

BUSINESS PLAN
2020 / 2021



Authentic Coffee And
Doughnut Limited

UNIVERSITY OF WALES TRINITY SAINT DAVID LONDON
Certificate in Higher Education

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Managing Enterprise in the 21st Century

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1.0 Business & Executive Summary

Executive Summary

Authentic Coffee and Doughnut Limited is a new business that proposes to open in the city of London. It will be owned by Ms. Ada Middleton. Ms. Ada Middleton is starting her first business and never has received and funding from government. Ms. Ada Middleton is a highly qualified expert with strong experiences in food and beverages shop in London UK. She has studied Business Administration. Ms. Ada Middleton is a British National who currently resides in London UK.

Ms. Ada Middleton will work full time in the business and will employ additional eighteen to twenty full time staff. These persons will be aboriginal and Ms. Ada Middleton will perform all management functions including record keeping. Ms. Ada Middleton has worked in the fast-food and Patisserie business and has also passed one-year baking course.

Authentic Coffee and Doughnut Limited will be a medium size food and beverage shop. Authentic Coffee and Doughnut will offer the finest coffee and freshly baked doughnuts with no artificial colors, flavors, or additives. The business will be primarily retail of finest quality food beverage products to the City of London office workers and the tourists.

The company improvement plan and set-up costs will total around £550,000. Additional service staff will be hired to assist customers. Ms. Ada Middleton the owner of Authentic Coffee and Doughnut Limited, is going to invest £350.000 into this business and also would like to receive a £200,000 loan from the UK banks to complete the business improvement plan for her coffee and doughnut shop. The business address will be 25 Oxford Street, Soho, London, W1D 2DP and the start-up date will be the 1st May 2021.

Objectives

The objective of Authentic Coffee and Doughnut Limited over the next three years are to:

- Achieve sales revenues of approximately £6,200,000 by year three
- Achieve a customer mix of 50% City of London office workers, 50% City of London tourists from all over the world
- Expand customer service to include the customer happiness and satisfaction by hiring a polite and positive natured staff
- Provide their customers with the highest quality coffee, tea and doughnuts with superior services
- To start and grow over the months into a running reliable business and to increase the number of their customers over the next six months
- To achieve an annual revenue of around £5,000,000 by the end of the first year
- To run a business that is easily approachable by its customers in London

Mission

The mission of Authentic Coffee and Doughnut Limited is to serve the community with the highest quality of food and beverages with the best service at a fair price. The company will be dedicated to providing the highest quality food and beverages. Authentic Coffee and Doughnut Limited has committed to provide the highest quality and fresh food and beverages. Ms. Ada Middleton will make sure that her staff will be friendly, eager to serve and ready to educate.

Ms. Ada Middleton's mission is to run a successful business as a food and beverage shop, which is offering a retail fresh food-beverage and freshly baked doughnuts and pastries from their own in-house bakery. She also has a coffee shop for their customers to sit and enjoy their best quality fresh foods and beverages in a luxury environment that she will provide for her customers. The experience of Ms. Ada Middleton from working in the Coffee Shop, Bakery and Patisserie Shop in the past and the fact that she will strive to offer high standards of quality products that will continue her reputation as one of the most accredited in her field. The mission of Authentic Coffee and Doughnut Limited is to offer to their customers the best prices on the highest quality of food and beverages.

Vision

Authentic Coffee and Doughnut Limited's vision is to become the number one providing to its customers of the best fresh beverages and freshly baked doughnuts and other pastries with the best prices. They will also provide an authentic luxury coffee shop which the customers will enjoy sitting while they're having their finest food and beverages in the shop.



Keys to Success

Authentic Coffee and Doughnut Limited have identified several keys to success that will be instrumental in creating a sustainable business. If these steps are followed, the likelihood of success will significantly increase. Authentic Coffee and Doughnut Limited will offer to their customers with highest and freshest food and beverages without chemical and preservative-free products.

Authentic Coffee and Doughnut Limited will have the advantage of the foot traffic in the City of London retail area which is the tourists place as well as the home of the numerous of art and craft shops. Located in the heart of London UK. The area has a good reputation of supporting progressive causes and businesses.

The keys factors of success in the coffee and doughnut shop are divided into the following groups:

- External environment conditions
- Trade organizations and decision-making process of managers in business
- Analyses of the coffee and doughnut shop
- Providing the highest quality of food and beverages
- Providing quality services
- Customer service with a smile
- Competitive pricing
- Ensuring the install is the finest product on the market
- Trade organizations and decision-making process of managers in business
- Analyses of the food and beverage service and product market
- Building trust with customers
- Only provide 100% customer satisfaction with the highest quality of services and products
- A superior service range that will promote customer loyalty and increase business
- Superior food and beverage products will promote customer loyalty
- Online shopping will also be available



Business Summary

Ms. Ada Middleton is creative, experienced and highly qualified business person in the field of coffee and fast-food products. She knows how to use her skills effectively enough to maintain functionality that will meet even the most demanding customer's specific needs. She wishes to use her wealth of knowledge, expertise, experience and contacts to run her business in The Central London UK, to reach her customers range directly. The business will be up and running in a couple of months upon the receipt of the requested loan from the banks in the UK. Working hours will be flexible for Ms. Ada Middleton, as this will be her own business.

Authentic Coffee and Doughnut will be a new business that will sell coffee, tea and doughnuts similar to Krispy Kreme. This business will emphasize quality products at competitive prices and will promote the business through the usage of signs and flyers. Customer basis will be mostly Londoners who work in the City of London and the tourists that visit the City of London. The London tourists will come from other countries during the Christmastime, tournament, or for other events to explore the City of London.

Tourism in London

London is one of the world's leading tourism destinations, and the city is home to an array of famous tourist attractions. The city attracted 20.42 million international visitors in 2018, making it one of the world's most visited in terms of international visits. It welcomed an additional 27.8 million overnighting domestic tourists in 2017, and had 280 million day-trippers in 2015.

Effect on the economy

The Travel & Tourism sector in the United Kingdom contributed GBP66.3 billion to the GDP, 3.4% of total GDP in 2016 and is expected to rise by 2.2% pa, from 2017–2027, to GBP84.6 billion, which could comprise up to 3.6% of the total GDP in 2027.

In 2011, visitors to London spent £9.4 billion, which is a little more than half of the total amount international visitors spent in the whole of the United Kingdom the same year.

Notable attractions

The London Eye is a giant Ferris wheel located on the edge of the River Thames. It is 135 meters tall and has a diameter of 120 meters. A short walk away, the area boasts the London Aquarium, Elizabeth Tower, the Houses of Parliament, Westminster Abbey and Nelson's Column. In 2013, the tallest building in London, the Shard, opened a viewing platform to the public. Other major tourist attractions in London include the Tower of London, Buckingham Palace (although this is only open to the public during a limited number of months in the summer), Tower Bridge Experience, Madame Tussauds, ZSL London Zoo, London Dungeon and St Paul's Cathedral.

The Association of Leading Visitor Attractions indicated that the following were the Top 10 visitor attractions in 2017:

- British Museum – 5.9 million visits
- Tate Modern – 5.7 million
- National Gallery – 5.2 million
- Natural History Museum, London – 4.4 million
- Victoria and Albert Museum – 3.7 million
- Science Museum, London – 3.3 million
- Southbank Centre – 3.2 million
- Somerset House – 3.2 million
- Tower of London – 2.8 million
- Royal Museums Greenwich – 2.6 million

Museums and galleries

There are many museums and art galleries in the London area, the majority of which are free to enter. Many of them are popular places for tourism. In addition to Tate Modern and the National Gallery, notable galleries include Tate Britain and the National Portrait Gallery.

Parks and open spaces

London has several parks for tourists to stroll, rest and relax in. They include Hyde Park, Regent's Park, Green Park, St. James's Park, Hampstead Heath and Greenwich Park.

Economics

London attracted 16.8 million foreign visitors in 2013, they accounted for 51.4% of all visitors. Below is the visitor's information:

- France 1,904,000
- United States 1,878,000
- Germany 1,295,000
- Italy 1,072,000
- Spain 866,000
- The Netherlands 687,000
- Australia 687,000
- Republic of Ireland 611,000
- Belgium 531,000
- Sweden 516,000

Public transportation

Public transportation is essential in bringing tourists to and from attractions, and deciding the means and cost of their travel. London's transportation can also be an attraction in itself. London offers many forms of public transportation: The Underground (commonly referred to as the Tube), double-decker red buses, and taxis. Tourists can purchase Travelcards to take the Tube, bus, or overground trains through designated zones.

Business Ownership

The business will start out as a limited company, the owner and the director of the company will be Ms. Ada Middleton. The following people are the shareholders of the Authentic Coffee and Doughnut Limited;

- 100 Ordinary shares held by Ms. Ada Middleton

Start-up Summary

The company director Ms. Ada Middleton, will handle day-to-day operations of the business and will work collaboratively to ensure that this business venture is a success.

The start-up costs for the business are £350,000 (including coffee machine, baking ovens, shop decorations, and other operational expenses). The start-up costs have been financed by the owners' personal funds.

The start-up cost of the Authentic Coffee and Doughnut consist primarily of inventory and display equipment. Ms. Ada Middleton has invested £350,000 on the purchase of the equipment for her coffee and doughnut shop improvement. She will also secure a £200,000 loan from UK Banks for her stock and equipment to complete her coffee and doughnut shop plan.

The followings will be purchased Equipment value;

- Electronic office equipment - £20,000
- Fridges - £48,000
- CCTV - £9,500
- Signs - £18,200
- Electrical materials lights - £22,250
- Shelves - £17,500
- General building expenses - £60,000
- Labor - £120,000

The followings will be the Stock and Equipment value;

- Café & Bakery Equipment - £64,608
- General Stock - £35,000
- Management - £20,000

The following store improvement plan will be carried out by The London Craft Projects Limited;

Refrigeration

Supply, deliver and install

- Arneg Panama 6250 mm Open deck Chiller (Chilled Food) Cabinet
- Arneg Panama 5000 mm Open deck Chiller (food) Cabinet
- Arneg Panama 1875 mm Open deck Chiller (Drinks) Cabinet
- Arneg Panama 937 mm Open deck Chiller (Drinks) Cabinet
- Arneg Panama 3124 mm Open deck Chiller (Sandwich) Cabinet

Freezer

- Arneg 5 Door Mini ASTANA Freezer Cabinet (Complete with low temperature condensing unit)

Additional Work carried by the owners

- All Air-Conditioned or heating system
- Interior / exterior signage
- Supplier stands, hot & cold display / Ice Cream Freezers, etc.
- Epos tills
- Building regulations application or associated works
- All alarm / BT line / telephones etc.
- Burglar alarm
- Exterior decorations
- All building work / plumbing work etc.
- Promotion's side wings
- All furniture (chairs / tables or for office)
- CCTV Camera
- Red painted dropdown ceiling (for the counter area)
- Suspended ceiling
- All flooring
- Shop front
- All lighting
- All electric work
- Any upstairs store room work

The following store improvement plan will be carried out by CATERSALES:

Following Equipment:

- Horeca & Catering
- Coffee Machine - Traditional Italian Espresso
- Hotel, Patisserie, Cafe-Bar Equipment's
- Filter Coffee Machines
- Cappuccino - Espresso Cups
- Take away Cups
- 1 m Back Bar Counter with cupboard door and void for small dishwasher
- Small Undercounter Dishwasher
- Double Waffle Iron
- 1.65 m Back Bar Counter with void under for Ice-maker, void for undercounter freezer, washing up sink with taps jug rinse
- Undercounter Ice-Maker

- Single Door Undercounter Freezer
- Large Single Panini Grill
- Blender
- 5 Big Commercial Baking Owens
- 2.5 m Coffee Machine Counter with Coffee knock-out drawer and pen shelving
- Single Door Undercounter Fridge
- 2-Group Coffee Machine
- 2 x Grinders
- 900 mm Condiments Counter with over shelf and cupboard under
- 60 mm Self-Service Hot Display

Business start date:

Authentic Coffee and Doughnut Limited will be incorporated on the 1st May 2021 as the business operation will start on the 1st May 2021.

Advertising details:

Advertising will be done through newspapers, leaflets, internet (Gumtree, Yell.com etc.), social media (Face book, Twitter, Instagram) and Business Pages.

2.0 Management and Personnel

Management Summary

Authentic Coffee and Doughnut Limited will consist of eighteen to twenty employees including the one director in the first three years. The management of the company will be undertaken by the director Ms. Ada Middleton. The director is well aware of the pit-falls of growing too fast and are now taking more cautious approach to growth. This work load can be handled by the director working 170 hours per month.

Once operations are at full strength Ms. Ada Middleton (director) will consider adding support staff to further handle growth.

Prior to beginning of Authentic Coffee and Doughnut Limited, Ms. Ada Middleton have worked many years in the Coffee Shop, Bakery and Patisserie industry. Ms. Ada Middleton have developed an excellent network of Food and beverages Products contacts in UK. Her strengths have always been to choose and provide the finest quality food-beverages and her customer relation skills.

Mr. Ada Middleton are responsible for:

- Product ordering and stocking
- Business generation and Creating the team
- Offer Preparation and follow up
- Costumer Relations and after-care
- Managing the relationship between the customers
- Products delivery and project management
- Monitoring implementation of programs

Ms. Ada Middleton is the director of the Authentic Coffee and Doughnut Limited and will actively be involved full time in managing and running of the business once the requested loan has been given by UK banks.

The key people with Authentic Coffee and Doughnut Limited are:

Person	Age	Experience	Role	Target INCOME (£) (Gross annual)
Ms. Ada Middleton	35	Director	100% Shareholder And Full Time Director	5,000,000.00

Personnel Plan

Ms. Ada Middleton will be the owner of the coffee and doughnut shop and will have four employees who will assist with food preparation, order taking and taking payment and making change.

Authentic Coffee and Doughnut Limited's role in the business will consist of the following responsibilities:

- Organize work and Management
- Computer entry and entering QuickBooks, payroll and bill payment
- Ordering supplies
- Making bank deposits
- Selling, Pricing and Inventory management
- Cooking and Cleaning premises

The other employee will be responsible for food preparation and cleaning. Receive payment and make change as required. Annual personal estimates are included here. Authentic Coffee and Doughnut Limited will consist of 18-20 employees and the 1 director in the first three years.

Authentic Coffee and Doughnut Limited will have total of 18-20 staff by the end of the year one.

The personnel plan for Authentic Coffee and Doughnut Limited is as follows:

- Director - Manager (One Director)
- Cashiers (Five staffs by year end)
- Produce and Customer service crew (Eight staffs by year end)
- Sales and Marketing Stuff (Two staffs by year end)
- Stock management stuff (Two staffs by year end)

PERSONNEL PLAN			
	2021	2022	2023
Directors - Managers (1)	£72,000	£84,000	£96,000
Cashiers (5)	£100,000	£130,000	£135,000
Stock Management Staff (2)	£50,000	£50,000	£50,000
Produce and Customer Service Crew (8)	£140,000	£180,000	£190,000
Sales and Marketing Staff (2)	£25,000	£25,000	£25,000
TOTAL PEOPLE	18	19	20
Total Payroll	£387,000	£469,000	£496,000

Ownership and legal structure

- The 'Coffee and doughnut shop' would be a privately held limited liability company. It would offer flexibility and protection
- The income for the entity would also be treated as the income of the owner
- The taxation system will not be a double system and hence the income would not be taxed at the individual and corporate level

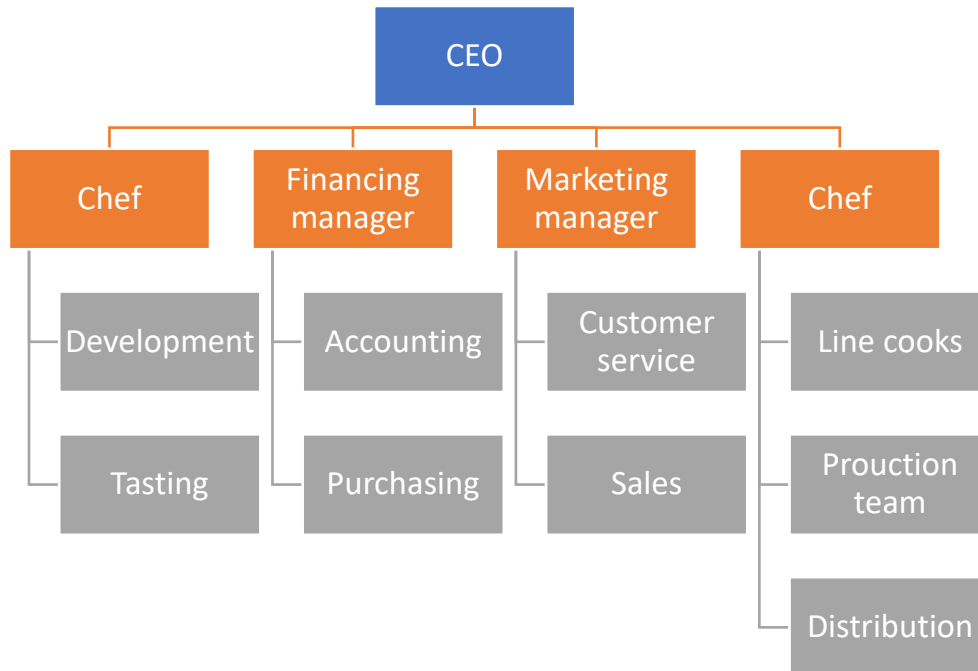


The management team and key members

- The owner and manager have an experience of more than seven years as a Dean of student for Santa Monica University (SMC)
- The owner is responsible for planning and special catering events centred around the students. According to Filimonau, Krivcova and Pettit (2019), the chief chef is currently the chef of Chanteclair Restaurants
- He has received the cooking school certificate from Olivier Restaurant from the Metier de la Paris in 1994

Organisational structure

- According to Filimonau, Krivcova and Pettit (2019), the 'Coffee and doughnut shop' would require several quality management team members for the upcoming three years
- The company will follow a functional organisational structure
- The manager would be responsible for overseeing the training of the Baristas, product quality and inventory management



3.0 Services and Products

Coffee and Doughnut

Authentic Coffee and Doughnut Limited will offer highest quality coffee, tea, doughnut to the city workers and tourists in the City of London.

We offer the best doughnut in London. The best doughnuts are the ones that taste so good you don't even mind the inevitable sticky slick left on your chops after devouring them or the layer of sugar that laces your fingers and prevents you from doing anything else that requires the use of your hands. Aside from the sugary high caused by these sweet snacks, is it the surge in more complex flavors and artisan techniques that has created such a buzz around the humble doughnut?

No longer just the stuff of service stations and supermarkets, doughnuts have become Instagram fodder like nothing else. We're now seeing them pop up at meetings, events, weddings and even on high-end restaurant menus. And we're not just talking about the classic sugar-coated, jam filled variety that you got as a as a child on special occasions – nowadays doughnuts come in a whole host of shapes, sizes and colours. What's more, you'll find practically any filling you desire if you know where to look – not to mention the next level toppings that range from the brilliant to the outright bizarre!

People are so obsessed with these decadent doughy delicacies that many bakeries are now offering doughnut masterclasses so you can learn how to make and decorate them at home.

She will meet the coffee and food product suppliers to get the best prices available for her customers. She will be attending to the fairs, events, meetings to create networking to find new food and beverage suppliers. Meet with other suppliers, experts and potential customers as well as improving the line of the products through experiences of the new connections. She also will advertise in related fields to expand the portfolio of the customers and become well known by the potential customers.

She will offer from glazed rings to raspberry jam; Londoners certainly have a whole lotta love for doughnuts and the variety of coffee.



Authentic Coffee and Doughnut will provide the following retail products:

Coffees

- Caffè Mambocino Miscela Oro Roasted Beans
- Caffè Mambocino Golden Beans Aroma
- Caffè Mambocino Filter Coffee
- Caffè Mambocino Miscela Oro Ground Roasted
- Instant Hot Chocolate
- Torani Italian Flavoured Syrup & Sauces
- Brown & White Sugar
- Coffees – Aroma
- Turkish Mocha Coffee

Hot Drinks

- Rich Brewed Coffee
- Smooth Brewed Coffee
- Decaf Brewed Coffee
- Cappuccino
- Late
- Caramel & Vanilla & Mocha Late
- Caramel Mocha Latte
- Hazelnut Latte
- Skinny Caramel Latte
- Skinny Vanilla Latte
- Hot Chocolate



Iced Drinks

- Iced Caramel Latte
- Iced Caramel Mocha
- Iced Mocha
- Chocolate Iced Coffee
- Caramel Iced Coffee
- Iced Coffee
- Iced Hazelnut Coffee
- Iced Hazelnut Latte
- Iced Latte
- Skinny Iced Caramel Latte
- Skinny Iced Vanilla Latte
- Iced Vanilla Coffee
- Iced Vanilla Late
- Strawberry Chiller

Frozen Drinks

- Frozen Vanilla Latte
- Frozen Caramel Latte
- Frozen Mocha
- Strawberry Chiller
- Lemonade Chiller



Doughnuts

- Original Glazed
- Maple Iced
- Glazed Cinnamon
- Glazed Cruller
- Glazed Blueberry Cake
- Glazed Sour Cream
- Chocolate Iced Glazed
- Chocolate Iced Cruller
- Chocolate Iced Glazed with Sprinkles
- Chocolate Iced Cream Filler
- Chocolate Iced Custard Filler
- Cinnamon Apple Filled
- Powdered Strawberry Filled
- Glazed Raspberry Filled
- Glazed Lemon Filled

Ms. Ada Middleton will buy the coffee from Mambocino Coffee in UK, they bring the finest coffee from Italy. Mambocino Roasts different range of coffees which is produced in Mambonico Coffee Company factory. They offer their coffee worldwide and they promise the very best quality.

The “5 Ms” of MAMBOCINO ARTISAN COFFEE

1. LA MISSIONE The mission MAMBOCINO ARTISAN COFFEE mission is to always cater to the wishes of lovers of high-quality espresso. This is why it has created a unique coffee taste. This is why MAMBOCINO ARTISAN COFFEE workers pay attention to the coffee’s quality while it is being packaged, stored and distributed. This is why MAMBOCINO COFFEE ’s sales representatives offer the best advice and care available with absolute precision, which goes towards ensuring “servizio e qualita”.

2. LA MISCELA The blend’s Great emphasis is placed on the composition of the mix. The blend is composed of the highest-quality Arabica and Robusta coffee grains, which are roasted according to an old Venetian recipe. The Mambocino blend was formulated by the best and most experienced coffee-roasting experts around. The composition of the coffee is the same in every country – “Tipico e originale”.

3. LA MACHINA The machine for the preparation of espresso has a substantial impact on its quality. Setting the appropriate water pressure and temperature is essential. The daily maintenance of the machine is no less important. Only then can an espresso taste the way it should, and only then can it have its aroma “speciale”.

4. IL MACINADOSATORE Grinding The precise rules of the grinding process must be observed to guarantee the complete enjoyment of espresso. Only in this way can the unmistakable foam or “crema” be formed on the surface of the coffee.

5. LA MANO The human touch an excellent espresso requires the loving hand of an expert. Expert grinding and coffee measurement along with the correct quantity and precise temperature of the water are the elements that all come together to make a real “espresso perfetto”. Baristas are the heart and soul of MAMBOCINO ARTISAN COFFEE; What is a Barista you ask? A Barista is a professional espresso maker with the utmost passion and knowledge of coffee. A true Barista is able to produce the perfect espresso, the vital base to your favorite ART lattes and cappuccinos. Our Baristas are taught the true art of espresso making in the traditional Italian method and are empowered with an array of coffee knowledge during MAMBOCINO Caffè Barista Certification process. WITH of course LA MARZOCCO coffee Machine.

THE ITALIAN COFFEE COMPANY

Caffe Mambocino ground coffee bags, suitable for coffee makers, our brand products:

MICHELA ORO BEANS, GOLDEN BEANS-AROMA, PODS, FLAVOURED, GROUND ROASTED, DECAFFEINED, ORGANIC, LA FRAPPERIA - FRAPPESIMO

L'ESPRESSO CAFFE MAMBOCINO

Caffe Mambocino beans are specially selected high-grade beans from all over the world which are blended together to give our customers a very unique coffee experience.

The Caffe Mambocino blend is specially customized blend with the total make up consisting of the finest arabica beans together with a touch of Robusta beans which give the coffee a bit of a kick! these beans from south and central America plantations.

These South American beans are combined with the finest central African beans, which together produce a unique and distinctive formulation.

This combination of beans has the body and oil essential to create the cream on the top freshly brewed shot of coffee and also gives us the perfect balance of flavors which are rich in body and texture.

AROMA COFFEE ROAST

Coffee, is a simple word that means so much to so many. The trees, the beans and beverage are all known as coffee. The tree produces only green leaves for the first three to five years, after which fragrant flowers bloom for a few days annually. After the appearance of the flower, the fruit begins to develop, changing from light green to a deep, dark red, which indicates it is ready to be picked. A tree produces consistently for 15 to 20 years.

Coffee grows on the islands of Java and Sumatra, in Arabia, India, Africa, The West Indies, Central and South America.

The genus coffee contains 25 or more species. Of them there are three species that are grown commercially; the arabicas, the Robusta's, and Liberica's, the arabicas being the finest.

How to make perfect coffee...

According to " The Coffee Brewing Institute" formed in 1952 by the Pan American Coffee bureau and National Coffee Association, there are a few simple steps the follow to ensure brewing great coffee:

- Use a clean coffee maker
- Use fresh coffee
- Use fresh cold water
- Measure water
- Measure coffee (standard is two level tablespoons of coffee per six oz of water)
- Serve coffee as soon as possible after brewing

GRINDING

Authentic Coffee and Doughnut Limited will grind any variety of bean upon request to meet customers need. They will recommend that you purchase your coffee in whole bean form and grind just the right amount before brewing. If preferred, they will be happy to grind it for their customers. Using the correct grind ensures the proper flavor extraction when the correct grind ensures the proper flavor extraction when brewing. There is no such thing as an " all purpose " grind; therefore, Authentic Coffee and Doughnut Limited will offer the following grind options to their customers.

- Turkish
- Espresso
- Fine
- Auto Drip
- French Press
- Electric Perk
- Regular Perk
- Coarse

Authentic Coffee and Doughnut Limited, being an expert in their field, will emphasize:

If stored for too long ground coffee goes stale and loses its unique flavor. Ideally to keep your coffee at its freshest and most flavorful, you should buy whole bean coffee and grind only what you need each day. Here are a few suggestions to follow whether you buy whole beans or have your coffee ground:

- Store your coffee in an airtight container (the special bags we ship in serve this purpose)
- Store your coffee in cabinet if you will use it in less than a month; in the freezer if it will last you more than a month (and never in the refrigerator where it picks up moisture and odors!)
- Let your coffee reach room temperature before brewing.

ROASTING

Roasting is responsible for the flavor and aroma that is associated with coffee. It imparts the rich brown color of the bean and infuses it with splendid aromatic qualities and a wonderful taste.

Skill and experience are the key factor in producing the perfect taste; under roasting or over roasting will substantially affect the quality.

The beans are heated in a rotating horizontal drum to ensure a uniform temperature. The temperature varies depending on the roast:

- Light roast about 380 degrees Fahrenheit
- Medium roast about 400 degrees Fahrenheit
- Dark roast about 425 degrees Fahrenheit
- The beans are cooled rapidly and transferred to airtight bins.



Doughnut

A doughnut or doughnut is a type of fried dough confection or dessert food. It is popular in many countries and is prepared in various forms as a sweet snack that can be homemade or purchased in bakeries, supermarkets, food stalls, and franchised specialty vendors.

Doughnuts are usually deep fried from a flour dough, and typically either ring-shaped or a number of shapes without a hole, and often filled, but can also be ball-shaped ("doughnut holes"). Other types of batters can also be used, and various toppings and flavorings are used for different types, such as sugar, chocolate, or maple glazing. Doughnuts may also include water, leavening, eggs, milk, sugar, oil, shortening, and natural or artificial flavors.

The two most common types are the ring doughnut and the filled doughnut, which is injected with fruit preserves, cream, custard, or other sweet fillings. Alternatively, small pieces of dough are sometimes cooked as doughnut holes. Once fried, doughnuts may be glazed with a sugar icing, spread with icing or chocolate on top, or topped with powdered sugar, cinnamon, sprinkles or fruit. Other shapes include rings, balls, flattened spheres, twists, and other forms. Doughnut varieties are also divided into cake (including the old-fashioned) and yeast-risen type doughnuts. Doughnuts are often accompanied by coffee purchased at doughnut shops, convenience stores, petrol stations, cafes or fast-food restaurants, but can also be paired with milk.

Ring doughnuts are formed by one of two methods: by joining the ends of a long, skinny piece of dough into a ring, or by using a doughnut cutter, which simultaneously cuts the outside and inside shape, leaving a doughnut-shaped piece of dough and a doughnut hole (from the dough removed from the center). This smaller piece of dough can be cooked and served as a "doughnut hole" or added back to the batch to make more doughnuts. A disk-shaped doughnut can also be stretched and pinched into a torus until the center breaks to form a hole. Alternatively, a doughnut depositor can be used to place a circle of liquid dough (batter) directly into the fryer.

There are two types of ring doughnuts, those made from a yeast-based dough for raised doughnuts, or those made from a special type of cake batter. Yeast-raised doughnuts contain about 25% oil by weight, whereas cake doughnuts' oil content is around 20%, but they have extra fat included in the batter before frying. Cake doughnuts are fried for about 90 seconds at approximately 190 to 198 °C (374 to 388 °F), turning once. Yeast-raised doughnuts absorb more oil because they take longer to fry, about 150 seconds,

at 182 to 190 °C (360 to 374 °F). Cake doughnuts typically weigh between 24 and 28 g (0.85 and 0.99 oz), whereas yeast-raised doughnuts average 38 g (1.3 oz) and are generally larger, and taller (due to rising)

After frying, ring doughnuts are often topped. Raised doughnuts are generally covered with a glaze (icing). Cake doughnuts can also be glazed, or powdered with confectioner's sugar, or covered with cinnamon and granulated sugar. They are also often topped with cake frosting (top-side only) and sometimes sprinkled with coconut, chopped peanuts, or sprinkles (also called jimmies).

"Doughnut hole" and "Donut hole" redirect here. For the coverage gap in Medicare known informally as the donut hole, see Medicare Part D coverage gap.

Doughnut holes are small, bite-sized doughnuts that were traditionally made from the dough taken from the center of ring doughnuts. Before long, doughnut sellers saw the opportunity to market "holes" as a novelty and many chains offer their own variety, some with their own brand names such as "Munchkins" from Dunkin' Donuts and "Timbits" from Tim Hortons.

Traditionally, doughnut holes are made by frying the dough removed from the center portion of the doughnut. [citation needed] Consequently, they are considerably smaller than a standard doughnut and tend to be spherical. Similar to standard doughnuts, doughnut holes may be topped with confections, such as glaze or powdered sugar.

Originally, most varieties of doughnut holes were derivatives of their ring doughnut (yeast-based dough or cake batter) counterparts. However, doughnut holes can also be made by dropping a small ball of dough into hot oil from a specially shaped nozzle or cutter. This production method has allowed doughnut sellers to produce bite-sized versions of non-ring doughnuts, such as filled doughnuts and fritters.

Filled doughnuts are flattened spheres injected with fruit preserves, cream, custard, or other sweet fillings, and often dipped into powdered sugar or topped off with frosting. Common varieties include the Boston cream, coconut, key lime, and jelly.

Others include the fritter and the Dutchie, which are usually glazed. There are many other specialized doughnut shapes such as old-fashioned, bars or Long Johns (a rectangular shape), or with the dough twisted around itself before cooking. In the northeast United States, bars and twists are usually referred to as crullers.

History of Doughnut

The earliest origins to the modern doughnuts are generally traced back to the olykoek ("oil(y) cake") Dutch settlers brought with them to early New York (or New Amsterdam). These doughnuts closely resembled later ones but did not yet have their current ring shape. One of the earliest mentions of "doughnut" was in Washington Irving's 1809 book *A History of New York, from the Beginning of the World to the End of the Dutch Dynasty*:

Sometimes the table was graced with immense apple-pies, or saucers full of preserved peaches and pears; but it was always sure to boast of an enormous dish of balls of sweetened dough, fried in hog's fat, and called dough-nuts, or oly koeks: a delicious kind of cake, at present scarce known in this city, excepting in genuine Dutch families.

The name oly koeks was almost certainly related to the oliekoek: a Dutch delicacy of "sweetened cake fried in fat."

According to anthropologist Paul R. Mullins, the first cookbook mentioning doughnuts was an 1803 English volume which included doughnuts in an appendix of American recipes. He also traces its origins to the oliekoek that arrived in America with the Dutch settlers in the early 18th century. By the mid-19th century, the doughnut looked and tasted like today's doughnut, and was viewed as a thoroughly American food.

Hanson Gregory, an American, claimed to have invented the ring-shaped doughnut in 1847 aboard a lime-trading ship when he was 16 years old. Gregory was dissatisfied with the greasiness of doughnuts twisted into various shapes and with the raw center of regular doughnuts. He claimed to have punched a hole in the center of dough with the ship's tin pepper box, and to have later taught the technique to his mother. Smithsonian Magazine states that his mother, Elizabeth Gregory, "made a wicked deep-fried dough that cleverly used her son's spice cargo of nutmeg and cinnamon, along with lemon rind," and "put hazelnuts or walnuts in the center, where the dough might not cook through", and called the food 'doughnuts'.

Another theory on their origin came to light in 2013, when a recipe for "doughnuts" was found in a book of recipes and domestic tips written around 1800 by the wife of Baron Thomas Dimsdale, the recipe being given to the dowager Baroness by an acquaintance who transcribed for her the cooking instructions for a "doughnut".

Coffee

Coffee is a brewed drink prepared from roasted coffee beans, the seeds of berries from certain coffee species. When coffee berries turn from green to bright red in color – indicating ripeness – they are picked, processed, and dried. Dried coffee seeds (referred to as "beans") are roasted to varying degrees, depending on the desired flavor. Roasted beans are ground and then brewed with near-boiling water to produce the beverage known as coffee.

Coffee is darkly colored, bitter, slightly acidic and has a stimulating effect in humans, primarily due to its caffeine content. It is one of the most popular drinks in the world, and can be prepared and presented in a variety of ways (e.g., espresso, French press, café latte, or already-brewed canned coffee). It is usually served hot, although chilled or iced coffee is common. Sugar, sugar substitutes, milk or cream are often used to lessen the bitter taste.

Clinical research indicates that moderate coffee consumption is benign or mildly beneficial as a stimulant in healthy adults, with continuing research on whether long-term consumption reduces the risk of some diseases, although some of the long-term studies are of questionable credibility.

The earliest credible evidence of coffee-drinking as the modern beverage appears in modern-day Yemen in southern Arabia in the middle of the 15th century in Sufi shrines where coffee seeds were first roasted and brewed in a manner similar to how it is now prepared for drinking. The Yemenis procured the coffee beans from the Ethiopian Highlands via coastal Somali intermediaries, and began cultivation. By the 16th century, the drink had reached the rest of the Middle East and North Africa, later spreading to Europe.

The two most commonly grown coffee bean types are *C. arabica* and *C. Robusta*. Coffee plants are now cultivated in over 70 countries, primarily in the equatorial regions of the Americas, Southeast Asia, the Indian subcontinent, and Africa. As of 2018, Brazil was the leading grower of coffee beans, producing 35% of the world total. Coffee is a major export commodity as the leading legal agricultural export for numerous countries. It is one of the most valuable commodities exported by developing countries. Green, unroasted coffee is one of the most traded agricultural commodities in the world. The way developed countries trade coffee with developing nations has been criticized, as well as the impact on the environment with regards to the clearing of land for coffee-growing and water use. Consequently, the markets for fair trade and organic coffee are expanding.

History of Coffee

According to one legend, ancestors of today's Oromo people in a region of Kaffa in Ethiopia were the first to recognize the energizing effect of the coffee plant. However, no direct evidence that has been found earlier than the 15th century indicating who among the African populations used it as a stimulant, or where coffee was first cultivated. The story of Kaldi, the 9th-century Ethiopian goatherd who discovered coffee when he noticed how excited his goats became after eating the beans from a coffee plant, did not appear in writing until 1671 and is probably apocryphal.

Another legend attributes the discovery of coffee to a Sheikh Omar. According to an old chronicle (preserved in the Abd-Al-Kadir manuscript), Omar, who was known for his ability to cure the sick through prayer, was once exiled from Mocha in Yemen to a desert cave near Ousab (modern-day Wusab, about 90 kilometres (56 mi) east of Zabid). Starving, Omar chewed berries from nearby shrubbery but found them to be too bitter. He tried roasting the seeds to improve the flavor, but they became hard. He then tried boiling them to soften the seed, which resulted in a fragrant brown liquid. Upon drinking the liquid Omar was revitalized and sustained for days. As stories of this "miracle drug" reached Mocha, Omar was asked to return and was made a saint.



Historical Coffee transmission

View of Mocha, Yemen during the second half of the 17th century

The earliest credible evidence of coffee-drinking or knowledge of the coffee tree appears in the middle of the 15th century in the accounts of Ahmed al-Ghaffar in Yemen. It was here in Arabia that coffee seeds were first roasted and brewed, in a similar way to how it is prepared now. Coffee was used by Sufi circles to stay awake for their religious rituals. Accounts differ on the origin of the coffee plant prior to its appearance in Yemen. From Ethiopia, coffee could have been introduced to Yemen via trade across the Red Sea. One account credits Muhammad Ibn Sa'd for bringing the beverage to Aden from the African coast. Other early accounts say Ali ben Omar of the Shadhili Sufi order was the first to introduce coffee to Arabia. According to al Shardi, Ali ben Omar may have encountered coffee during his stay with the Adal king Sadadin's companions in 1401. Famous 16th-century Islamic scholar Ibn Hajar al-Haytami notes in his writings of a beverage called qahwa developed from a tree in the Zeila region. Coffee was first exported out of Ethiopia to Yemen by Somali merchants from Berbera and Zeila, which was procured from Harar and the Abyssinian interior. According to Captain Haines, who was the colonial administrator of Aden (1839-1854), Mocha historically imported up to two-thirds of their coffee from Berbera-based merchants before the coffee trade of Mocha was captured by British-controlled Aden in the 19th century. Thereafter, much of the Ethiopian coffee was exported to Aden via Berbera.

Authentic Coffee and Doughnut Limited will provide high quality coffee, tea and lots of different types of doughnuts and of course with the superior customer service.



4.0 Market Analysis Summary

Market Analysis

In the forthcoming three years, the owner is expecting Authentic Coffee and Doughnut Limited to grow tremendously. The office workers and the tourists in the area are a perfect customer support base for the Authentic Coffee and Doughnut Limited. Currently, the area is served by other major coffee shops that do not carry any of the products lines available at the Authentic Coffee and Doughnut Limited.

Authentic Coffee and Doughnut Limited consists of virtually all freshly baked doughnuts, fresh food and beverage products including coffee beans.

In the City of London, there are many Coffee Shops, who are offering the different prices for their customers. Authentic Coffee and Doughnut Limited will collate the best prices from different food and beverage suppliers for different products so they will have the best quality of foods and beverages with the best prices available for their customers. Authentic Coffee and Doughnut Limited will go through careful analysis, tailor made services, attentive customers support, on-time delivery, respect to legal procedures protecting customers' benefits and cost-effective solutions than the other food and beverage shops.

The main advantage that they are familiar to the local coffee shops so they can easily choose the best quality of food beverage products and offer these products to their loyal customers. With a depth and breadth of expertise; a very real passion for what they will provide and pride in achieving the highest standards of foods, beverages and customer services, many of their customers will be buying in their coffee and doughnut shop on a regular basis for the years to come.

Above all, their customers will appreciate their quality of foods and beverages, but also will be delighted by their on-time customer service and reliability. Despite the competition they face, they are confident that the provided service will be combined with the quality, liability and responsibility will enable them to withstand the difficulties they might face and become a very respectable and well-known coffee and doughnut shop owner.

Market Audit

The following market audit provides a comprehensive and systematic analysis and evaluation of the factors of the internal and external business environment which will have potential impacts on the goals, objectives and performance of the company (Abrams, 2019). As a small coffee and donut shop to be established in London, the following market audit provides an assessment of the relevant market environment for the business.

PESTEL Analysis

Macro-environmental analysis: PESTEL analysis

The macro-environmental analysis has been conducted using the PESTEL framework.

Political: The current political landscape will have no critical impact on the organization in general (Guterman, 2018). The British Government's support towards small and medium business owners will in fact facilitate the Coffee and Donut Shop. Currently, the corporate tax rate in the UK is 19% with various tax benefits available for the small business entrepreneurs (CBI EU, 2020). However, the government's strategies to handle the pandemic and its plans regarding trade relations with EU after the Brexit could affect the business in many ways. The failure to properly handle the pandemic will make the market entry difficult for the business at this point due to various uncertainties and limited market opportunities (Ceuta Group, 2020). The directions with the Brexit may affect business overheads in the areas of procurement and labour. Regardless of the current political landscape, the UK still ranks as one of the top destinations for doing business in Europe (Zacharakis, Corbett and Bygrave, 2019).

Economic: The economy in the UK is currently in an uncertain condition due to the ongoing pandemic and uncertainties surrounding the Brexit (IBISWorld, 2020). The Brexit deals may affect the prices of material imports from EU countries. However, the market forecasts suggest that the economy will have a fast recovery with a growth rate of 6.0% in 2021 (Esquires Coffee UK, 2020). By 2023, the economy is expected to return to its pre-pandemic size (World Coffee Portal, 2020). But considering the current outlooks, the business should face no critical economic barriers in 2021. Moreover, considering the less significant

changes in the inflation rate, the business will not face any major barriers in the local market operations (IBISWorld, 2020).

Social factors: Coffee culture is quite popular in the UK. Over 96 million cups of coffee are consumed each day, which shows how substantially large the sector is (Ceuta Group, 2020). And donuts being the perfect side meal with a cup of coffee, the business should be able to gain the attention of a significantly large market segment including office-goers, college and university students, and other usual local customers (Esquires Coffee UK, 2020). However, in order to gain the attention in the current social dynamics, The Coffee and Donuts Shop needs to introduce some forms of differentiation to its business model.

Technological factors: The technologies are becoming relatively cheaper in the UK due to the ongoing developments and advancements, and the increasing number of competitors in these sectors (CBI EU, 2020). Various ERP systems, CRM systems and other necessary business systems can now be purchased 10% to 20% cheaper compared to their prices few years back (Ceuta Group, 2020). This should be an opportunity for the company to be able to utilize various digital technologies to make the business process more efficient and productive.

Environmental factors: The sustainability trends in the UK are more significant than ever. In order to perform competitively, the business needs to maintain a sustainable social image (Ceuta Group, 2020). Therefore, ethical supply chain practices and plastic free business model should be embraced to sustain and compete well in the industry (CBI EU, 2020). This would involve the use of plastic alternatives for utensils and coffee cups in the store.

Legal factors: It is likely that there would be some significant changes to the laws and legislation in the UK as soon as the Brexit process gets completed. Although the changes would not cause much disruptions in the macro environment, but the company should be prepared for the changes in labour regulations, trade policies and company laws.

Competitive Business Environment

- Threats of new market entrants: (High intensity) If the company can introduce any impactful and unique value proposition, the threats from the new market competitors get reduced significantly.
- Threats of substitutes: (Moderate): The large size of the industry and the consumers' make the substitute industry less competitive for the coffee shop outlets (IBISWorld, 2020).

- Threats of direct market rivals: (High intensity): The coffee and donut shop will have to compete with larger brands such as Starbucks and Costa Coffee. Competing against these larger brands will be very difficult (Esquires Coffee UK, 2020).
- Buyer bargaining power: (High) The customers are well informed of the supply chain of the coffee shop outlets, which gives them strong influence over the pricing decisions (CBI EU, 2020).
- Supplier bargaining power: (Low) The suppliers of the coffee beans and the materials for making donuts are dispersed across different locations (Banks, 2020).

Market Research

As mentioned earlier, over 95 million cups of coffee are consumed every day in the UK. The branded coffee shop retailers have had a 5.8% growth in 2019 (Ceuta Group, 2020). Currently the sector is estimated to worth a value over 12 billion. There are estimated to be around 25,892 coffee shop outlets across the UK (Mintel, 2020). In terms of market size and consumer demands, the British coffee shop industry ranks 5th in Europe. So, considering the market standpoint, it is a fast-growing sector. The industry has recently been innovation-driven (Esquires Coffee UK, 2020). The main sources of innovation came from the tastes of coffee, ethical sourcing of materials, fair trade-based business model, gourmet experience etc. If the Coffee and Donut Shop can position itself uniquely capitalizing on these issues, it would gain a substantial momentum in the industry (Ceuta Group, 2020).

What is interesting for the company is that despite the larger brands holding most of the market shares, the independent coffee shop outlets have also maintained a higher growth rate at 6% as in 2019 and 2020 (Mintel, 2020). Studies show that a large number of consumers in the UK prefer non-brand outlets over branded outlets because of the price-quality balance they offer and the unique tastes of the coffees in many of the independent outlets (Esquires Coffee UK, 2020).

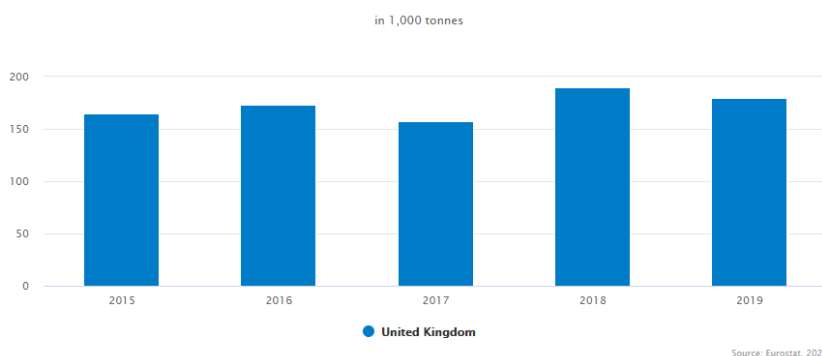


Figure: Amount of coffee material imports in the UK (Mintel, 2020)

Therefore, there are clear opportunities for the business to capitalize on, and invest in a growth-oriented sector. The business chooses the Westminster Borough because of the concentration of the business organisations and educational institutions. Market data suggest higher sales of coffee in this area, and therefore, prospect-wise, this will be a profitable place to start from (Mintel, 2020).

Target Market

Demographic market segmentation:

- Middle income class and upper-middle income class
- Office goers, students and local businesses.

Geographic market segmentation

- Westminster, London

Psychographic market segmentation

- Consumers with busy lifestyles.
- Consumers looking for regular hangout place with friends or loved ones.
- Consumers with vegan lifestyles

Behavioural market segmentation

- Consumers prioritizing value for money rather than brand loyalty
- Consumers expecting a different taste and experience
- Consumers who consider the service aspects of the business to be an important factor for decision making.

5.0 Marketing and Sales Plan Summary

Strategy and Implementation Summary

Authentic Coffee and Doughnut Limited's strategy is to make a conscious effort to market and advertise its services. As part of this formal marketing, the company plans to have a website developed. In addition, the business will continue to also rely on the word-of-mouth referrals that are generated by the personalized, quality food and beverage products and services offered.

Competitive Edge

The Company seeks to establish a competitive edge in its new target market segments by increasing the level of customers contact and service that other competitors seem to oftentimes lack. Additionally, Authentic Coffee and Doughnut Limited will possess the necessary skills to produce the high-quality food and beverages that are needed in this field. The business ethic of Authentic Coffee and Doughnut Limited will ensure a greater service and will strengthen the customer contacts that promote word-of-mouth marketing and networking.

Marketing Strategy

The marketing strategy of Authentic Coffee and Doughnut Limited includes lower prices and a quality food and beverage products. Authentic Coffee and Doughnut Limited will use advertising as its main source of promotion, in the yellow pages and local newspaper as well as the local area advertising flyer. Word-of-mouth from satisfied customers will also be a vital part of marketing.

The Company plans to rapidly develop marketing alliances with industry leaders and pursue sales of its services to residential and commercial customers. The market strategy is to capitalize on Authentic Coffee and Doughnut Limited's alliances by securing loyal customers like office workers and tourists that visits the City of London. Authentic Coffee and Doughnut Limited will use the following marketing techniques to reach its target market of customers with its furniture upholstery services and products:

- Website Marketing (detailed in the Web plan section) and Social Media Marketing by advertising the business and products on the pages and promoting the pages
- Periodic advertisements in UK business publications, each tracked to determine whether they yield inquiries and customers

Sales Strategy

Authentic Coffee and Doughnut Limited will make a significant profit through the excellent care of their customers. Even though Authentic Coffee and Doughnut Limited may charge less, the company will see profit within the first year due to beneficial word-of-mouth advertising. The Company expects to significantly increase its’ customers over the next three years of operations.

The sales strategy of the Authentic Coffee and Doughnut Limited is simple. The key to customer satisfaction is a community-friendly stop that is easy to navigate and has knowledgeable people to help customers find what they want quickly. Customers will linger in the stop, reading and speaking with their friends.

Sales Forecast

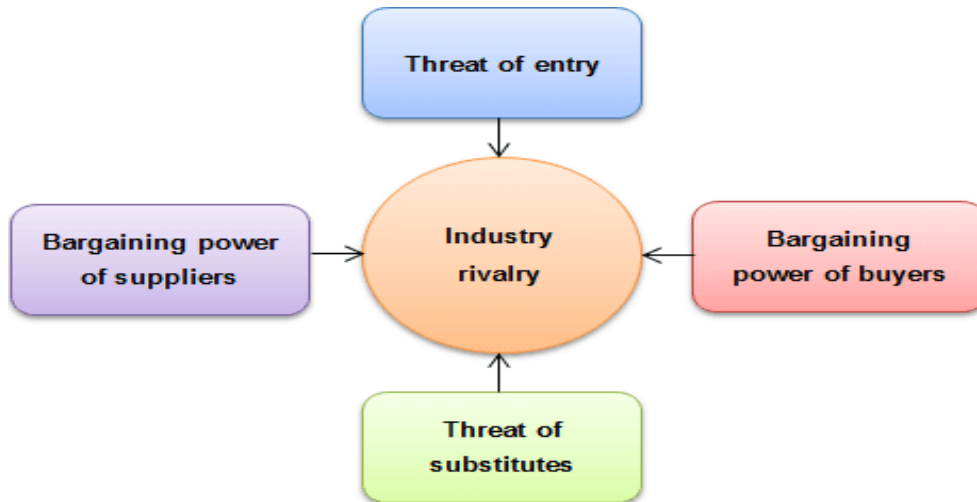
As the following table shows, the company plans to deliver sales of approximately £5,000,000 in the first year, £5,500,000 in the second year, £6,200,000 in the third-year plan implementation.

TABLE: SALES FORECAST			
SALES FORECAST	2021	2022	2023
Sales (Revenue)	£5,000,000	£5,500,000	£6,200,000
TOTAL SALES	£5,000,000	£5,500,000	£6,200,000



Michael Porter's 5 Forces Analysis

Michael Porter's 5 Forces Analysis



Threat of entry: The threat of new entrants in the coffee industry is high because the number of hurdles for market entry is low. Even the hurdles that are available in the coffee industry are not complex and they are easily possible to eliminate which is the reason for easy entry to the market.

Bargaining power of suppliers: In the coffee industry, the bargaining power of suppliers is low. The suppliers in the coffee retail industry are those who supply the raw material for coffee drinks and firms. The most common raw material used in the industry is coffee beans. Coffee beans are standard undifferentiated among suppliers.

Industry rivalry: The players that are competing in the coffee industry are internationally accepted with massive financial strength posing a high level of competition for each other.

Bargaining power of buyers: The coffee industry is based around individual customers buying a cup or two of coffee and a snack, but usually not much more than that. It is important to note, however, that customers do not face any significant switching costs when moving between coffee shops.

Threat of substitutes: The threat of substitutes for the coffee industry is high because of the availability of multiple substitutes. The other local hot beverages also offer a threat of substitutes to the coffee industry due to the acceptance of local hot beverages.

Web Plan Summary and Logo

Web Plan Summary

Authentic Coffee and Doughnut Limited plans to create a new website to provide an internet presence that will better represent it through digital images and text and serve to more effectively market the Company and expand its market.

The enhanced website will include:

- Pictures and video statements /testimonials of satisfied customers
- Links to businesses who have given positive statements and referrals
- Banner ads and Link for visitors to opt in to the Company's e-mail list



Website Marketing Strategy

Authentic Coffee and Doughnut Limited will have a fantastic website for its customers to be able to compare food and beverage products online with different brand of the foods and drinks and buy with the best prices available in the coffee and doughnut shops. Authentic Coffee and Doughnut Limited will use a fantastic Logo which symbols the coffee and doughnut that people will notice quickly at the first sight. Authentic Coffee and Doughnut Limited to use e-mail marketing campaigns for their outreach to current and prospective customers. Technology is available that incorporates video with e-mail and offers very powerful, robust and dynamic features. Another benefit is in communicating through the use of streaming video embedded within the e-mail. Management believes that the use of this technology will give the business a strong competitive edge and outreach to the community.

Authentic Coffee and Doughnut Limited is Planning to incorporate an e-mail drip campaign with video into its marketing efforts. This technology will more effectively market to its customer and potential customer base. It is cost effective, especially when compared to the £1000's spent on print on advertising, mailing and postage. The built-in analytics provide immediate feedback as to the campaigns effectiveness and who actually viewed the message. Auto responders with a specific message can be utilized as an immediate follow-up tool.

This new e-mail market campaign technology will serve the position Authentic Coffee and Doughnut Limited is to achieve and sustain name recognition in front of their current market within the local community. This type of marketing is cost effective and efficient. The first thing most of us do every day is check our e-mail in box.

Development Requirements

The development requirements for Authentic Coffee and Doughnut Limited enhanced Internet presence and e-mail campaign marketing system are easy and not complicated. The business will be able to create web pages to which Authentic Coffee and Doughnut Limited hosted website simply points to. The created web pages will be easily constructed with easy-to-use templates. Once an e-mail address is entered into the system, they will receive Authentic Coffee and Doughnut Limited's standard welcome e-mail and automatically receive periodic e-mails that can be constructed for specific marketing e-mail drip campaigns.

Strategies and Implementation Summary

To promote the business to its target of customers, the Authentic Coffee and Doughnut Limited will:

- Expand its Web presence through website development and marketing
- Initiate a systematic customers referral program to prospect within existing customers and their contacts
- Use of social media pages to reach new and target customers and businesses
- Use of local newspapers
- Web advertising opportunities will be used
- To meet with the potential people, customers and the suppliers
- Attending to the fairs, events and meetings

Although they allowed for advertisement expenses in the projection of newspaper, Internet and social media will be their main form of advertisement as well as word of mouth and referrals.

SWOT Analysis

STRENGTHS

Ms. Ada Middleton will be working for Authentic Coffee and Doughnut Limited as director and will be flexible and motivated to make it a success.

Ms. Ada Middleton has already identified the market and set up key contacts necessary for the business.

Ms. Ada Middleton has already contacted some food and beverage suppliers.

She has the necessary expertise, experience and knowledge in coffee shop, bakery and patisserie business.

WEAKNESSES

As with any owners managed businesses, the success is very much dependant on the well being of the owners.

Creating a reliable and trustworthy business relationship with customers takes time.

If the business fails to gain new customers, this will considerably affect the business and its future.

SWOT ANALYSIS

OPPORTUNITIES

Opportunities exist for expanding the services and products to the City of London.

With the experience gained by running a good business, there is nothing stopping the owners to expand to a greater number of customers.

There could be a chance for Ms. Ada Middleton to expand their business and to have more employees.

The provision of cost effective products may provide the owners with better opportunities.

A significant portion of the target market is looking for the excellent line of the products she will offer.

THREATS

A severe economic recession would dampen the demand for all sectors of trade.

The expectations from the economy during the coming year do point to such a severe recession and therefore, the proposed business does not currently face serious threats..

6.0 Financial Plan

Authentic Coffee and Doughnut Limited anticipates the business to grow steadily in the upcoming years, as indicates in the sales forecast. The company will begin operations with one director Ms. Ada Middleton and will continue with four employees to help meet the demands of this growth. The beginning of the operations will be financed by the director.

The following sections of this plan will serve to describe Authentic Coffee and Doughnut Limited's financial plan in more detail:

- Milestones
- General Assumptions
- Break-even analysis
- Profit and Loss
- Cash Flow
- Balance

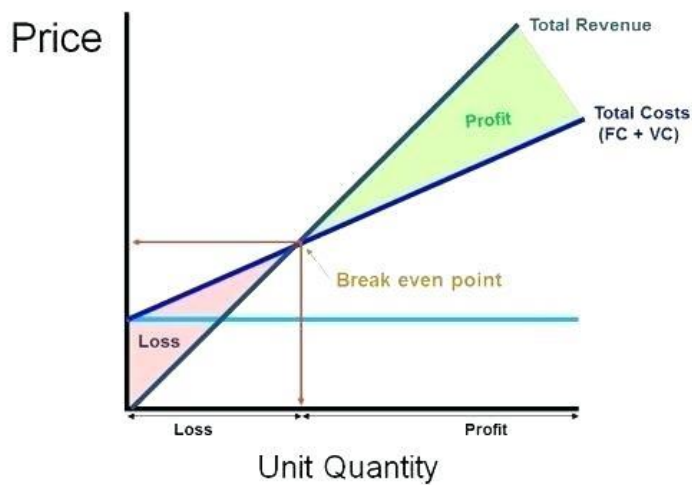
The start-up costs for the business are £550,000 (including coffee machine, baking ovens, shop decorations, and other operational expenses). The start-up costs have been financed by the owners' personal funds. It is not expected that there will be any cost overruns, however if there are any small overruns this will be taken out of the working capital and replaced once the business is operational. Cash from ongoing operations will be used for future expansion of the business to meet the five and ten-year goals.

Authentic Coffee and Doughnut Limited expects to maintain a healthy gross margin and net profit margin during the next three years. The net profit for years 2021, 2022 and 2023 are forecast to be £334,530, £822,150, and £965,520 respectively.

The financial plan of the business will require growth financed by positive cash flows from operations. The following is the financial plan for expansion of Authentic Coffee and Doughnut Limited to include a new furniture upholstery service. The financial plan of the business will require growth financed by positive cash flows from operations. The following is the financial plan for expansion of Authentic Coffee and Doughnut Limited to include a new retail coffee and doughnut shop.

Break-even Analysis

The following table and chart show our Break-even Analysis for the coming year.



BREAK-EVEN ANALYSIS

Average Monthly Revenue Break-even	£463,888
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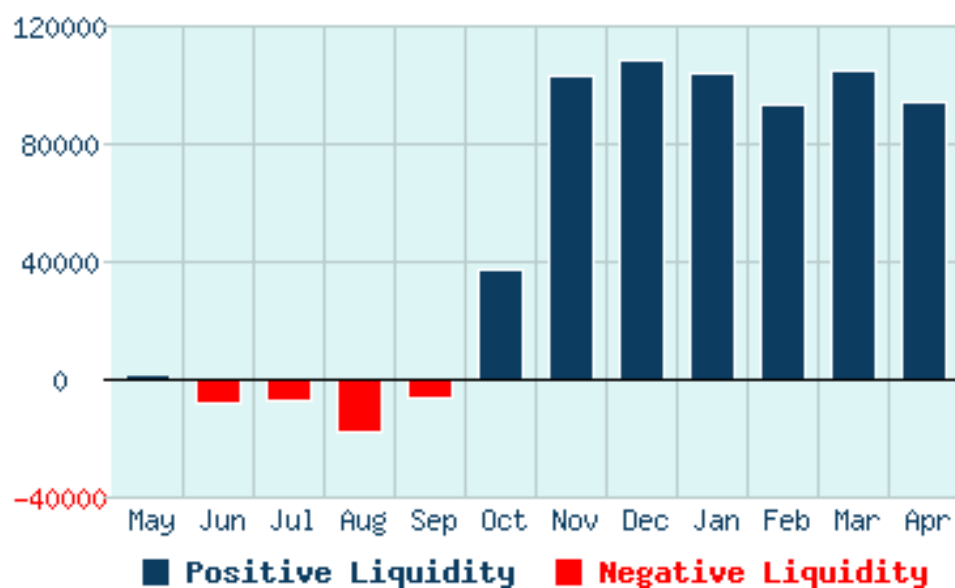
Assumptions:

Average Percent Variable Cost	85%
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Estimated Monthly Fixed Cost	£394,304
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Projected Profit and Loss

The following table and charts highlight the projected profit and loss for three years:



PRO FORMA PROFIT AND LOSS

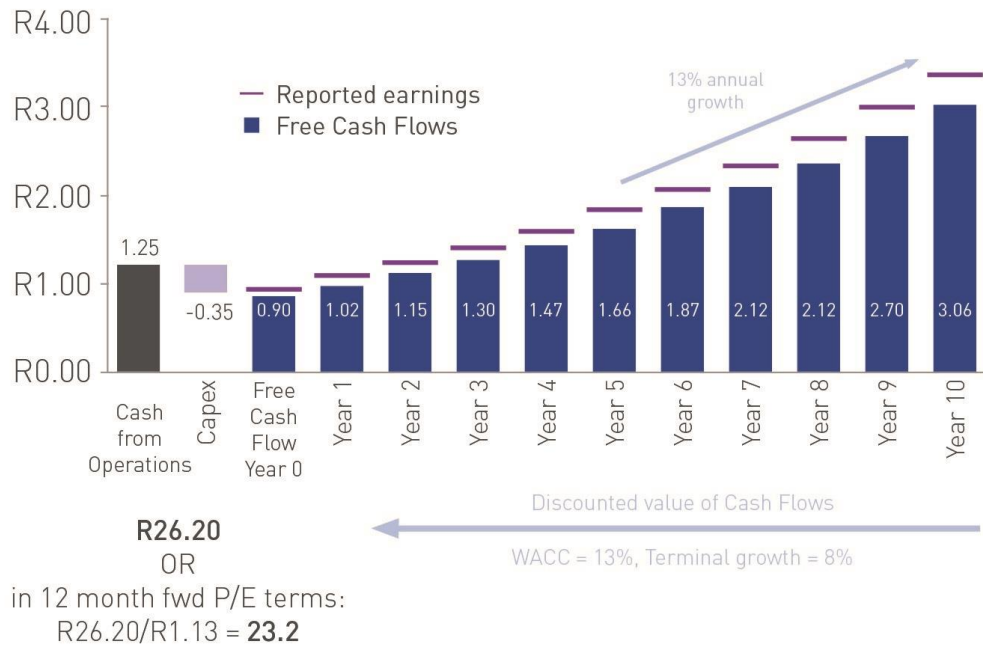
	2021	2022	2023
Sales	£5,000,000	£5,500,000	£6,200,000
Total Cost of Sales	£3,500,000	£3,850,000	£4,340,000
GROSS MARGIN	£1,500,000	£1,650,000	£1,860,000
Gross Margin %	70.00%	70.00%	70.00%

Expenses

Payroll	£387,000	£469,000	£496,000
Sales and Marketing and Other Expenses	£24,000	£30,000	£36,000
Renovation & Maintenance Expenses	£550,000	£10,000	£10,000
Utilities	£60,000	£60,000	£60,000
Rent	£66,000	£66,000	£66,000
Total Operating Expenses	£1,087,000	£635,000	£668,000
Profit Before Taxes	£413,000	£1,015,000	£1,192,000
Taxes Incurred (19%)	£78,470	£192,850	£226,480
<u>Net Profit</u>	<u>£334,530</u>	<u>£822,150</u>	<u>£965,520</u>

Projected Cash Flow

The following table and chart highlight the projected cash flow for three years:



PRO FORMA CASH FLOW

	2021	2022	2023
Sales	£1,500,000	£1,650,000	£1,860,000
SUBTOTAL OPERATIONS CASH FROM	£1,500,000	£1,650,000	£1,860,000

Sales Forecast (Estimated)

SALES FORECAST FOR THE FIRST YEAR (ESTIMATED)												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Sales	£416,666	£416,666	£416,666	£416,666	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667
TOTAL EST. SALES	£416,666	£416,666	£416,666	£416,666	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667	£416,667

7.0 Conclusion

Ms. Ada Middleton has all the above features and while offering her prospective customers a trustworthy and experienced personal service for Coffee and Doughnut shop, as well as she will be contributing to the UK economy.

Moreover, she is planning to expand her business in the coming years and offer her services to all the areas in the UK. In line with her business expansion plans, she will employ staffs and therefore she will be creating employment opportunities for people ordinarily reside in the UK.

Ms. Ada Middleton has a unique and individual approach to customer satisfaction providing an outstanding level of quality in her products and services.

To conclude, Ms. Ada Middleton is planning to set up and build a new business in the United Kingdom offering her services in a Limited Company as Director. She has the necessary funds, experience and knowledge to set up and run a successful business in Coffee and Doughnut sector. She will establish the company once she has received the necessary funding from the UK Banks. Finally, as shown above in great detail and as can be seen from the supporting documents provided as an evidence of Ms. Ada Middleton's financial standing. Should the worst happen and the business does not generate the expected income, Ms. Ada Middleton has in her possession funds available for her personal and business-related expenses necessary to sustain herself and her business.

For the aforementioned reasons Ms. Ada Middleton's Loan application with the UK Banks should be approved.

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