

Business Plan

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Business Plan



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Business Plan

Overview of the Business Idea

Background

Coffee has emerged as a globally traded commodity, renowned for its invigorating properties, its ability to stimulate discussions, and its role in facilitating economic transactions, dating back to the early 16th century (Marks, 2020). Coffee continues to maintain its dominance in our wide world of gatherings and conversations. Regardless of the specific hot beverage selected, the customary practices associated with its consumption persist, with coffee maintaining its dominant position within the worldwide hot beverage sector. Birmingham is full of opportunities thanks to its large and varied population and flourishing cafe scene. It is also home to several prestigious educational institutions like the University of Birmingham, Birmingham City University, and Aston University. Tens of thousands of kids attend these schools, giving a large pool of potential customers (Lambert n.d) Taecharungroj et al. (2021) found that, between 2015 and 2020, the number of coffee shops in Birmingham increased by 30%, pointing to the city's thriving coffee culture.

Figure 1. Coffee shop design.



source: [20 30 Coffee Shop Interior Design Ideas \[Update List 2018\] - Live Enhanced](#)

Products and Services

The location of a cafe in Birmingham with a menu heavy on healthy and nutritious options will be for locals and visitors alike. Organic coffee, freshly crafted smoothies, salads,

sandwiches, wraps, and vegetarian/vegan alternatives will all be available at Elegant Cafe which will also have a relaxing ambience.

Importance of the Business

Markets have responded to the growing number of health-conscious shoppers by increasing the availability of nutritious food and drink options. The goal is to cash in on the booming wellness industry while setting itself apart from more traditional coffee shops that may not offer as many healthy food options.

Legal Structure and Company Ownership of a Startup

The legal structure will be Private Limited Company -LTD is widely adopted as the predominant legal structure for a diverse range of businesses, encompassing both small-scale enterprises with a sole shareholder director and large corporations that have secured substantial private. The term "equity capital" refers to the financial resources that are contributed by shareholders or owners of a company in exchange for ownership (Department for Business Innovation and Skills 2011).

Company Leadership

Ownership

The owners of Elegant café Lucian and Sarah. Sarah has solid experience in business management and a deep appreciation for nutritious food and drinks. Holding earned a BA in Business Administration, emphasising starting and running the business. Schooling has given Sarah a solid foundation in business essentials like marketing, financing, and preparing for the future. In addition, she has learned the ins and outs of running a coffee shop through internships and other work experience in the food and beverage sector.

Management and Director

Emma has worked in marketing and the hotel business before becoming the Director of Marketing, Operations, Finance, and Customer Experience. She has extensive experience developing marketing plans and overseeing customer service interactions. The coffee business will benefit from her expertise in advertising, social media management, and improving the customer service experience.

Employees

The coffee business needs a committed staff if first-rate customer service is needed to keep things running smoothly (Demetriou 2023). Two baristas who are both informed and skilled in their craft will be hired to ensure that the clients get only the best coffee and other drinks. Their knowledge of brewing methods, appreciation of flavour profiles, and skill with latte art will help set the coffee business apart from the competition. The importance of having a competent kitchen crew of two in producing healthy and nutritious meals cannot be

overstated (Amoussou 2023). Menu items will be up to par and likely to please diners thanks to their knowledge of both cooking and the laws governing the safe handling of food.

External Professional Services

Anticipate needing the assistance of outside professionals to help maintain operations and improve the quality of service to customers. An experienced accountant may be able to do more for a company than file taxes and maintain accurate financial records. It will help satisfy all financial commitments and comply with all relevant regulations (Leigh 2017). Second, there is a need to hire a web designer to make a site that is visually appealing and simple to use. Ensuring the website is user-friendly for customers worldwide and reflects the brand's aesthetic is vital (Long and Naudin, 2019). Their expertise in user experience design and web development will greatly improve their capacity to reach and engage with the target audience. Finally, consulting with a single attorney who concentrates on the food and beverage industry can assist in navigating legal challenges and maintaining compliance with applicable regulations. Contracts will be reviewed, licenses will be obtained, and advice will be given on handling potential legal issues.

Figure 2.

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Evolve Cafe: Helping Young People into Employment.



Source: *Face of Birmingham.*

Target Market and the Marketing Strategies

Target Market

Birmingham's many educational institutions mean the city has a sizable student population. Students are a prime demographic for the coffee business since they always look for new venues to study and hang out. Research by Dhillon et al. (2019) found that students' top priorities when selecting a coffee shop are its accessibility, cost, and pleasant atmosphere. Second, as people become more health conscious, they want more nutritious food and drink

choices. Consumers who value health highly are prepared to pay a premium for healthier goods (Curvelo et al., 2019).

The Marketing Strategies

First, it is recommended to communicate and build relationships with the target audience using social media platforms. A solid web presence will be achieved by using social media sites like Instagram and Facebook to promote nutritious food options, inform the audience of the advantages of ingredients, and foster customer engagement (Lashar2011). Aljuhmani et al. (2022) found that marketing through social media had a beneficial effect on consumer engagement and brand loyalty. Second, the coffee shop will stand out by providing exceptional personalised service. The team will be educated to interact with clients, learn about their tastes, and offer suggestions tailored to everyone's dietary requirements and preferences. Customer retention and happiness will both increase thanks to this individualised strategy. Mishra et al. (2021) found that offering customers individualised experiences increased loyalty and satisfaction. Finally, according to research by Islam et al. (2021) by supporting local nonprofits, volunteering, and attending community activities the coffee shop will gain a great reputation. Corporate social responsibility has been shown to affect customer behaviour and brand image favourably.

Figure 3. Marketing Strategies

Source: iCharts



Industry and Competitors Analysis

Industry

Birmingham's coffee shops serve a rising clientele; therefore, examining the market and the competition in the space is essential. The Allegra World Coffee Portal predicted that

the value of the UK coffee shop market would reach £10.1 billion in the year 2023 (Nazmabadi and Motameni, 2022).

Competitors Analysis

The coffee shop industry in Birmingham is dominated by a few large chains, including Costa Coffee Starbucks and Caffè Nero (White et al., 2022). These franchises have established themselves as reliable sources of coffee and food for their communities, and as a result, they enjoy widespread popularity. Many small, locally owned cafés serve artisanal coffee and have inviting settings to suit various customer tastes. Elegant coffee shop will differentiate itself from the competition by delivering healthy and nutritious solutions to meet the rising demand for such items in today's consumer market.

Funding Requirement and How the Funds Will Be Used

Capital Required

A financial need of £150,000 is anticipated to launch and maintain the coffee shop in Birmingham. Obtaining sufficient financing is essential for meeting initial expenses and running operations smoothly. To get a company loan, contacting commercial banks is necessary. The bank decides how much of a loan to provide based on the company's plan, budget estimates, and creditworthiness (Mariotti and Glackin 2017). It is expected to borrow about £100,000 from a bank. This sum will pay for opening costs, including the leasehold upgrade, equipment, and stock. Second, to show how much money is still needed, the coffee shop's founders and owners will put money into it (Long and Naudin, 2019). This first investment of about £30,000 from savings will give the company solid ground. Finally, there is another possibility to try to attract the attention of private investors or business angels who might be keen on backing the venture. These people may provide financial rescues and invaluable industry knowledge, advice, and connections. The target amount from angel investors is roughly £20,000 to help complement existing funds and drive expansion.

Financial Allocation

The financial rescues will be directed carefully to different areas of the firm to guarantee a solid base and long-term development. First, a significant chunk of the budget will go into finding a good site and paying for leasehold upgrades. To achieve this goal, it may be essential to make repairs, redesign the interior, and get any relevant licences or permissions (Jones and Beynon, 2021). Second, there is an investment needed in state-of-the-art coffee makers, espresso machines, grinders, brewers, tables, and chairs to provide superior coffee and food to customers. Investing in dependable and efficient machinery can help maintain product quality and ensure happy customers.

Thirdly, some money will be used to purchase a starter supply of coffee beans, teas, syrups, milk substitutes, pastries, and other staples (Gennari and Tornaghi, 2020). Finally, a part of the budget will be set aside for advertising, public relations efforts, and a contingency reserve to spread the word and bring in new consumers. Building a solid client base requires creating an appealing brand identity, building, and constructing a user-friendly website, launching digital marketing campaigns, taking advantage of social media advertising, and participating in community outreach in one's immediate area (Barrow and Brown 2012).

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