

1.



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

BUSINESS PLAN: DLM&B'S COFFEE VAN PROJECT

MODULE:	Managing Enterprise in the 21 st Century
MODULE NUMBER:	BMSW4006_LON
STUDENTS:	Laura Lluís Moreno - 1906178 Desiree Ortiz - 1906167 Myriam Tayupanta - 1909629 Brenda Hernandez - 1906230
LECTURER:	Malani Gunaratnam
DATE:	11 TH May 2020

Malani Gunaratnam,
Winchester House, 11 Cranmer Rd, London SW9 6EJ,
a.munna@uwtsd.ac.uk

Dear Mr., Gunaratnam,

We are writing on behalf of our interest to open a Coffee Van Project, which will be called 'DLM&B' nearby Colliers Wood Recreation Park and surroundings. We are a group of Head Baristas with at least nine years of experience.

We are four enthusiastic partners excited to create this project as coffee and customer service is our passion. We also have experience preparing juices and managing business, as in our previous jobs, we reached Managerial positions. Therefore, we also know how to run a business.

We are extremely passionate about latte art and we had always sought to serve perfect coffees with a different and unique taste, this is why our interest to open a High-Quality Coffee Van is extremely exciting. Despite, we want to create a small place where people around the park and nearby can find the perfect coffee, snack and iced drinks space. We believe that caffeine has become one of the most important drinks around London, and we want to take customers coffee experience the extra mile.

As almost everyone around London; coffee is a main hot drink in the early morning, this is why differentiating to other small business projects, we would love to be their first coffee, this is why early starts in the morning would not be a problem for us, what is more, customers from other job places recommended us to start our coffee project as our passion was extremely high.

We are extremely excited to share this idea with you and discuss any further plans or pieces of advice. We look forward to hearing from you, thank you very much for your consideration.

Sincerely,
DLM&B Team.



DLM & B

"In Coffee we bull"



Laura Lluís Moreno. Business Partner and Barista.

Previous Manager. Experience in different Coffee Shops around London.
Outgoing, and Leadership skills.



Brenda Hernandez. Business Partner and Barista.

Previous Barista experience in different Coffee Shops around London.
Friendly, hard worker.



Myriam Tayupanta. Business Partner and Barista.

Previous Barista experience in different Coffee Shops around London.
Hard worker, coffee expert.



Desiree Ortiz. Business Partner and Barista.

Previous Head Barista experience. Outgoing, coffee expert.

All Partners common part is the managerial and Head Barista positions which we have reached in our previous jobs working in big and specialised coffee companies, such as: Starbucks, Department of Coffee and Social Affairs, GRIND, TAP Coffee and Café Nero. Partners believe their strong and outgoing personality will help to increase sales as the excellent customer service provided before. All partners can handle food and hot beverages and can work under high pressure efficiently.

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY.....	8
2. BUSINESS DESCRIPTION AND HISTORY.....	9
2.1 Mission and Vision	9
2.2 Objectives.....	10
2.3 Culture.....	10
2.4 Location.....	10
2.5 Team.....	10
2.6 Products and Services.....	11
2.7 Opening Hours.....	11
2.8 Contact Us.....	11
3 BUSINESS ORGANISATION STRUCTURE.....	11
3.1 Resources.....	11
3.2 Human Resources.....	12
3.3 Ownership Structure.....	13
3.4 Management Team.....	13
3.5 External.....	13
4 BUSINESS ANALYSIS.....	14
4.1 SWOT Analysis.....	14
4.2 PESTLE Analysis.....	15
4.3 Porters Five Forces Analysis.....	17
5 PRODUCTS AND SERVICES.....	19
5.1 Products.....	19
5.2 Services.....	21
6 Customer and Competitor Profile Analyses.....	23
6.1 Customer Profile.....	23

6.2	Competitor Profile.....	24
7	MARKET ANALYSIS AND SALES STRATEGIES.....	27
7.1	Market Research.....	27
7.2	Market Analysis.....	28
7.3	Sales Strategies.....	30
8	OPERATION.....	33
8.1	Development.....	33
8.2	Production.....	33
8.3	Employers.....	34
8.4	Suppliers.....	34
8.5	Other Suppliers.....	37
9	SOCIAL RESPONSIBILITY AND SUSTANIBILITY...	38
9.1	Environmental.....	38
9.2	Organic.	39
9.3	Ethical.	39
9.4	Charities.....	39
9.5	Sustainability.....	40
10	FINANCIAL PLANNING.....	41
10.1	Sources of Finance.....	41
10.2	Personal Survival Budget.....	42
10.3	Cash flow.....	43
10.4	Balance Sheet.....	44
10.5	Sales Forecast.....	45
10.6	Business Break Analyses.....	46
11	LEGAL AND COMPLIANCE ISSUES.....	47
12	CONCLUSION.....	52
13	REFERENCES	53

14 APPENDIX (POWER POINT)	56
--	-----------

1. EXECUTIVE SUMMARY

(Desiree Ortiz – 1096167)

DLM&B's coffee van project is based, on the idea of providing excellent customer service while serving high-quality products in a small van near a Recreation Park. Not only excellent Colombian coffee will be provided but also a small range of cold drinks and snacks for customers to enjoy while walking through the park, picking up kids from school or in the early morning when people go to work around the area; Hospital nearby for example.

DLM&B willing to be part of the hospitality industry considers it as a big opportunity as this sector is one of the most important in the UK as per its huge population and tourists.

DLM&B will be formed from 4 partners which will work on a full-time basis contract while managing and run the business equally. Partners previous experienced allowed the agreement to start this project as a coffee van as their previous roles in big companies.

DLM&B target audience is to reach all customers ages, that is the reason why DLM&B will have a variety of not just coffee but other products such as juices, for the smallest for example. Location was chosen as DLM&B partners found Colliers Wood area a familiar area with areas partners have worked before; lots of families around.

DLM&B partners are aware that there is a big competition around the area as big chains can be found nearby such as Café Nero or Starbucks.

DLM&B focuses on quality over speed, and that is one of the reasons why DLM&B will differentiate itself with other business from the same sector. As although it is a small coffee van project, one of its main objectives is to focus on quality, as that is one of the reasons why customers stay.

However, DLM&B partners recognised the opportunities and threats which business can face such as weather conditions and big competitors around.

DLM&B will be preparing surveys, flyers and loyalty cards along with other marketing and sales strategies to gain customers, but also, DLM&B will be analysing competitors.

To conclude, DLM&B is a high-quality coffee project which aims to seek customers happiness by giving excellent customer service along with their best coffee experience.

2. BUSINESS DESCRIPTION AND HISTORY.

(Myrian Tayupanta – 10909629)

The name of the Coffee Van, “DLM & B”, is an original and attractive name, which comes from the owner’s initial names, Desiree, Laura, Myrian and Brenda and can be easily, read by everyone.

The Logo of DLM&B, a red face bull and its logo “In coffee we bull” was chosen as a way to express our warrior instinct, DLM&B believe as themselves, as a strong team which believes being capable to reach anything, and it was agreed to express the excitement into a bull.

Coffee has become an essential daily matter for many people around London, so it is a ground-breaking idea to create this small business.

The nature and story of this project began in 2019 as an idea of building a business plan raised for a subject at the university.

As partners, we wanted to guarantee a successful business plan, so having coffee as the ‘star’ product was a not-so-challenging idea. DLM&B project is founded by experienced baristas, who previously got coffee experience.

a. Mission and Vision

The **mission** is inspiring customers to consume the products we will be launching, making them stay not for just our speed but quality.

The **vision** is to focus on the customers' feedback, it will be crucial to understand the needs of them, as in this way DLM&B partners will analyse how can it be improved.

b. Objectives

DLM & B's objective is to become one of the best leaders in the industry around its location, building a good reputation with sales, customer experience and quality. As a small business, DLM&B wants to be at the same range of existing branches which are already loved by people, and that is the reason why DLM&B partners are creating business belonging to the hospitality sector.

c. Culture

DLM&B believes each individual has to show herself to the world outside. DLM&B partners believe it is important to keep DLM&B entity free of tags. Each partner encourages each other to be themselves, that is one of the reasons DLM&B will not use any uniform as a representative format to the customer, instead, members of the partnership will work casual, with the desired outfit. What else? A different kind of music will be playing every day, making its environment less boring and more personalised, DLM&B management believes this can attract and make customers feel more comfortable and relaxed, a casual way to get them to stay in DLM&B

d. Location

DLM & B will be established as a coffee van right in front of Colliers Wood Recreation Park situated in the South West of London borough of Merton, which is a busy and highly frequented park around Colliers Wood tube station (London Underground Northern line) thus be an excellent point of sales.

Location: 27 South Gardens, Colliers Wood, London SW19 2NT.

e. Team

Our team is made by 4 experienced baristas with lots of passion for coffee, bringing a sense of quality and rationally to our products. This small business has four partners but will also work as baristas.

f. Products and Services

DLM & B is going to offer a range of good and high-quality products including hot and cold beverages such a small range of hot and iced coffee, hot chocolate, tea, hand-made juices and pre-packed cakes. For the safety and preference of our customers, all our prepacked products will be a gluten-free base. We considered all these products (explained further) because due to our experience as baristas we noticed they are in high demand on most popular establishments.

Although the UK is a cold place, it is not an excuse to enjoy our refreshing drinks in the good weather.

g. Opening Hours

1. Autumn/Winter Season (October to March): 7:00 am – 6:00 pm.
2. Spring/Summer Season (April to September): 7:00 am – 8:00 pm.

h. Contact us

- Dlm&bcoffeevan@gmail.com - Tel.0777653366.
- **Facebook:** DLM&B Coffee Van
- **Instagram:** @dlm&bx2ull
- **Find us at:** 27 South Gardens, Colliers Wood, London SW19 2NT

3. BUSINESS ORGANISATION STRUCTURE.

(Laura Lluís Moreno, 1906178)

3.1 Human Resources

DLM&B is composed for 4 general partners fully trained for health and security basis. For the first three months the partners are not having expected revenue as the business is been setting up. However, we are expecting a benefit from 1,000.00 each for the following months raising in the second year.

3.2Ownership Structure

General partnership - all partners are personally responsible for the business, meaning they are liable for any losses or debts with their personal income or wealth if necessary (www.open.edu -09/05/2020 at 13:00)

Advantages:

- Shared decision making; increased capital invested; increased specialization; easy to set up – few legal requirements; ideas can be shared; secure investment capital can be shared more easily and in greater amounts
- Disadvantages: Unlimited liability; profits have to be shared between partners; no continuity of existence; partners may have disagreements; limited finance; likely to survive only when specific provisions have been placed in the partnership agreement; ends because of personality conflicts; partners can be held liable for each other's action; if one partner signs a contract, the others is bound by the terms of the contract; the business may be sue for breach of contract.

(www.sideplayer.com 09/05/2020 at 13:21) (www.ionos.co.uk 09/05/2020 at 12:52)

DLM&B is based on general partnership where all participants puts the same amount of money and shares is not allowed, the partners' taxes are payed throw their income taxes as self-employee.

All gains and lost will be shared equally among the partners. The cash-flow is updated weekly as the earnings (individual) salary.

3.3Management Team

Manager – Desiree, Laura, Myrian, Brenda

Accountant – Laura L. Moreno

Human Resources – Desiree Ortiz

Commercial/Adverts - Brenda Hernandez

Supplies – Myriam Tayupata

Baristas – Desiree, Laura, Myrian, Brenda

3.4External Resources and Services

Being a “General Partnership”, allows DLM&B the management of the Coffee Van business. The company does not hire any external services, but all the services, such as. Management, Accountancy, Supplies, Commercial/Adverts and Baristas, are provided from the partners who are qualified for the roles they are taking responsibility for. Written legal structural obligations will be drawn up to state matters for later business operations to clearly laid out. And outlining the time frame of the company in the article of associations, if a partner leaves the company prematurely she will pay severance payments are already decided and ready to implement. Every partner will possess her copy signed for all others and certified by a notary public. An Accountant for legal purposes and accountancies is working for us.

4. BUSINESS ANALYSIS

(Desiree Ortiz, 1906167)

a. SWOT ANALYSIS.

4.1 SWOT ANALYSIS.

Internal factors which can affect DLM&B are the following:

Strengths	Weakness
- Good location close to station and park. - High quality products (coffee beans and chocolate mainly). - Fair price-quality products. - Uniqueness as there are no other equal business around in terms of design and culture. - DLM&B design is attractive for all ages. - Different ways to make customers stay such as promotions and loyalty cards. - London's hospitality industry on a constantly growth.	- No sitting area. Take away service. - Small variety of products. - Invest on the business before opened. - Can run short on coffee beans for example as they are not easy to find. - Imitability of products. - No variety of coffee flavours compared to other companies around.

Opportunity	Threats
- Next to park so different target customers; bigger groups such as families. - Big events happening frequently around the park area meaning more chances to familiarise with rush hours.	- Huge Competition as big companies around. - Unpredictable daily sales forecast due to weather conditions. - Not big variety of food products. - Rise of coffee bean prices.
- Easy to gain regular customers as it is close to hospital and a sports recreation ground. Coffee market expansion easily growth. A different range of social media platforms to promote DLM&B. Future partnership with Speciality Coffees around London which can Sponsor DLM&B.	- Future imitation. - Increase of rent payment.

4.2 PESTLE Analysis.

External factors, which can affect DLM&B:

Political.

Political factors which can affect our business such as

- Brexit; a transition period, which will decide how many people will leave the UK. It can affect our business as it means that many foreign people will leave the country and loose customers.
- Increase of tax payment in different products such as coffee beans. High Quality coffee beans can be difficult to find, this is why, the better the beans, the higher price DLM&B will pay, and that price can increase through the years due to its quality.

Economical.

Economic factors which can affect our business such as

- The increase or decrease of supply or service products due to Brexit transition period. Prices can go down the same way as they can increase, so rents or suppliers' taxes can get higher which means less profit.
- The demand of high-quality coffee beans keeps increasing yearly as there is more people interested. Coffee beans prices increase due to its bigger productivity but less resources.
- The increase or decrease of supply or service products due to Brexit transition period. Prices can go down the same way as they can increase, so rents or suppliers' taxes can get higher which means less profit.
- The demand of high-quality coffee beans keeps increasing yearly as there is more people interested. Coffee beans prices increase due to its bigger productivity but less resources.

Social.

- Caffeine is a daily main drink in the UK.
- Depending on the weather, people tends to get hot beverage around winter/ autumn time rather than summer or spring time, where cold drinks are proffered.
- - DLM&B culture is unique, meaning that people tend to remember uncommon places and may return or not.

Technological.

- DLM&B paying services will mainly be by credit card. No cash payments meaning that card readers are essential. Technological issues solved immediately.
- Essential internet connection.
- All sources of sales, such as coffee machine, order point and fridges, are connected to electric sockets, which means DLM&B must hold a good electric/ water connection.

Legal.

- Holding the right DLM&B and appropriate certificates, such as Health and Safety course or Fire Warden it is a must.
- Manage of big machines, such as coffee machine, also require holding certificates which prove we are able and capable to use them.
- International consumers law changes yearly.
- The employment laws change yearly.
- Health and Safety Standards change yearly.
- Employment minimum wage increases.

Environmental.

- Weather conditions can be a problem or a benefit. DLM&B can face issues at having less or more customers depending on the weather; rainy days, less customers. Summer and spring time are expected to be busier as the better is the weather, the more people will walk around the parks and nearby.
- Geographically, DLM&B is not located in a main street, therefore road works or other refurbishments or constructions around may occur.
- Anti-litter laws and other EU legislations.
- Changes due to global warming. - Concerns of packaging material.

4.3 Porters Five Forces Analyses

Threat of new entrants: Medium.

- Few parks around Colliers Wood but not many small businesses like DLM&B.
- Bigger recognised companies such as Starbucks nearby offering similar products and services.

- Competitors nearby give speed more importance than quality, which makes DLM&B different.

Threat of substitutes: Medium.

- The big brands nearby are a threat as customers can get disappointed as service will be slower than other coffee business.
- Although coffee is a daily routine hot beverage in the UK, it can be easily be replaced for alternative drinks depending on seasons such as Teas or Milkshakes, Ice creams for snacks, or other soft cold drinks.

Bargaining power of customers: High.

- Customers are not sensitive with prices, which means London's overall coffee price is £3 while in DLM&B will be offering cheaper products for less price than the average.
- The high-quality coffee, which DLM&B will be providing is what will make and create regular customers.
- Different kind of customers as it is close to different amenities such as: Park, Hospital and Underground Station.

Bargaining power of suppliers: High.

- Our suppliers may vary as the business grow, so DLM&B will seek for potential suppliers, which can replace or consider an improvement for future ones.
- As the coffee industry around London and the UK is really on constantly demand, there will be no problems in a future to find suppliers.
- DLM&B's idea is to keep the same suppliers for a long term as we consider a fair price-product provided.

Competitive rivalry: Medium.

- Rivalry is medium as there are big companies nearby such as Starbucks providing same or similar services.
- To drag customers' attention, DLM&B focuses in quality rather than speed and it makes it different.
- DLM&B cheaper prices compared to other companies make customers stay.

5. PRODUCTS AND SERVICES

(Desiree Ortiz – 1906167)

5.1 Products

Coffee and Milk.

One of the best high-quality suppliers in London provides DLM&B's coffee, importing beans from all around the world, **Dark Arts Coffee**. DLM&B chose Colombian, known for its acidity and caramel sweetness flavour mixed and Brazilian beans.

To create the best coffee experience, DLM&B will be offering different alternative dairy-free: oat and almond (Provided by **Oatly and Rude Health**). So, the owners decided for whole milk and semi-skimmed organic milk as dairy products alternatives. DLM&B partners, are composed by experienced Baristas, meaning that Oat milk and Almond milk were best sellers in previous company job, which we had. However, for own personal reasons such as preferences for non-dairy kinds of milk, partners agreed that oat and almond milk were giving our coffees a dash of sweet, a perfect balance.

DLM&B will be offering a quite range of iced coffee as for weather conditions and customer preferences there are higher demands of Iced Drinks over spring and summer.

Juices and Water.

DLM&B will be offering juices orange and strawberry from one of the healthiest suppliers around the UK, **Daily Dose Juices** and **Belu**.

Snacks.

DLM&B will be selling snacks. Those include just little pre-packed cakes (Chocolate Cookie, Chocolate Brownie and Granola Bar). **The Bread Factory**. This supplier provides small cakes, pastries and bread. However, DLM&B will just be selling the previous mentioned small cakes. As the van coffee is small and our focus is selling coffee, we do not believe having such a big variety of sweet and savory would be beneficial as it could look overcrowded.

Here is a list of prices below in GBP currency.

PRICE	MEDIUM	LARGE	ICED
Latte	2.7	3	3.4
Espresso	2.3	2.75	
Macchiato	2.5	2.95	
Capuccino	2.7	3.0	3.5
Flat White	2.95		
Americano	2.5	3	3.3
Water	1.6	2.1	
Orange Juice	3.5		
Strawberry juice	3.5		
Chocolate Cookie	3.5		
GF Chocolate Brownie	3.5		
Granola Bar	3.5		

5.2 Services

DLM&B culture will define the service, which partners will be providing to customers. Our culture focuses in being your own self, a different way of how to approach customers.

DLM&B services will no similar to other coffee and business shop, meaning a more casual and friendly way. Partners will focus on quality of products over speed, one of the key things, which will make customers stay.

As a big difference from competitors around, DLM&B will try to cover 5 easy steps to reach the customer and differentiate the service from any other coffee shops around. The Steps of Service of DLM&B Partners include:

1. **Greet the customer:** friendly way with a big smile. DLM&B Partners will always encourage customers to chat in appropriate times. DLM&B believes regular customers occur not just because of the product but the service provided. What is more, the better the service, the more likely customers will come back despites of quality of product.
2. **Ask for choice of product:** DLM&B believes to provide suggestions to customers. Indeed, DLM&B project is focused in coffee industry as per partners experience, meaning that background experience from partners attracts customers.
3. **Ask for preference of beans and milk:** DLM&B partners will be asking customers for choice of milk and bean to every customer who orders coffee. As per partners believe, quality of products is more important than serving the coffee itself. One of the reasons why this step is important is to make the customer understand that they have options inside our small variety of products. What is more, there are preferences between taste and coffee flavours, so true coffee lovers will likely come back.
4. **Take the payment:** DLM&B will be accepting cards and cash payments. However, Partners believe the process of taking payments should not be an awkward moment. What is more, in appropriate times DLM&B partners

believe between this transaction period, can occur two things: the willing for customers to come back or not. Approaching customers in last minute can make a huge difference in their days. There are lots of people having daily different situations, this is why, the more empathic partners are with customers, the more differences in the competition market can occur between DLM&B and other coffee shops around.

5. **Enjoy:** DLM&B Partners will be offering loyalty cards for every customer. As a part of marketing of our business and sales strategies, Partners willing to enthusiasm customers to come back is an objective.

The Steps of Service can make a huge difference in DLM&B sales. What is more, The Steps of Service will be used as a sales strategy. DLM&B believes that the better the service, the willing of customers to come back.

DLM&B service culture believes that customers will analyse staff members, this is one of the reasons no uniform will be used, what is more DLM&B partners are eligible of wearing their own clothes as it can show and make customers feel in a more casual and comfortable place, therefore with appropriate time and customers will, chats between customers and partners can occur easily.

As part of DLM&B culture, we believe that service is a key point on sales strategy, as the business sales can increase along with regular customers. DLM&B wants to provide exceptional customer service along with the best coffee experience for a such a small business like DLM&B this is why, the reason of knowing how to approach the customer is important as it is also a way of understanding their needs and for future references and business growth, it can create big differences in DLM&B products.

6. CUSTOMER AND COMPETIOR ANALYSES

6.1 Customer Profile.

(Laura Lluís Moreno, 1906178)

- Demographic: 10,712 in the census of 20011
- Gender: 49% females, 51% males
- Age average: 35, the median age is lower than 32
- Occupation: 24.0% Professional, 15.6% Associate professional and technical, 11.1% Administrative and secretarial, 10.0% Managers, directors and senior officials, 9.7% skilled trades, 9.6% Elementary, 9.0% Elementary administration and service, 8.6% Business and public service associate professionals, 8.4% Administrative, 8.3% Sales and customer service,
- Ethnic origin :50.2% English, 4.0% Sri Lanka, 3.8% South Africa, 3.0% India, 2.9 Pakistan, 1.8% South America, 1.6% Ireland, 1.6% Jamaica, 1.2% Scotland, 1.0% Australia, 28.9% Others.
- Hobbies: The Colliers Wood Walking Group, Book Group, Chess Club (collierswoodblogspot)
- Potential turn-off: weather conditions

Located close to 'Tooting Broadway', 'Colliers Wood Underground' and 'Tooting Railway Station'; ten minutes walking from 'Saint's Georges Hospital', 'Colliers Wood Recreation Ground' and 'Singlegate Primary School', DLM&B Coffee Shop is a hot point to buy a high-quality coffee, tea, water, fresh juice and some snacks with an affordable budget for all ranges of ages. Selling a good quality coffee the Coffee Van is likely to send the right message to our customers, that despite the small size of the shop they will buy and enjoy their drink. In the weekdays, at early morning and afternoon, our target is the young mothers taking their children to and picking them out from Singlegate Primary School close to the van, the early runners and cyclist, coming to the park, and the commuters. Then during the day, there will be professionals popping by for a caffeine fix or a natural fruit juice, and dog walkers. At the weekends, DLM&B will receive families going for

a walk into the park, runners and cyclists.

DLM&B Coffee shop intends to create an environment ideal to engage customer's loyalty and regular visitors who can put into two different groups: To-go – For this group, who come individually or in groups taking their order and leaving immediately. Quick and accurate baristas are working at the shop to ensure the quality of drinks and high level of service. Short timers – For this group who wants to spend a little time, a short work break, people visiting relatives or friends at the hospital some coffee, juice, water and cakes will be sold. To attract customers in a friendly and relaxing ambience some background music changing, according to the season. Considering that some customers own dogs, in this sense a pet water bowl close to the corner is put in place also besides eventually some dog biscuits will be offered, for the first six months and then sold in small bags for those who want to treat their loved pets. To improve the services and realise their profile of our regular customers a personalised survey is especially proposed, every three months. DLM&B is always aware, to create an identity of the shop as of their clients and customers, giving them what they want and need.

6.2 Competitor Profile (using SWOT Analyses).

(Myriam Tayupanta, 190629)

Although DLM&B owners studied the best place possible to install the coffee van, they are aware of existence competitors with the same products.

Café Canedo

Strengths • Cheaper quality products. • Good location. • Serves variety of food.	Weakness • Small sitting space. • Not very attractive, looks as Bar.
Opportunity • Different target customers, variety, a Portuguese brand. • Good location, easier to find.	Threats • Competitions around with big brands, as Starbucks coffee. • Many breakfast places around the area.

Starbucks

Strengths • Big recognized brand around the world. • Variety of products; snacks and coffees.	Weakness • Overpriced. • Not high-quality products or service.
---	--

Opportunity • Good location close to main road. • Important suppliers.	Threats • Speciality coffee shops.
--	---

Gosto Fino

Strengths • Recognize for residents • Variety of fruit	Weakness • Relation with price and quality are not the best. • According to reviews, food is not fresh
Opportunity • Good location close to main road. • Attracts customers from the underground.	Threats • Competitors around. • Company's exposition to rise prices.

Caffè Nero

Strengths • High reputation • Partnerships with big brands	Weakness • Not available in case of change • Depend on only one supplier
Opportunity • Products diversity; • Possible expansion.	Threats • Starbucks as a big competitor; • Expose to rise prices

7.MARKETING ANALYSIS AND STRATEGIES.

(Brenda Hernandez – 1906230)

7.1 Market Research.

Before opening a business the owners have to make a deep study to investigate what are the needs in the market, in this case, DLM&B Coffee Shop will survey to gather as much data as possible giving the tools to know more about customers and how to launch the products and services. leading to a successful and satisfactory business, and giving a bigger possibility in marketing area improvements. Besides a survey will show how are the positive and negatives impacts during and in the future, to know in what way the business is being the performance towards our customers.

Being aware of promoting and maintaining good statistics and rates DLM&B Coffee Shop will be closer to the customers, improving their satisfaction level. It is known

the reviews on the sites play an important role in the customer's choices and will be helpful to create target clients and keeping up with the competition.

7.2 Marketing Analysis.

An example of how the survey will be before DLM&B open:

1. How often do you visit the park?

Daily
Several times a week
Once a month
Several times a month

2. What are the times when you visit the park? (tick more than one)

Mornings
Afternoon
Weekdays
Weekends

3. How often do you visit coffee shops? 1- 2 times per week, 3 - 4 times per week more than 4 times a week.

4. Do you regularly visit any of these coffee shops?

Café Canedo
Gosto Fino
Starbucks Coffee
Caffè Nero

5. What would you prefer to eat with your beverage?

Cakes, biscuits
Healthy snacks (fruit)
Nothing at all
Other please specify

6. How will you rate the quality of existing services?

Excellent
Fair
Good
Excellent

7. How do you rate the service from the cafes staff? Very good

Good
Average
Not good
Bad

8. What factors influence your choice of coffee shops? (pick more than one) Price

Location	Seating outside
Quality of coffee	9. would you pay more for a
Quality of service	better tasting cup
Speed of service	of coffee?
Shop's environment	Yes No.

Market testing give samples

Lots of companies offer free samples as part of marketing strategies. DLM&B is being one of those using the same strategy. The purpose is to introduce the products and expanding the business, encouraging people to spend money with us in a future, we know people love to get something for free so it will help to create a positive experience with them where also, we will have the opportunity to receive customer feedback because when someone tastes something new automatically they create notes about what they like or dislike it compared with the competitor's products so it let us study if the coffee van exceeds consumers expectations and we can work to know how to improve it.

Mystery shopping competitors.

At part of the study of the market, DLM&B has to analyse how the exiting's competitors' products are, and evaluate which are their low and high points, also what kind of products and services they have, making clear how 'The Coffee Van' we can improve and develop its business. To get this data, partners have lead surveys with customers to evaluate what are the possible strengths and weaknesses, helping to understand better the market. The competitors take into account are the ones that will be nearest to us. Although Starbucks is a popular place with a variety of products their prices are too high, which leads customers to look for alternative welcoming places with more affordable prices. Café Canedo, is another example their cheaper and good location makes it a good place for people however, there is not enough space and due to this, people prefer buying their products as take away. So, after having this information we can conclude our business is covering the gaps in the existing coffee shops. Even though DLM&B is a small Coffee Van offering a small place, its location allows pedestrians and customers are likely

buying their drinks and going to the park to enjoy it, which is a positive benefit. Placed where DLM&B will be able to offer the best service, people no longer need to make a double journey, and they can go directly into the park having their hot drinks whenever they want as the Coffee Van is always next to them.

Met with suppliers

First of all, DLM&B ensures its suppliers give it the best quality of products. How did DLM&B get this? DLM&B have asked for samples of each product to check by itself how good the taste is and also having references for each one was an important and valuable consideration taken. As our team had previous experience and also had worked in different places they knew the suppliers and could choose the best products and high quality.

Another important point is as mentioned previously, the partners experience allowed to know which would be the ideal and high-quality Industrial coffee machine. So, Emerson G.B. will supply the coffee machine made with a stainless steel body, one steam outlet with the stainless-steel lance, one hot water outlet, high sensitivity touch button panel with durable material.

Having this product with prior knowledge about the handling, durability and quality of coffee allows us to ensure optimal service.

7.3 Sales Strategies

DLM&B Coffee Van will promote its products as the four following methods:

Website

The business will have a website called DLM&BCOFFEVAN.CO.UK that will contain all the information about the products, machinery, location, phone contact, e-mail, social networks and any other details accompanied with a logo that will make people recognize us more easily. The Logo will be a red bull face and a black background with the letters DLM & B, also a sentence that will say “in coffee we bull” that is a word game instead of “in coffee we trust”. The reason for choosing a bull as a logo is

because we are four girls that are strong and warriors and that is how we describe a bull and how we relate this animal to us.

Advertising

DLM & B will be promoted by advertising to expand our brand, reaching new customers by flyers that will be artistic and modern.

Other way to promote this small business is by advertising by Facebook, we will use this tool because it is profiting a lot of business and we are not going to waste any opportunity. There is no doubt that we will use Instagram, as well.

Social Media

In the aspect of marketing strategies, the company will play and make the social networks as a main tool with the objective in making DLM & B known as soon as possible and in this way achieve an efficient and the quick growth of the business.

Although our business is going to be small, the aim is to make it get known and maintain a high number of customers being loyal to this nice coffee van.

The socials networks that DLM & B are going to use are Instagram and Facebook.

By Instagram, the coffee van will be called @DLM&BX2ULL and will post the products making them appetizing and capturing the eyes of the people.

Through this tool, people will give us reviews and it will help us to let know what the business can improve. Besides, will let us know the things that the business is doing properly.

On the one hand, we are going to use this tool of Instagram called

“story”, consisting in a video of 30 seconds where we will notify the offers and we are going to show how the day is going on in DLM & B by a dynamic way and making it more fun and entertaining for our followers - customers, also the coffee van will post pictures of each product to be sold and will make them pleasant in the eyes of customers and thus attract more attention.

On the other hand, we are going to use Facebook that it is a bit like Instagram. DLM & B will act by uploading pictures and letting know the customers our products by describing them. Also, we will let know the audience where DLM & B will be located.

Facebook the name will be found as DLM & B Coffee van.

Instagram and Facebook will keep updating the customers once they convert in loyal and potential customers.

Events and Exhibitions:

The products that our coffee van offers have a various range of customers profile, such an adult people, teenagers and the infants, therefore, will be also a variety of offers that will help to the business is more dynamic and more efficient. The coffee van expects, as a business, to convert people in potential and loyal customer and make the people confident at the time of drink or eat our products.

7.3 Sales Strategies

DLM&B will be promoted before its opening as the four following methods:

Website

The business will have a website called DLM&BCOFFEVAN.CO.UK that will contain all the information about the products, machinery, location, phone contact, e-mail, social networks and any other details accompanied with a logo that will make people recognize us more easily. The Logo will be a red bull face and a black background with the letters DLM & B, also a sentence that will say “in coffee we bull” that is a word game instead of “in coffee we trust”. The reason for choosing a bull as a logo is because we are four girls that are strong and warriors and that is how we describe a bull and how we relate this animal to us.

Advertising

DLM & B will be promoted by advertising to expand our brand, reaching new customers by flyers that will be artistic and modern.

Other way to promote this small business is by advertising by Facebook,

DLM&B will use this tool because it is profiting a lot of business and Partners do not want to waste any opportunity. Other social media such as Instagram will be used.

Social Media

In the aspect of marketing strategies, the company will play and make the social networks as a main tool with the objective in making DLM & B known as soon as possible and in this way achieve an efficient and the quick growth of the business.

Although our business is going to be small, the aim is to make it get known and maintain a high number of customers being loyal to this nice coffee van. The socials networks that DLM & B are going to use are Instagram and Facebook.

By Instagram, the coffee van will be called @DLM&BX2ULL and will post the products making them appetize and capturing the eyes of the people.

Through this tool, people will give us reviews and it will help us to let know what the business can improve. Besides, will let us know the things that the business is doing properly.

On the one hand, we are going to use this tool of Instagram called "story", consisting in a video of 30 seconds where we will notify the offers and we are going to show how the day is going on in DLM & B by a dynamic way and making it more fun and entertaining for our followers - customers, also the coffee van will post pictures of each product to be sold and will make them pleasant in the eyes of customers and thus attract more attention. On the other hand, we are going to use Facebook that it is a bit like Instagram. DLM & B will act by uploading pictures and letting know the customers our products by describing them. Also, we will let know the audience where DLM & B will be located.

Facebook the name will be found as DLM & B Coffee van.

Instagram and Facebook will keep updating the customers once they convert in loyal and potential customers.

Events and Exhibitions:

The products that our coffee van offers have a various range of customers profile, such as adult people, teenagers and the infants, therefore, will be also a variety of offers that will help to the business is more dynamic and more efficient. The coffee van expects, as a business, to convert people in potential and loyal customer and make the people confident at the time of drink or eat our products.

Promotions after DLM&B's opening.

1. An orange juice cost 3,5 pounds and a bag of cookie cost 3,5 pounds so in a normal day it will cost 7 pounds in total but instead that amount DLM & B will sell that two products in £ 5,50.

By this key promotion, we want to reach our objective of attracting customers. This promotion will help us to do not be a boring business and customers will come to us and ask if we have any promotion because if they are usual customers, they already know that we do offers and they will keep coming and finally they will be loyal customers.

2. Another kind of sales strategies that will be used by DLM & B is by social networks.

For example: when a customer buys any product and he posts a history mentioning us and doing hashtag DLM & B he/she will obtain one product for free.

By this way, this promotion will help us to make the coffee shop known to other people without make them go through our coffee van but lately if they see it, they will be attracted more easily and will choose DLM&B at the time of consuming.

3. Loyalty cards will be given to all the customers and by this method; we are sure that they will keep the loyalty card and bring it to us with the main idea

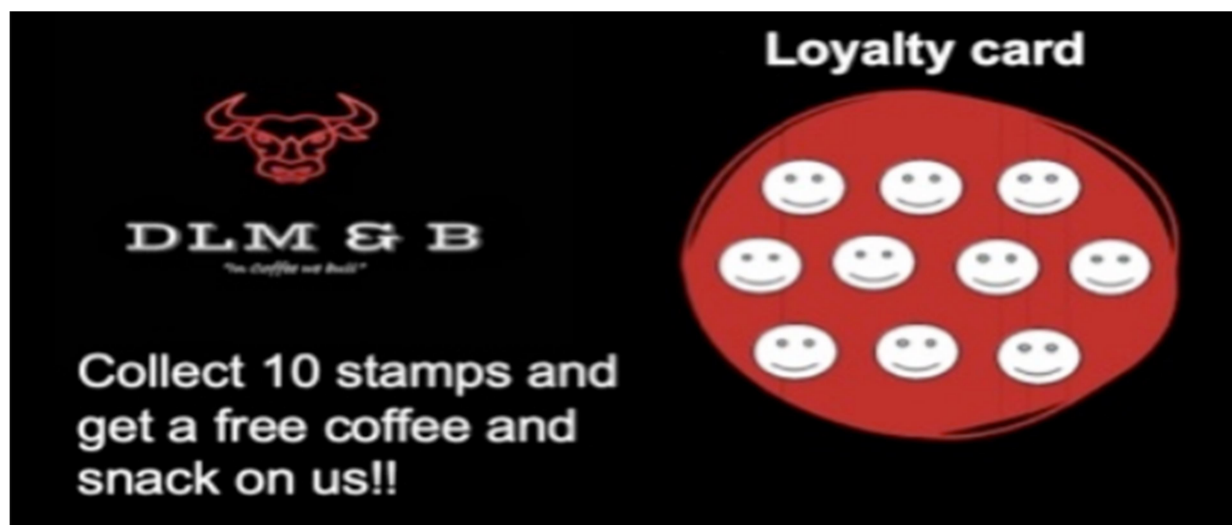
of becoming them in fixed customers.

Give them a loyal card is a reason for them to come to our coffee van, expecting to complete that card and finally obtain a free coffee or biscuit or any other of our products.

Promotional Flyer



Loyalty Card.



8. OPERATIONS

(Desiree Ortiz – 1906167)

8.1 Development.

DLM&B decision of location was decided as partners agreement in what was the nearest location for the four of us. DLM&B location was also chosen to agree that Colliers Wood area was a very close station to London City Centre. However, choosing a park was the easiest. As DLM&B partners agreed, there were lots of coffee vans in parks in London's city centre, which is more, if we were to find a location in it, it would have become ten times harder as rent, taxes and competition would be higher.

8.2 Production

The services which DLM&B, is offering are not high-cost services or services which require longer times. However, as DLM&B wants to provide its best service, quality is a priority. In DLM&B customers will need to wait longer than if they were waiting for a coffee in other companies such as Starbucks. Here are two facts about cost and waiting period for products (coffee):

- The cost of one coffee its reduced to a £0,3, this is a sump of a coffee bag can provide with 100 coffees, while the bag costs £30. As it can be seen, the production of one cup of coffee is not that high, meaning that the profit is higher.
- The average waiting time for a coffee to be made will be 3 minutes per customers. Although it can be challenging as rush hours will be mainly during morning times (for example).

DLM&B members are aware of under pressure situations can happen, this is why there will be two baristas making the hot beverages at once in the coffee machine while a third and fourth member will be rotating.

8.3 Employers.

As DLM&B is a small coffee van project, the services and products which will be provided do not require the extra need of suppliers or staff members. What is more, partners believe is that DLM&B will not hire or seek for more employers despite the 4 partner members with a full-time contract.

8.4. Suppliers.

DLM&B's 4 of the most important suppliers analysed.

Dark Arts Coffee / Coffee Beans & Equipment Supplier

Organisation Dark Arts Coffee is a business organisation which sells a different range of high-quality coffee-related products. Dark Arts Coffee sells from Colombian and Brazilian coffee beans to different equipment material such as; Coffee Grinder.	Relationship Status Dark Arts Coffee agreed to support our coffee business with a fair trait by sponsoring the products which DLM&B will be using in the establishment. 0.02 % of the total profit of all the coffees which DLM&B will be selling will be shared with Dark Arts Coffee for a fair trade.
Service provided	Key terms of relationship

- with: Dark Arts Coffee will provide DLM&B - - Colombian Coffee Beans. - - Papua New Guinea Coffee Beans. - - Coffee Grinder. - - Filter Coffee Maker.	- Sponsor Dark Art Coffee products. - Fair trade: sales-profit. - To use and treat Dark Art Coffee Products with respect.
---	---

OATLY / Dairy Free Milk Alternative Supplier

Organisation	Relationship Status
Oatly is a Swedish organisation which sells vegan products around the world. Oatly is highly recognised around London has lots of speciality coffee shops such as the Department of Coffee and Social Affairs, using their brand as an alternative to dairy-free milk.	Oatly is sold in almost all supermarkets around London. Our relationship with Oatly is to provide a fair trade buying big quantities of milk packages and sponsoring their product in a fairway. A total of 0.02% of our sales will be shared with Oatly.

Service provided	Key terms of relationship
Oatly will provide DLM&B with: - Oat Milk, and alternative dairy free choice for customers.	- Sponsor Oatly products used in DLM&B. - Fair trade: sales-profit. - To use and treat Oatly products with respect.

La Marzocco / Equipment Supplier

Organisation	Relationship Status
La Marzocco is an Italian coffee equipment shop which sells coffee machines around the world. La Marzocco is used in many coffee shops around London for its high quality.	La Marzocco is used in many specialty coffee shops around London. As a part of a high-quality coffee business company, our relationship is to use their equipment provided while sharing a 0.02% of our profit with La Marzocco coffee machine.
Service provided	Key terms of relationship
La Marzocco will provide DLM&B with: - 3 Coffee units holder machine.	- To use La Marzocco equipment properly. - Sponsor their provided products. - Fair trade: sales-profit.

The Bread Factory/ Cakes and Snack Supplier

Organisation The Bread Factory is a company which provides cakes, bakery and snacks in bars, coffee shops and restaurants around London	Relationship Status The Bread Factory and DLM&B agreement is the use of products provided fairly while sharing a 0.02% of the profit which DLM&B will make out of the products provided sales.
Service Provided The Bread Factory will provide DLM&B with: - Chocolate brownies. - Chocolate Cookies - Granola Bars.	Key terms of relationship - To use The Bread Factory Products fairly. - Fair trade: sales- profit.

8.5 Other suppliers

- Rude Health: Dairy free milk alternative supplier. Free Rude Health will provide DLM&B with Almond Dairy free Milk. You can find at: <https://rudehealth.com>
- Nisbets: a catering equipment shop, which can be, found around London. They will provide DLM&B with cleaning material, 'Eco-Aware' disposable packaging, which will be used to serve the products, refrigerators and ice machine. You can find them: <https://nisbets.co.uk>
- iZettle: service point of sale. It will provide DLM&B with taking card payments and the till application point of sales. You can find them at: <https://www.izettle.com>
- The BIG coffee: company providing the van car rental where DLM&B project will start. You can find them at: www.thebigcoffee.com
- Daily Dose Juices: company providing DLM&B with Orange and Strawberry juices. You can find them at: www.dailydose.co.uk

9. SOCIAL RESPONSIBILITY AND SUSTAINIBILITY

(Laura L. Moreno – 1906178)

“Social responsibility is also known as CSR, meaning to do business in ways that benefit, rather than damage society and the environment. Sustainability refers to the future survival of the company and its owners. Although they are different topics, they are linked as understanding how important it is to be responsible for the environment and society can influence your financial stability”. (Ingram.D,2018)

9.1 Environmental.

DLM&B concept of using eco-friendly disposable packaging including napkins, straws and take away cups means to be part of the business with all risk and negative impacts which can cause to our environment rather than the use of plastic packaging for example.

For DLM&B it was also beneficial as it can lead as an example of future projects. Despite it being a positive impact in DLM&B customers, the use of disposable packaging is cheaper rather than plastic packaging suppliers. Therefore, DLM&B management considered its financial sustainability.

9.2 Organic.

DLM&B is aware that in the UK the demand for organic food has increased as nowadays customers look after their health more often, meaning they will choose organic products rather than any other at first. Therefore, DLM&B has comprised just to use Organic milk and a small range of snacks in low toxins (also, DLM&B will be selling just gluten-free snacks), as DLM&B management knows how important customers health is.

However, organic products tend to be more expensive, this is why in DLM&B we will serving just 3 different types of organic snacks and Organic Dairy Milk, meaning that there are no big quantities on-demand to buy, therefore, DLM&B management considered its financial sustainability by having reduced food choices.

9.3 Ethical.

DLM&B understands the importance of suppliers and their fair practice. What is more, DLM&B agrees to pay each supplier 0.02% of the profits which will make out of the products sold provided by each supplier for a fair trade. As well, DLM&B will be sponsoring their products for fair practices.

However, DLM&B considers that as fair practice, the percentage of profits shared with supply chains is not a huge amount, therefore, DLM&B management considered its financial sustainability in the future by not increasing this percentage.

9.4 Charities

DLM&B will be collaborating with charities around the area such as Food Relief. As DLM&B partners believe to order enough stock which will be kept in our fridges or partners houses, all the food, coffee or milk wastage will be donated to Food Relief Charity.

9.5 Sustainability

There are 4 internal sustainable development goals which DLM&B wants to achieve since its opening:

- Make customers aware of DLM&B high quality products. As a coffee van, we want to make customers aware that our main product will be coffee, so customers mouth to mouth feedback to others, will and can be DLM&B as a 'Coffee shop' reference.
- Friendly service. DLM&B believes service is a main key point in sales strategy, that is why following the right steps, but unsure

customers leave happily with the service provided by staff can make a big difference.

- Small but different variety of products can be a key point for DLM&B sustainability, the bigger is the products on display, the more confusing customers can get. This is why DLM&B believes having a small products list will make customers decision of product easier, which means less time per transaction and higher sales per day.
- DLM&B partners also believe in encouraging each other for partners development.

As external sustainable development goals, DLM&B will be contributing with The United Nations of Sustainability Development Goals, as a coffee partner. This organisation takes part of developments such as “No poverty”, “Zero Hunger”, “Gender Equality”, “Decent work” and “Reduced inequalities” goals, which externally DLM&B stands for as well. (Coffee Partners,2019).

10. FINANCIAL PLANNING

10.1 Sources of Finance

(Myriam Tayupanta, 190629)

The Sources of Finance can be internal and external. Internal are those which capital comes from family or friends. External sources are those which the bank or investors provide.

DLM&B partners agreed to invest £15,000 each member. Therefore, the total Initial Capital of DLM&B project will be £60,000 as $£15,000 \times 4$ (Total of Partners).

DLM&B do not consider External Sources of Finance.

Here is DLM&B initial Required Funds to start:

<i>Initial Required Funds</i>		
<i>Item</i>	<i>Amount Totals</i>	<i>Depreciation (Years)</i>
Fixed assets	£ -	
Real Estate	£ -	100
Buildings	£ -	5
Leasehold improvements	£ 2,000.00	4
Equipment	£ 25,500.00	3
Furniture and fixtures	£ 2,500.00	2
Vehicles	£ 1,500.00	
Other fixed	£ -	
	£31,500.00	
Operational Capital	£ -	
Salaries and Wages	£ -	
Insurance	£ 200.00	
Beginning inventory	£ 5,000.00	
Legal and Accounting fees	£ 1,500.00	
Rent deposits	£ -	
Utility deposits	£ -	
Supplies	£ 3,000.00	
Advertising and promotions	£ 1,000.00	
Licenses	£ 200.00	
Other initial costs	£ 1,000.00	
Working Capital (Cash on hand)	£ 3,000.00	
	£14,900.00	
<i>Total funds required</i>	£46,400.00	

10.2 Personal Survival Budget

(Laura Lluís Moreno, 1906178)

Personal Survival Budget determines an approximately monthly cost of loans, bills and insurances. As seen in Sources of Finance, DLM&B will have an initial £60,000 of capital which £45,900, will be invested in initial costs. Therefore £14,900 will remain to help the business run for the first months.

Here is an estimated table of monthly costs, which DLM&B can face:

<i>Personal Survival Budget</i>		
Description	Amount	
Rent/mortgage	£	1,500.00
Electricity	£	70.00
Council Tax	£	150.00
Insurances and personal property	£	200.00
Gas/Oil	£	50.00
Food	£	40.00
Telephone/Internet	£	20.00
Spotify	£	10.00
Insurance service and Maintenance	£	200.00
Subscriptions	£	90.00
Entertainment	£	45.00
Loan Payments	£	300.00
Other debt payments	£	250.00
Social Security	£	100.00
Other (wages to partners)	£	1,500.00
Suppliers	£	2,000.00
<i>TOTAL COST</i>		£ 6,535.00
<i>ESTIMATED INCOME</i>		
Income from Partners	£	2,400.00
Part time Job	-	
Government Benefits	-	
Any other benefits	-	
<i>TOTAL MONTHLY INCOME:</i>		£ 2,400.00
<i>TOTAL SURVIVAL - INCOME REQUIRED (MONTHLY)</i>		£ 8,935.00

10.3 Cash Flow

(Laura Lluís Moreno, 1906178)

Incomes			
Description			2020
Sales	£		15,447.89
Total:	£		15,447.89

Expenses			
Description			2020
Leasehold improvements	£		1,500.00
Electricity	£		70.00
Council Tax	£		150.00
Insurances and personal property	£		200.00
Gas/Oil	£		50.00
Food	£		40.00
Telephone/Internet	£		20.00
Spotify	£		10.00
Insurance service and Maintenance	£		200.00
Subscriptions	£		90.00
Entertainment	£		45.00
Loan Payments	£		300.00
Other debt payments	£		250.00
Social Security	£		100.00
Other (wages to partners)	£		1,500.00
Suppliers	£		2,000.00
Total:	£		6,525.00

PROFITS	£		8,922.89
----------------	----------	--	-----------------

10.4 PNL (Profits and Losses)

(Laura Lluís Moreno, 1906178)

DLM&B partners believe first months will struggle as there will be no high profits in comparison to future months. Here is an example of one of the first 6 months of DLM&B Profits and Losses.

Projected Profit & Loss	Feb '20	Mar '20	April '20	May '20	Jun '20	Jul '20

REVENUE	£20,000	£25,000	£32,500	£40,000	£43,000	£50,000
DIRECT COSTS	£3,555	£5,500	£6,000	£6,250	£6,500	£7,000
GROSS MARGIN	£16,445	£19,500	£26,500	£33,750	£36,500	£43,000
OPERATING EXPENSES	£14,900	£15,700	£15,750	£16,		
OPERATING INCOME	£16,000	£16,350	£16,500	£16,750	£16,800	£16,950
INTEREST EXPENSES		£250	£255	£250	£255	£260
INCOME TAXES	£500	£550	£675	£700	£725	£750
DEPRECIATION AND AMORTIZATION	£150	£200	£250	£275	£265	£270
TOTAL EXPENSES	£15,500	£23,555	£29,750	£35,700	£36,750	£43,005
NET PROFIT	£500	£1,445	£2,750	£4,300	£6,250	£6,995

10.5 Sales Forecast

(Myriam Tayupanta – 1909629)

DLM&B sales forecast divided by products. The sales forecast does not count the first 3 months of DLM&B opening period as Partners believe it will take around that period mentioned for the sales to grow.

SALES FORECAST												
DAILY AVERAGE												
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Hot Drink	40	45	50	60	70	75	95	100	80	85	90	95
Soft Drink	30	30	30	35	40	40	75	95	100	30	40	40
Snacks	30	35	30	35	40	45	50	55	60	65	70	80
WEEKLY AVERAGE												
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Hot Drink	280	315	350	420	490	525	665	700	560	595	630	665
Soft Drink	210	210	210	245	280	280	525	665	700	210	280	280
Snacks	210	245	210	245	280	315	350	385	420	455	490	560
MONTHLY AVERAGE												
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Hot Drink	1160	1395	1500	1860	2100	2325	2945	3000	2480	2550	2790	2945
Soft Drink	870	930	900	1085	1200	1240	2325	2850	3100	900	1240	1240
Snacks	870	1085	900	1085	1200	1395	1550	1650	1860	1950	2170	2480

10.6 Business Break Analyses

“Break Even Analysis in economics, business, and cost accounting refers to the point in which total cost and total revenue are equal. A break-even point analysis is used to determine the number of units or pounds of revenue needed to cover total costs fixed and variable cost”. (corporate finance institute, n. d.) The formula of break-even analysis is the next:

Break even quantity = fixed cost / (sales price per unit – variable cost per unit).

Here there is an example:

DLM & B determined that the fixed cost of the coffee van will consist of property rent, electricity, council tax, insurance and personal property, gas/oil, food, telephone/internet, credit cards and others that make a total of £3,555 per month. The variable cost of making one coffee is £0.3 as 1 bag of coffee can make around 100 cups of coffee. The average cost of one coffee is £2.7. The determined break-even point will be:

Break-even point = £ 3,055/ (£0.3 – £1,4) =

£3,555/£1.481=

1,481

1,481 is the units of coffees that will need to be sold a month to break even.

The Profits and Loss shows how much net profit DLM&B will have each month. DLM&B partners believe first months will struggle as there will be no high profits in comparison to future months. Here is an example of one of the first 6 months of DLM&B Profits and Losses

11 LEGAL AND COMPLIANCE ISSUES.

(Brenda Hernandez, 1906230)

DLM&B has laws to comply and the team have to know about each one to avoid disagreements with the law.

Here you can see some of those laws that DLM&B must abide.

11.1 Licence

Environmental Legislation.

“The Environmental Protection Act and regulations apply to business” (law doughnut, n.d.) like to the coffee vans.

“This is about noise, smoke smells and accumulated rubbish” (law doughnut, n.d.). To maintain the area clean and comfortable and prevent the contamination we will have the correct bins rubbish disposals.

Fire Safety in the Workplace.

Partners, as a response to the coffee van business, have to carry out and review a fire risk assessment.

These are the assessment to be carried out, by our team will be the followings: “Identify the fire hazards, identify people at risk, evaluate or remove risk, provide training and update the risk assessments regular” (GOV, 2020). If we have any doubt we can go to the local fire and rescue authority and they will give us advice.

Food Hygiene Rating Scheme (FHRS).

“The FHRS is a scheme developed by the UK government and the Food Standards Agency to help to promote the importance of good hygiene practices”. (Food Standards Agency, 2020)

This consist of a rate of 1 to 5 that will depend on how hygienically the food is handled and the person who will rate is a food safety officer. To obtain a 5 rate always, we have to maintain our coffee van in good conditions and manage document food safety procedures.

Food Hygiene Certificate.

Even our small business will not sell handmade food, all the members have this certificate.

We did a food safety training course that covers all of the essential food hygiene topics, such as know “cooking temperatures, use-by dates, cleaning procedures, avoid contamination and allergen labelling”. (Food Standards

Agency, 2020)

This course is going to be done every 3 years to ensure that we keep up to date with changes in the law or food safety practices.

Partnership.

The whole team of DLM & B are responsible for the business, such “any losses of the business will have, bills for things DLM & B buy, share business profits and pay tax” (gov, 2020).

What partnership need to do is “choose a name, have a nominated partner that will be the person responsible for managing the partnership’s tax returns and keeping business records” (gov, 2020).

Employment Legislation.

This law is important to DLM & B at the time of “recruit people, do employ contracts, pay, working hours, holidays, employment policies, sickness, maternity, paternity, discrimination, discipline” and many others (law doughnuts, n. d.)

Health and safety

In this kind of business as a coffee van the health and safety are a shared premise, this means that more than one person will be responsible. The responsibilities are; “carry out a fire risk assessment of the premises and review it regularly, tell staff or their representatives about the risks you’ve identified, put in place, and maintain, appropriate fire safety measures, plan for an emergency and provide staff information, fire safety instruction and training” (Gov, 2020).

Price marking

Asylum and immigration legislation

Consumer protection

11.2 Insurances

DLM & B contacted an insurer that covers “employer's liability, public and product liability, including

- Cover for food poisoning.
- Premises, premises contents and stock.
- Refrigerator /freezer breakdown.
- Cash
- Business interruption.
- Loss of licence.
- Visitors' belongings.
- Failure of gas, water or electricity and motor insurance” (law doughnuts, n. d.)

11.1

Licence

Environmental

Legislation

“The Environmental Protection Act and regulations apply to business” (law doughnut, n.d.) like to the coffee vans.
“This is about noise, smoke smells and accumulated rubbish” (law doughnut, n.d.).
To maintain the area clean and comfortable and prevent the contamination we will have the correct bins rubbish disposals.

Fire Safety in the Workplace

Partners, as a response to the coffee van business, have to carry out and review a fire risk assessment.
These are the assessment to be carried out, by our team will be the followings:
“Identify the fire hazards, identify people at risk, evaluate or remove risk, provide training and update the risk assessments regular” (GOV, 2020).
If we have any doubt we can go to the local fire and rescue authority and they will give us advice.

Food Hygiene Rating Scheme (FHRS)

“The FHRS is a scheme developed by the UK government and the Food Standards Agency to help to promote the importance of good hygiene practices”. (Food Standards Agency, 2020)
This consist of a rate of 1 to 5 that will depend on how hygienically the food is handled and the person who will rate is a food safety officer.
To obtain a 5 rate always, we have to maintain our coffee van in good conditions and manage document food safety procedures.

Food Hygiene Certificate

Even our small business will not sell handmade food, all the members have this certificate.
We did a food safety training course that covers all of the essential food hygiene topics, such as know “cooking temperatures, use-by dates, cleaning procedures,

avoid contamination and allergen labelling". (Food Standards Agency, 2020)
 This course is going to be done every 3 years to ensure that we keep up to date with changes in the law or food safety practices.

Partnership

The whole team of DLM & B are responsible for the business, such "any losses of the business will have, bills for things DLM & B buy, share business profits and pay tax" (gov, 2020).

What partnership need to do is "choose a name, have a nominated partner that will be the person responsible for managing the partnership's tax returns and keeping business records" (gov, 2020).

Employment

Legislation

This law is important to DLM & B at the time of "recruit people, do employ contracts, pay, working hours, holidays, employment policies, sickness, maternity, paternity, discrimination, discipline" and many others (law doughnuts, n. d.)

Health

and

safety

In this kind of business as a coffee van the health and safety are a shared premise, this means that more than one person will be responsible. The responsibilities are; "carry out a fire risk assessment of the premises and review it regularly, tell staff or their representatives about the risks you've identified, put in place, and maintain, appropriate fire safety measures, plan for an emergency and provide staff information, fire safety instruction and training" (Gov, 2020).

Price

marking

Asylum and immigration legislation
 Consumer protection

11.2 Insurances

DLM & B contacted an insurer that covers “employer's liability, public and product liability,

- Cover for food poisoning.
- Premises, premises contents and stock.
- Refrigerator /freezer breakdown.
- Cash
- Business interruption.
- Loss of licence.
- Visitors' belongings.
- Failure of gas, water or electricity and motor insurance” (law doughnuts, n. d.)

12. CONCLUSION.

(Desiree Ortiz – 1906167)

To conclude DLM&B business project, Partners believe it is a good and equally structured plan which requires effort and investment from Partners. However, DLM&B owners believe that its culture and service can make a huge impact around the location chosen. What is more, DLM&B believes itself as a small business project which can become bigger with the time, as high numbers of initial capital are not required. In fact, DLM&B believes that its marketing strategies can make quicker the growth of the plan.

Indeed, DLM&B main focus is to make difference in the coffee industry by being just a small van selling such a great quality coffee. Indeed, as one of our main objectives is to make a huge impact on customers coffee experience, having them coming back for the quality, a key point which they will remember as per Partners love and enthusiasm for coffee, "In Coffee we bull".

13. REFERENCES.

- Alexandra Spiliakos (2018) "What does sustainability mean in business?" Harvard Business School Online [online] Accessed on 7th May 2020 at: <https://online.hbs.edu/blog/post/what-is-sustainability-in-business>
- Asylum and immigration legislation [online] https://www.lawdonut.co.uk/business/sector-specific-law/cafe-legalissues?fbclid=IwAR3X1fhSAOpSlrPoCUs7T-7yZrDR6rW_6XvVdy7LzN9k7E9g-4DQntfDfwc [accessed May 9, 2020]
- Berry T (2014) "Samples sales forecast for a restaurant" available at: <https://leanplan.com/sample-sales-forecast-for-a-restaurant/> [accessed May 5 2020]
- Business To you (2016) "Porters Five Forces" Business To You [online] Accessed on 7th May 2020 at: <https://www.business-to-you.com/porters-fiveforces/>
- Casa Espresso (2013) "*How to choose a coffee supplier – a quick guide*" available at: <https://casaespresso.co.uk/how-to-choose-a-coffee-supplier/> [accessed May 5 2020]
- Consumer protection [online] https://www.lawdonut.co.uk/business/sectorspecific-law/cafe-legal-issues?fbclid=IwAR3X1fhSAOpSlrPoCUs7T-7yZrDR6rW_6XvVdy7LzN9k7E9g-4DQntfDfwc [accessed May 9, 2020]
- Corporate Finance Institute (2020) "Products and Services" Corporate Finance Institute[online] Accessed on 7th May 2020 at: <https://corporatefinanceinstitute.com/resources/knowledge/other/productsand-services/>
- corporate finance institute [online] <https://corporatefinanceinstitute.com/resources/knowledge/modelling/break-even-analysis/> [accessed May 8, 2020]
- Employment Legislation [online] https://www.lawdonut.co.uk/business/sectorspecific-law/cafe-legal-issues?fbclid=IwAR3X1fhSAOpSlrPoCUs7T-7yZrDR6rW_6XvVdy7LzN9k7E9g-4DQntfDfwc [accessed May 8, 2020]
- Environment legislation [online] <https://www.lawdonut.co.uk/business/sectorspecific-law/cafe-legal-issues?fbclid=IwAR1QA5uZjpkXSfqDXvgVtQQzThPzNBiSLZ1M8rwYRqaN1-2j35zxG4Hvqc> [accessed May 5, 2020].
- Fire safety in the work place [online] <https://www.gov.uk/workplace-fire-safetyyour-responsibilities> [accessed May 5, 2020].

- Food hygiene certificate [online] <https://www.food.gov.uk/safety-hygiene/foodhygiene-rating-scheme> [accessed May 5, 2020].
- Food Hygiene Rating Scheme [online] <https://www.food.gov.uk/safetyhygiene/food-hygiene-rating-scheme> [accessed May 5, 2020].
- HACCP[online] <https://www.nottingham.ac.uk/biosciences/documents/business/food-innovation-centre/craft-brewing-workshop-oct-2017/haccp-legislation-andother-requirements-by-kevinmutch.pdf?fbclid=IwAR2OFA1aDqArY9atewpEOnc5Oq60BF5nkMkW7dsXF728ROI7PEjw7C3fnGs> [accessed May 9, 2020].
- Health and safety [online] <https://www.gov.uk/workplace-fire-safety-yourresponsibilities> [accessed May 8, 2020].
- Insurance for a coffee [online] https://www.lawdonut.co.uk/business/sectorspecific-law/cafe-legal-issues?fbclid=IwAR3X1fhSAOpSlrPoCUs7T-7yZrDR6rW_6XvVdy7LzN9k7E9g-4DQntfDfwc [accessed May 8, 2020].
- International Coffee Partners (2019) “Sustainable Developmental Goals”, Coffee-Partners [online] Accessed on 6th May 2020 at: <https://www.coffeepartners.org/sustainable-development-goals/>
- Mystery Shopping Professionals Association [online] “ Competitor mystery shopping” available at: <https://customerwise.co.uk/competitor-mysteryshopping/> [accessed May 5 2020]
- Nationwide Leaflet Distribution (2013) “Why free samples should be part of your marketing strategy?” available at: <https://www.directletterboxmarketing.co.uk/why-free-samples-should-be-part-ofyour-marketing-strategy/> [accessed May 5 2020].
- Nediger M (2019) “How to Create a Competitor Analysis Report (Templates Included)” Available at: <https://venngage.com/blog/competitor-analysis-template/> [accessed May, 5 2020].
- Nicky LaMarco (2019) SWOT Analysis for a Coffee Café. Small Business [online] Accessed on 7th May 2020 at: <https://smallbusiness.chron.com/swotanalysis-coffee-cafe-15644.html>
- Partnership [online] <https://www.gov.uk/set-up-businesspartnership?fbclid=IwAR1GZT10ufri9oAKv5EMLs4UsciZIfQoTVnsDwJxFCEsvLoiA61-tlUMgR0> [accessed May 8, 2020].
- Price marking [online] <https://www.lawdonut.co.uk/business/sector-specificlaw/cafe-legal-issues?fbclid=IwAR3X1fhSAOpSlrPoCUs7T->

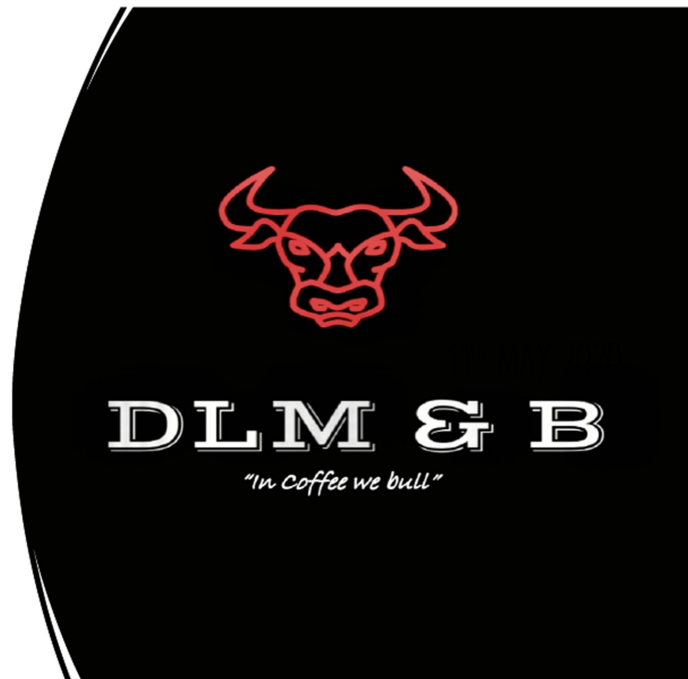
[7yZrDR6rW 6XvVdy7LzN9k7E9g-4DQntfDfwc](#) [accessed May 9, 2020].

- Regaudie T [online] “*Market Research for Restaurants 101*” available at: <https://www.touchbistro.com/blog/market-research-for-restaurants-101/> [accessed May 5, 2020].
- Susan Ward (2019) “How to start a successful coffee shop” The Balance Small Business [online] Accessed on 8th May 2020 at: <https://www.thebalancesmb.com/how-to-start-a-profitable-coffee-shop4147028>
- Stasik S (2019) “*How to create your own restaurant market research survey*” available at: <https://www.groupon.com/merchant/blog/how-to-create-restaurantmarket-research-survey> [accessed May 5, 2020].
- UKEssays. November 2018. PESTEL analysis of the global coffee industry. [online]. Available from: <https://www.ukessays.com/essays/marketing/pestelanalysis-of-the-global-coffee-industry-marketing-essay.php?vref=1> [Accessed 9 May 2020].
- Visual Paradigm Online (2020) “The best Strategy Toolset To Gain Competitive Advantage” [online] Accessed on 6th May 2020 at: <https://online.visualparadigm.com/knowledge/strategic-analysis/best-strategy-toolset/>
- Wittwer J [online] “*Balance Sheet Template*” available at: <https://www.vertex42.com/ExcelTemplates/balance-sheet.html> [accessed May 5 2020).

14. APPENDIX (POWER POINT)

DLM&B Coffee Van

- LAURA LLUIS MORENO Partner and Barista.
- DESIREE ORTIZ Partner and Barista.
- BRENDA HERNANDEZ Partner and Barista
- MYRIAM TAYUPANTA Partner and Barista.



1. SUMMARY

- ❑ As part of Hospitality sector, DLM&B Coffee (**Ordinary Partnership**) van project aims to give an exceptional and friendly service by serving coffee, fresh juices, soft drinks and a small variety of snacks with an exceptional quality.
- ❑ **OBJECTIVES:** DLM&B objectives are based on customer needs; fulfilling their needs, seek for improve and being recognised as one of the leaders around the area.
- ❑ **MISSION:** Inspiring customers to stay for quality rather than speed.
- ❑ **VISSION:** Focus in customer feedbacks and needs for improvements.



□LOCATION:

Close to Colliers Wood
Recreation Park, Primary School
and St. George's Hospital.

27 South Gardens, Colliers Wood, London
SW19 2NT.

□OPENING HOURS:

October to March :7:00 a.m. – 6:00 pm.
April to September: 7:00 a.m – 8:00 p.m.

□CONTACT US AT:

Dlm&bcoffeevan@gmail.com

Tel.0777653366.

Facebook: DLM&B Coffee Van

Instagram: @dlm&bx2ull



2. BUSINESS STRUCTURE

TYPE OF OWNERSHIP



Ordinary Partnership.

RESPONSIBILITIES ORGANISATION

- MANAGERS: MYRIAM, LAURA, BRENDA, DESIREE.
- ACCOUNTANT: LAURA
- SUPPLIES: MYRIAM
- MARKETING: BRENDA.
- HR: DESIREE

3. SWOT AND PESTLE ANALYSIS.

SWOT ANALYSIS

Strengths - Good location close to station and park. - High quality products. - Fair price-quality products.	Weakness - No sitting area. Take away service. - Small variety of products.
Opportunity - Next to park so different target customers. - Big events happening frequently. - Easy to gain regular customers.	Threats - Weather conditions. - Recognised coffee companies around.

PESTLE ANALYSIS

POLITICAL: - Brexit. - Increase of tax payment in different products such as coffee beans.
ECONOMICAL: - Increase or decrease of supply or service products due to Brexit transition period. - Demand of high-quality coffee beans keeps increasing yearly.
SOCIAL: - DLM&B culture is unique.
Technological: - Essential internet connection. - Need of good connection to power sockets.
Legal - International consumers law changes yearly. - The employment laws change yearly.
Environmental - International consumers law changes yearly. - The employment laws change yearly.

4. CUSTOMER AND COMPETITOR PROFILE.

CUSTOMER PROFILE

TWO DIFFERENT VISITOR GROUPS

TO GO GROUPS

SHORT TIMERS

- AVERAGE AGE: 35
- AVERAGE OCCUPATION: PROFESSIONALS.
- ETHNIC ORIGIN AVERAGE: ENGLISH.
- TARGET MARKET VARIES ON WEATHER CONDITIONS AND DAILY MATTER ROUTINES.

COMPETITOR PROFILE

BIG COFFEE SHOP CHAINS NEARBY:

- **STARBUCKS**
- **CAFÉ CANEDO**
- **CAFÉ NERO**
- **GOSTO FINO**

BIG COFFEE CHAINS SUCH AS THE COMPETITORS MENTIONED FOCUS ON:

- SPEED OF SERVICE.
- BIG RANGE OF PRODUCTS
- SITTING AREA

5. PRODUCTS

COFFEE

- LATTE £2.7/ £3
- CAPPUCCINO £2.7/ £3
- FLAT WHITE £2.95
- AMERICANO £2.5/ £3
- ESPRESSO £2.3
- MACCHIATO £2.5/ £2.95

JUICES AND WATER

- ORANGE JUICE £3.5
- STRAWBERRY £3.5
- WATER £1.6

SNACKS/ CAKES

- CHOCOLATE COOKIE £3.5
- GF BROWNIE £3.5
- GRANOLA BAR £3.5

ICED COFFEE

- LATTE £3.4
- MOCHA £3.5
- AMERICANO £3.3
- FILTER £3.3

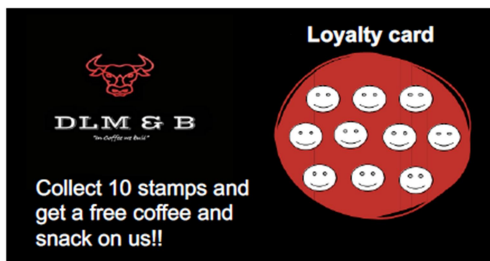
6. MARKET AND SALES STRATEGY

PROMOTIONAL FLYERS SAMPLE

BEFORE OPENING DLM&B

- SURVEY CARRIED TO PEOPLE AROUND THE AREA TO KNOW PREFERENCES.

LOYALTY CARDS SAMPLE



AFTER OPENING DLM&B

- EVENTS AND EXHIBITIONS WILL BE CARRIED.
- SOCIAL MEDIA ADVERTISING

7. OPERATIONS.

OUR SUPPLIERS

- DARK ARTS COFFEE
- NISBETS
- RUDE HEALTH
- OATLY
- LA MARZOCCO
- THE BREAD FACTORY
- iZETTLE
- The BIG Coffee.

OTHER OPERATIONAL STATEMENTS

- DLM&B will not hire any other employers and just the owners will be working.
- Production of products (Coffee) average customer waiting time and development is 3 minutes.
- Location chosen as per preferences.

8. FINNACIAL PLANNING

- DLM&B PARTNERS INITIAL FUNDING CAPITAL IS £60,000
- DLM&B BREAK EVEN IS 1,418 CUPS OF COFFEE A MONTH.
- DLM&B FIRST MONTHS NET PROFIT WILL KEEP INCREASING:
- DLM&B ESTIMATED COST OF TOTAL RENT, BILLS AND TAXES IS £3,555 A MONTH.

<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUN</u>
£500	£1,445	£2,750	£4,300	£6,995

- DLM&B SALES FORECAST INCLUDES AN AVERAGE OF 135 PRODUCTS PER DAY SOLD.

9. LEGAL AND COMPLIANCE ISSUES

LICENCES

- Environmental Legislation.
- Fire Safety in The Workplace.
- Food Hygiene Rating Scheme (FHRS).
- Food Hygiene Certificate.
- Employment Legislation.
- Health and safety.
- Price marking.
- Asylum and immigration legislation.
- Consumer protection.

INSURANCES

- Employers Liability.
- Public and Product Liability.
- Premises.
- Refrigerators.
- Cash.
- Business Interruption.
- Loss of licence.
- Visitors Belongings.
- Failure of Gas/Water/Electricity.
- Motor Insurance.

COFFEE VAN PROTOTYPE



(Pinterest,2020)

CONCLUSION

DLM&B IS AN

- ORDINARY PARTNERSHIP

WITH BIG COMPETITORS AROUND SUCH AS

- STARBUCKS

AVERAGE CUSTOMERS ARE

- PROFESSIONALS AND FAMILIES

WITH A SMALL RANGE OF PRODUCTS

- COFFEE
- SNACKS
- JUICES

DLM&B PARTNERS WILL HAVE A INITIAL CAPITAL OF

£15,000 EACH , £60,000 IN TOTAL

FIRST MONTHS DLM&B PARTNERS ARE AWARE PROFITS WILL NOT BE HIGH.

DLM&B MARKET STRATEGIES INCLUDE FROM:

- SURVEYS
- SOCIAL MEDIA ADVERTISING
- EVENTS

*DLM&B PARTNERS BELIEVE INVESTING IN THIS PROJECT IS
JUST NOT FOR BUSINESS PURPOSES,
BUT ITS CULTURE AND PASSION IN COFFEE AS “IN COFFEE
WE BULL”*