

Business Plan (Coffee Shop)

Hayek Global College



O înghițitură pe rând

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Problem

There's people who value premium coffee but can't access it frequently due to price.

There aren't sufficient options for people living in Bucharest to drink a good and cheap specialty coffee. Some places do offer specialty coffee, but at a very high price.

Solution

Small coffee shop franchise, offering specialty coffee at a lower price. Business focus on the coffee itself, not the ambience.

Customer

The customers are **active men and women**, who live and work in Bucharest (so, urban area) who drink at least one coffee a day, for whom coffee is both a necessity and a pleasure.

Age: 25 - 50.

They wish to reduce their expenses, while keeping their lifestyle.

Their income is at least **3000 RON/month**, they have a job, possibly a family (one child).

Competition

Direct



- Restaurant/Coffee to go
- Specialty coffee cups
- Private label coffee (from South America/Africa)
- Online shop



- Restaurant/Coffee to go
- Specialty coffee cups
- Many in shop events (Poetry, reading, tasting)
- *Guido brand coffee bags

*Also a coffee shop



- Restaurant/Coffee to go
- Specialty coffee cups
- Take Away
- Food is also their focus



- Coffee shop
- To go/ Hang outside
- Not restaurant
- Specialty coffee cups
- Food is also their focus

Competition

Substitutes



Strategy

There is an abundance of coffee shops in Bucharest that offer specialty coffee, be it cups or take-home grains. Most put an emphasis on the quality of their coffee, however the experience they sell tends to be linked to the location's ambience.

A cup of coffee from such competitors tends to be quite expensive, this may be the result of :

- Expensive equipment for the kitchen
- Salaries for a sizeable staff
- High rent, given the size needed for equipment, machinery and furniture
- The ability to charge more for providing "Experience"
- Maintenance
- Legal and compliance requirements (food or alcohol licenses)
- Region's coffee scarcity
- Branding

By shortening the supply chain (Direct contact with international coffee exporters) and having less specialty coffee varieties, no luxurious drink-in space, restaurant branch or wide employee list, costs and expenses are lowered. This will make the company compete for customers, keeping the quality of coffee but making it more acquirable on higher frequencies.

Target those clients who seek great taste, but prefer not to put much money and time into getting it. Offer the most expensive items at lower prices.



Branding

The brand will appeal to people who wish to feel good at all times, people who enjoy life and its simplicities. As easy to stop for a minute and get a cup of coffee which provides them pleasure, happiness and gives them positivism for the rest of the day.

This however ties up with the luxury part by emphasising the quality of the product. Giving the customer the sense of superiority with high grade coffee.

Get that early boost that inspires you to pursue success.



The Innocent

Pricing

	Min. Cheap	Max. Cheap	Min. Exp	Max. Exp	Average Cheap	Average Exp	Dif. AVG	No Comp.
Espresso	3 lei	6 lei	6 lei	10 lei	4 lei	7 lei	3 lei	
Espresso Double	5 lei	10 lei	8 lei	14 lei	7 lei	10 lei	3 lei	
Batch	5 lei	7 lei	10 lei	13 lei	6 lei	11 lei	5 lei	
V60	- lei	- lei	11 lei	20 lei	- lei	15 lei		15 lei
Syphon	- lei	- lei	14 lei	20 lei	- lei	16 lei		16 lei
Aeropress	- lei	- lei	14 lei	20 lei	- lei	17 lei		17 lei
Long black	4 lei	4 lei	8 lei	12 lei	4 lei	10 lei	6 lei	
Flat white	7 lei	8 lei	10 lei	16 lei	8 lei	13 lei	5 lei	
Macchiato	5 lei	8 lei	9 lei	12 lei	6 lei	10 lei	4 lei	
Capuccino	4 lei	8 lei	10 lei	12 lei	6 lei	11 lei	5 lei	
Latte	6 lei	8 lei	11 lei	15 lei	7 lei	13 lei	6 lei	
Chemex	- lei	- lei	14 lei	20 lei	- lei	16 lei		16 lei

*Based on prices from 19 coffee shops in Bucharest

Pricing

Espresso	5 lei
Espresso Double	8 lei
*Batch	7 lei
V60	8 lei
Syphon	10 lei
Aeropress	10 lei
Long black	6 lei
Flat white	9 lei
Macchiato	8 lei
Capuccino	9 lei
Latte	9 lei
Chemex	10 lei

Plain



Special



Match prices

Priced in between:
Max. price for cheaper shops,
and Min. price for expensive
shops.

Sales

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- Establishment
- Events
- Highest Quality

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- Promos
- Product itself
Eg. "Energy Boost"
- Low Price

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- Quality Coffee
- Mid-Price
- No Gimmicks



Focus on:

Products not available in lower end shops.

Driving in sales through Social Media.

Key Locations through Bucharest.

Present a good quality-price ratio coffee.

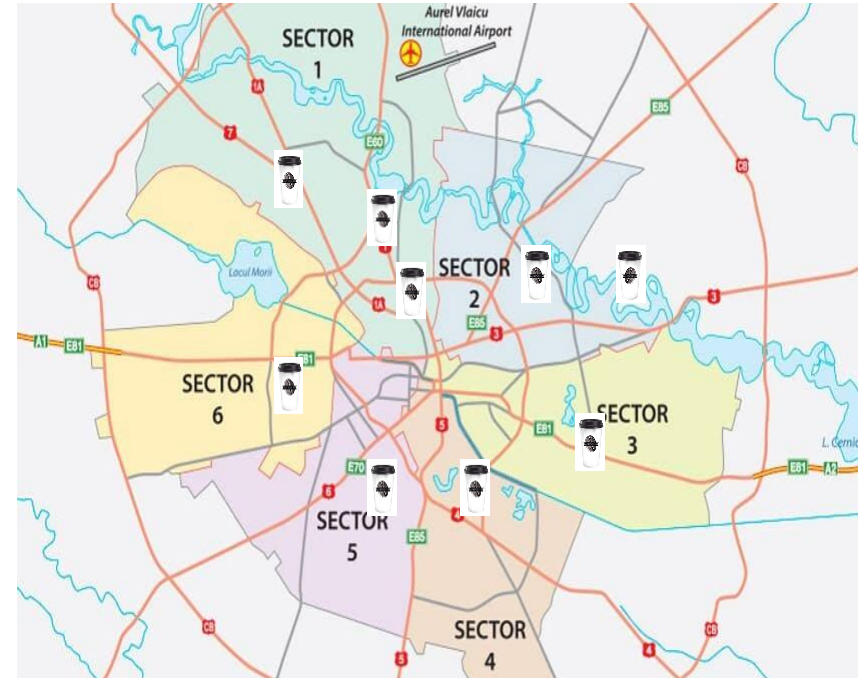
Marketing:

- Simplicity : Stop-buy-go
- Pleasure : Premium beverage
- Positivity : Energy for the day.

Sales Strategy

Multiple sale-points and/or Franchising, along with branding, will give the brand market presence.

Keeping the supplies acquisition centralized by the main company will help achieve an economy of scale, reducing costs and allowing for the coffee shops to pursue the lower cost strategy.



GOALS

1. Open 3 shops in 18 months after opening.
2. Reach 750,000 lei Yearly Gross Revenue per store
3. Open franchise in Bulgaria ,Czech Republic and Poland by 2024

Goal

Year	1	2	3
Revenue Goal	750,000 lei	850,000 lei	1,000,000 lei
Customer Base Goal	Aprox. 250 daily	Aprox. 300 daily	Aprox. 350 daily
Product quality	Rating of the coffee above 85 (SCA)	Rating of the coffee above 85 (SCA)	Rating of the coffee above 85 (SCA)

Moonshot

Become the biggest coffee shop franchise in Europe

