroll.

The pricing reality surprises most new bakers in a good direction. Custom cakes price by the serving, not by the cake: \$5-8 per serving for buttercream work, more for sculpted or tiered designs, which puts a 40-serving party cake at \$200-320 before add-ons. Decorated sugar cookies run \$38-60 a dozen with order minimums. Customers ordering for a once-a-year moment pay for skill and reliability; the ones hunting for a \$40 cake were never your customers.

Your real competition is not other home bakers, most of whom undercharge, burn out, and quit within two years. It is the customer's fallback option: the supermarket bakery. Beat it on the two things it cannot do, personalization and flavor, and never try to beat it on price. The market sorts itself: grocery stores serve the \$25 sheet-cake buyer, and you serve the parent who wants the cake from the Pinterest board.

Demand has a calendar you can plan around. Spring graduations, summer weddings, fall birthdays stacking into the holidays: by year two you will know your busy months to the week. That predictability is what lets a disciplined home baker cap orders, raise prices, and still sell out.

WHO BUYS	WHAT THEY PAY	WHAT THEY ACTUALLY WANT
Parents (birthdays, showers, milestones)	\$150-350 per custom cake	The cake from the saved photo, delivered without stress
Event hosts and planners	\$250-600 for tiered or dessert tables	A reliable vendor who shows up exactly as promised
Cookie order customers	\$38-60 per decorated dozen, 2-dozen minimums	Themed favors for parties, teams, and offices
Small weddings and elopements	\$300-850 per cake	Boutique quality without commercial-bakery minimums

PER SERVING, CUSTOM BUTTERCREAM

**\$5-8**

Stop thinking in cakes and start thinking in servings. A 40-serving design at \$6 a serving is a \$240 order, and the serving count, not the pan size, is what justifies the number out loud to a customer.

# Every dollar, before you spend it.

If you already bake seriously, you own most of the equipment. The startup money goes to legitimacy (registration, labels, insurance) and to the small upgrades that make custom work faster. Check your state's cottage food rules before spending a dollar: they decide what you may sell.

THE LEAN BUILD · START HERE	WHY IT EARNS ITS PLACE	COST
<b>Cottage food registration or permit</b>	Free in some states, modest fee in others; some require a short course	\$0-150
<b>Food handler certificate</b>	Online course, required or smart everywhere	\$10-30
<b>Decorating upgrades (tips, bags, scribe, colors)</b>	Gel colors and a real tip set change the work visibly	\$60-120
<b>Boards, boxes, and packaging</b>	Buy by the case; presentation is half the perceived price	\$80-150
<b>Labels (cottage food disclosure + ingredients)</b>	Most states mandate exact wording; see the legal page	\$30-60
<b>Liability insurance (first month)</b>	Food business policies for home bakers are inexpensive	\$25-50/mo
<b>LLC + business basics</b>	Your liability wall; THE LAUNCHPAD Module Three walks it	\$50-300
<b>Lean total</b>		<b>\$300-860 all-in</b>

THE STANDARD BUILD · ADD AFTER FIRST REVENUE	WHAT IT UNLOCKS	COST
<b>Stand mixer upgrade or second mixer</b>	Doubles batch capacity on stacked-order weekends	\$300-600
<b>Airbrush kit + projector</b>	The two tools behind most premium-priced finishes	\$150-350
<b>Dedicated order and deposit system</b>	Forms, contracts, and payments without DM chaos	\$15-40/mo
<b>Photography corner (backdrop, light)</b>	Your portfolio is your storefront; light it like one	\$100-250

## THE RULE

Spend on what customers can see or taste, in that order, and nothing else until orders force the upgrade. The supermarket has better equipment than you will ever own. Nobody is paying you for equipment. They are paying for hands, taste, and a photo that matches the party in their head.

# Clean from day one.

Home bakeries live or die by cottage food law, and it is genuinely state-by-state: what you may sell, where you may sell it, how much you may gross, and what your label must say. An afternoon reading your state's rules is the highest-paid afternoon of your launch.

- Read your state's cottage food law first:** Each state publishes an approved product list. Shelf-stable items (cakes, cookies, breads, jams) are broadly allowed; anything requiring refrigeration (cheesecake, custards, cream-cheese frosting in many states, meringue-topped pies) is typically banned from home production.
- Know your gross revenue cap:** Many states cap cottage food sales, commonly anywhere from \$25,000 to \$250,000 a year, and several have removed caps entirely. Know your number: crossing it without upgrading to a licensed kitchen is the violation regulators actually look for.
- Register, permit, or complete the required course:** Some states require nothing, some a free registration, some a permit and kitchen inspection, and several a short food-safety course. Your county health department or agriculture department page lists the exact path.
- Follow direct-to-consumer rules:** Many states restrict cottage food to direct sales: in person, at markets, from your porch. Shipping across state lines, selling wholesale to cafes, or stocking retail shelves is prohibited in much of the country without a commercial kitchen upgrade.
- Label exactly as your state dictates:** Most states mandate specific wording, commonly a version of 'made in a home kitchen not inspected by the health department,' plus your name, address or registration number, ingredients, and major allergens. The wording is not optional and inspectors check it at markets.
- Get food liability insurance:** An allergen mistake is the real risk in this business. A policy built for home food businesses costs little and most markets and venues require a certificate before you sell on site.
- Form the LLC and separate the money:** Business bank account, business card reader, clean books. Cottage food being homemade does not make it a hobby to the IRS or to a lawyer.

## INSURANCE, SPECIFICALLY

Food liability with product coverage is the core policy, and home-baker programs price it accessibly. Confirm your homeowner's insurer knows about the business: undisclosed commercial activity in the kitchen can void unrelated claims. If you ever deliver, check that your auto policy covers business use.

## WATCH FOR

Allergens are the lawsuit and the tragedy waiting in this trade. Your kitchen contains wheat, eggs, dairy, and probably nuts, and 'nut-free' is a promise a home kitchen usually cannot honestly make. Label every major allergen, say 'made in a kitchen that also processes nuts' rather than overpromising, and put allergen confirmation in writing in every custom order thread.

Requirements vary by state and city. Verify with your state, city clerk, and a licensed professional. Education, not legal advice.

# Three doors. Real numbers.

Price by the serving and quote in writing, every time. Custom work has infinite small variables (tiers, sugar flowers, hand painting, delivery), so anchor on a per-serving base and price the add-ons explicitly. The quote doubles as your scope agreement.

	RECOMMEND	
<p><b>DOOR ONE</b></p> <h3>The Dozen</h3> <p><b>\$42-54</b> decorated cookies, 2-dozen min</p> <ul style="list-style-type: none"><li>◆ Custom theme, up to 3 designs per dozen</li><li>◆ Individually sealed for favors</li><li>◆ Two-dozen minimum protects your hours</li><li>◆ Pickup on scheduled porch windows</li></ul>	<p><b>DOOR TWO</b></p> <h3>The Celebration</h3> <p><b>\$185-325</b> most-booked</p> <ul style="list-style-type: none"><li>◆ Custom cake, 30-50 servings at \$6-7 per</li><li>◆ Design consult from your inspiration photos</li><li>◆ Choice of six signature flavors</li><li>◆ 50% deposit books the date</li><li>◆ Boxed, boarded, and transport-checked</li></ul>	<p><b>DOOR THREE</b></p> <h3>The Event</h3> <p><b>\$475-850</b> premium</p> <ul style="list-style-type: none"><li>◆ Tiered cake or full dessert table</li><li>◆ Tasting box included before final design</li><li>◆ Delivery and on-site setup</li><li>◆ Backup cutting cake for 75+ guests</li><li>◆ One revision round built into the contract</li></ul>

#### PRICING NOTES FOR THIS BUSINESS

- The 50% non-refundable deposit is the business. No deposit, no date on the calendar, no exceptions for friends of friends.
- Order minimums (\$150 cakes, 2-dozen cookies) filter out the orders that consume a Saturday for grocery-store money.
- Price the add-ons out loud: sugar flowers, hand painting, toppers, and delivery each have a number. Free add-ons are how \$250 cakes become \$180 cakes.
- Raise per-serving rates \$0.50-1 every time you sell out two months running. Selling out is not success; it is underpricing with good photos.

#### THE UPSELL THAT PAYS THE RENT

Delivery and setup at \$25-75 by distance, and the matching add-on: cupcakes or a dozen cookies in the same theme at checkout. The customer already approved the design; the matching dozen is a 60-second yes that adds \$40-60 of high-margin work to an oven that is already hot.

# Names, not strategies.

Your first ten orders come from people who have already eaten your baking, plus the local groups where parents ask for cake recommendations weekly. The portfolio you need is three jaw-dropping pieces, not thirty.

## 1 Your own circle, at founding prices

Friends and family pay a founding rate, not zero: free cakes create freeloaders, founding rates create referenceable customers. Photograph each one like it is going in a magazine.

## 2 Local parent and neighborhood Facebook groups

'Anyone know a cake person?' gets asked weekly in every town. Be the answer with a photo attached. One great group post can fill a month.

## 3 The next three parties in your orbit

Birthdays, showers, and school events already on your calendar are commissions waiting to be asked for. Offer the founding rate before someone defaults to the supermarket.

## 4 Schools, teams, and offices for cookie orders

Teacher appreciation, team logos, client gifts: decorated dozens with a 2-dozen minimum are your reliable midweek revenue between cake weekends.

## 5 One farmers market or pop-up (where legal)

If your state allows market sales, a single table of cookies and cupcake samplers builds a custom-order waitlist faster than any ad. Bring order cards for cakes.

### THE EXACT ASK

*"Hi [name], I'm officially taking custom orders now: I just launched [business name] under our state's cottage food program. You've had my baking, so you know the flavors are real. I'm booking ten founding orders this month at \$25 off, deposit holds your date. Does [child/event] have a party coming up I should save a weekend for?"*

### THE FOUNDING-CUSTOMER DEAL

Ten founding orders at \$25 off, in exchange for tagged photos from the party and a Google review if they loved it. Deposits still required, minimums still apply: the founding deal discounts the price, never the process. Retire it publicly after ten and post the calendar filling up.

# Owned, earned, then paid.

This business is a portfolio with an order form attached. Everything in your marketing exists to do one thing: put a finished piece in front of someone planning a party and make ordering feel effortless and safe.

CHANNEL, RANKED	WHY IT WORKS HERE	THE FIRST MOVE
<b>Instagram portfolio grid</b>	Cake customers shop by scrolling; your grid is the storefront window	Post every finished piece, reels of the smoothing and the reveal, link to order form
<b>Local Facebook groups</b>	Recommendation threads are where party planners actually decide	Answer every 'cake person?' thread within the hour, photo attached
<b>Google Business Profile</b>	'Custom cakes [town]' buyers are ready to order this week	Claim it, load the portfolio, collect a review with every pickup
<b>Pickup-day word of mouth</b>	Every porch pickup is a neighbor seeing a stunning box leave your house	Branded box stickers and three business cards in every order
<b>Party vendor circle</b>	Photographers, balloon stylists, and venues get asked for cake referrals constantly	Cross-refer with three local party vendors; share tagged photos

## FIVE CONTENT PIECES THAT WIN THIS NICHE

- The buttercream smoothing reel (the niche's most reliable performer)
- What a \$250 cake gets you vs a \$60 one, shown honestly
- How far in advance to book a custom cake in [town]
- Flavor menu reveal: the six we bake and why only six
- Time-lapse: blank tier to finished showpiece in 60 seconds

## THE REVIEW MACHINE

Ask at pickup, when they lift the lid and react: 'That reaction is exactly why I do this. Would you put it in a Google review? I'll text you the link before you're out of the driveway.' Then ask for one photo from the party. A cake being cut at a real celebration outsells any studio shot you will ever take.

# One unit, one month, no fog.

Two honest snapshots: what one mid-range celebration cake actually pays you, and a steady part-time month of two cakes and cookie orders most weekends. Ingredient costs assume real butter and real prices, not wishful ones.

ONE UNIT: ONE CELEBRATION CAKE AT \$245 (38 SERVINGS)	AMOUNT	A WORKING MONTH: PART-TIME, 6 CAKES + 14 COOKIE DOZENS	AMOUNT
Revenue	\$245	Revenue	\$2,980
Ingredients	-\$28	Ingredients	-\$520
Board, box, packaging	-\$9	Boxes, boards, packaging	-\$130
Payment processing	-\$7	Insurance, permit share, software	-\$85
Utilities + overhead share	-\$12	Marketing	-\$90
Gross profit (6-8 hrs total)	\$189	Pre-tax profit	\$2,155
Tax reserve (27%)	-\$51	Tax reserve (27%)	-\$580
Yours, per cake	\$138	Owner take-home	\$1,575

BREAK-EVEN

## 2-4 orders

The lean build is recovered by your first weekend of real orders, which is why the constraint in this business was never capital. It is weekend hours. Every pricing and minimum-order rule in this playbook exists to make sure the hours you can sell are sold at full value.

Illustrative figures at typical market rates; your market, prices, and costs will differ. Run YOUR numbers in the One-Page P&L from THE LAUNCHPAD, Module Six. Remember the 25-30% tax reserve on every dollar of profit.

# Pre-decided, so motivation is never consulted.

## WEEK ONE: FOUNDATIONS

- State cottage food rules read; allowed products and cap confirmed
- Registration or permit filed; food handler course done
- LLC filed, EIN issued, business bank account open
- Insurance bound; compliant labels designed and printed
- Six-flavor menu and per-serving pricing locked

## WEEK TWO: DOORS OPEN

- Three portfolio pieces baked and photographed properly
- Instagram grid and Google Business Profile live
- Order form with deposit payment link working end to end
- Founding offer announced to your full contact list
- First 2-3 founding orders booked with deposits

## WEEK THREE: MOMENTUM

- Founding orders delivered; pickup windows tested
- Party photos and reviews requested at every pickup
- Every 'cake person?' group thread answered with photos
- Cookie minimums posted; first dozen orders booked
- Two party vendors contacted about cross-referrals

## WEEK FOUR: THE SYSTEM

- Founding pricing retired publicly; calendar posted
- Weekend order cap set (and held) for next month
- Deposit-and-contract flow running on every order
- Month-one P&L done; best-margin product identified
- Next month's two busiest weekends already half booked

### DAY 30 VERDICT

Green light: 6+ paid orders, deposits on next month's calendar, 4+ reviews with photos. Yellow: orders happening but every one arrived through DM chaos with no deposits: fix the order system before adding customers. Red: under 3 orders despite 25+ real asks: your portfolio photos or pricing presentation missed; rebuild the three showcase pieces and run week two again.

# How this business fails, and how it grows.

## THE FIVE KILLERS

- ✗ **Taking orders without deposits**  
A no-deposit order is a reservation someone else holds against your weekend for free, and the cancellations always come Thursday night. Deposit books the date. Full stop.

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- ✗ **Pricing the cake instead of the servings**  
'\$80 sounds fair for a cake' is how 10 hours of work pays \$6 an hour. Count servings, multiply by your rate, quote the math out loud.

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- ✗ **Ignoring your state's product list and cap**  
Selling cheesecake from a cottage kitchen or blowing past a gross cap is the violation that gets home bakers shut down. The rules take an afternoon to learn; learn them.

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- ✗ **Saying yes to every design and date**  
An uncapped calendar and an unlimited menu is the burnout recipe. Cap weekend orders, limit flavors to six, and let scarcity raise your prices.

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- ✗ **Overpromising on allergens**  
Never claim nut-free or gluten-free from a home kitchen that handles both. Label honestly, confirm allergens in writing, and walk away from orders you cannot safely serve.

## THREE SCALE PATHS

- 1 **The premium calendar**  
Stay solo, cap orders, and push per-serving rates up until weekends sell out at \$7-8 a serving. Many of the best home bakers scale price, not volume, and clear more than storefronts do.

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- 2 **The commercial kitchen jump**  
Renting commissary hours removes the cottage cap and unlocks wholesale, shipping, and restricted products like cream-filled work. Make the jump when the cap, not demand, is your ceiling.

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- 3 **The cottage-to-storefront ladder**  
A cookie or dessert counter inside an existing cafe, then a micro-bakery of your own. Walk it only when pre-orders consistently exceed what your kitchen can produce, because rent eats hobbyists.

### YOUR FIRST HIRE

A pickup-day and packaging helper for Friday afternoons once you are consistently capped. Boxing, labeling, and porch handoffs are checklist work, and outsourcing them buys you two more decorated orders a weekend. Decorating stays yours: it is the product. The helper test is simple: if your box-and-label routine is not written down, write it before you hire.

THE STAIRCASE CONTINUES

# The playbook is the map. The machine is waiting.

Everything this playbook describes, Epic Advisory Group can build with you: the brand, the cinematic website, the entity, the engine. Describe your idea to the Launch Engine and see your business real in about sixty seconds, free.

- The Launch Engine: your idea, built free, in about a minute
- THE ASCENT: Founder Edition: the eight-module course
- Launch-in-a-Box: entity, brand, site, and first campaign, one flat price
- Growth, capital readiness, and the path to the public markets

*"There is no right age. There is only the decision."*



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