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Task 1 – Individual Written Business Plan

LCLM 4006 – Enterprise and Entrepreneurship

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Table of Contents

<i>Executive Summary</i>	3
<i>Overview of the Business Idea</i>	4
<i>Market Research</i>	5
<i>Marketing Communications</i>	8
<i>Financial Plan</i>	9
<i>Conclusion</i>	12
<i>Reference</i>	13

Executive Summary

The business plan is establishing an independent coffee shop near Battersea Power Station, London, titled Coffee Shop - Ivanna. The establishment will focus on delivering premium coffee, fresh pastries, and light meals in a welcoming environment for residents, office employees, and tourists to the area.

London has several cafés, and coffee consumption is increasing, particularly in urban areas with high pedestrian traffic. In recent years, Battersea Power Station has emerged as one of London's most favoured destinations for shopping and entertainment. The revitalisation of this historic building has transformed it into a vibrant area with offices, apartments, restaurants, and enterprises, rendering it an ideal location for a new coffee shop to establish itself.

The coffee shop aims to differentiate itself from large chain competitors by focusing on premium goods, personalised customer care, and a comfortable atmosphere that encourages patrons to relax, work, or socialise.

The organisational structure of the firm comprises the owner, a manager, two baristas, and two kitchen personnel, forming a compact but efficient team. This framework ensures that the company can provide excellent service while minimising costs.

The enterprise requires an estimated £40,000 to commence operations, allocated for expenses such as rent, inventory, marketing, and equipment. According to projected customer demand and daily income forecasts, the business is expected to achieve break-even during the first 6 to 8 months of operation.

The proposed coffee shop represents a sound investment due to its advantageous location, rising demand for coffee, and a well-defined operational strategy.

Overview of the Business Idea

The proposed establishment is an upscale coffee café located in London, next to Battersea Power Station. The coffee shop will provide premium coffee beverages, freshly baked pastries, sandwiches, desserts, and light breakfast items. The primary objective of the organization is to provide a comfortable and welcoming environment for individuals to relax, work, or socialise while savouring exceptional coffee.

Espresso, cappuccino, latte, flat white, and iced coffee are among the popular coffee drinks included on the menu. The coffee shop will provide an assortment of teas, fresh juices, and light fare, including sandwiches, croissants, cakes, and nutritious snacks. All goods will be crafted using premium ingredients to ensure customer satisfaction and encourage repeat patronage.

A private limited company is a common legal structure for small enterprises in the UK. This structure safeguards the owner's capital and enhances the firm's reputation and financial autonomy.

The coffee shop's organisational structure is simple and efficient, facilitating clarity about responsibilities.

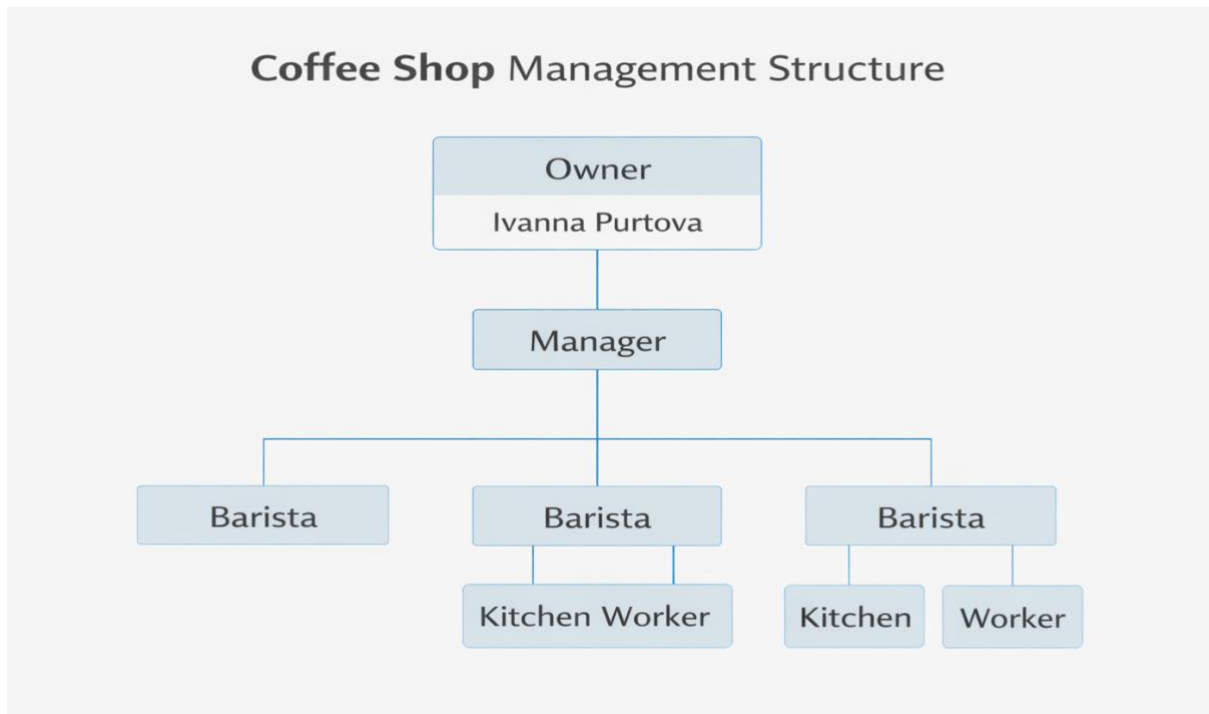


Figure 1: Organisational Structure of the Coffee Shop

Market Research

Market research is essential for understanding the business landscape and identifying opportunities and challenges that may impact the coffee shop's growth. The PESTLE framework is a conventional analytical tool for examining external factors. It examines political, economic, social, technological, legal, and environmental dimensions (Kotler and Keller, 2016).

Political Factors

Food and beverage companies must adhere to regulations and policies established by the government. Coffee establishments in London are required to adhere to municipal licensing regulations, health and safety standards, and food hygiene protocols. Battersea Power Station operates inside a highly regulated business sector, necessitating strict compliance with operational guidelines by firms.

Government initiatives that assist small businesses and entrepreneurs may facilitate the establishment of new firms.

Economic Factors

The prosperity of hospitality firms is influenced by factors such as inflation, rental expenses, and consumer disposable income. London is one of the most economically vibrant cities in Europe, attracting millions of tourists annually. Despite heightened operational expenditures potentially complicating matters, coffee remains an inexpensive item that many people purchase every day.

Social Factors

Coffee culture has become a fundamental feature of urban life. Individuals frequent cafés for purposes beyond just coffee consumption. Individuals also visit that location to unwind, telecommute, and socialise. Diverse individuals, including professionals, locals, and visitors, frequent Battersea Power Station. These socioeconomic changes create a need for modern coffee shops that are cosy and welcoming.

Technological Factors

Technology significantly influences the operations and marketing strategies of modern cafés. Digital payment methods, mobile ordering applications, and social media marketing will enhance customer experiences and streamline corporate operations. Coffee enterprises may acquire new clientele and promote their brand on platforms such as Instagram and Google Maps.

Legal Factors

Every food enterprise is obligated to adhere to legal regulations. Coffee establishments must adhere to regulations concerning food safety, employment practices, and health and safety standards. To ensure compliance and safeguard

customers, workers must undergo training, and regular hygiene inspections must be conducted.

Environmental Factors

Sustainability is increasingly becoming a significant concern in the hospitality industry. A considerable number of consumers choose companies that demonstrate environmental stewardship. Consequently, the coffee shop will endeavour to minimise waste, use recyclable packaging, and get coffee beans from farms that uphold fair labour practices.



Figure 2: Pestle Analysis

Marketing Communications

Marketing communication is crucial for acquiring clients and enhancing awareness of your organization. The coffee business will use several marketing strategies to promote its products and services.

The first action the company will do is to use social media for self-promotion. We will upload images of coffee, pastries, and the café's interior on platforms such as Instagram and Facebook. Visual marketing is particularly effective for food and beverage firms, since appealing imagery may swiftly capture attention and attract customers.

The coffee business will use effective marketing strategies tailored to the local region. Adjacent workplaces, residential complexes, and commercial establishments may get fliers and other promotional materials. Collaborating with local enterprises may also facilitate the acquisition of more clients.

Third, the organization will establish a robust brand. The café will have a modern aesthetic, comfortable seating areas, and a distinctive logo that reflects the brand's uniqueness. A unique atmosphere may enable the company to differentiate itself from large retail chains.

Programs will be implemented to reward loyal consumers. For example, if a buyer purchases a substantial quantity of coffee, they may get a complimentary beverage. Loyalty programs incentivise clients to return often, so facilitating the establishment of enduring relationships between companies and their clientele.

Online reviews will be essential. When selecting a café, favourable recommendations on Google and other review platforms may significantly influence client choices.

Financial Plan

Financial Plan

The financial plan outlines the estimated startup costs, expected monthly expenses, projected revenue, and break-even analysis for the proposed coffee shop located in Battersea Power Station, London.

Startup Costs	
Startup Expense	Estimated Cost (£)
Rent deposit and first month rent	£10,000
Coffee machines and equipment	£12,000
Furniture and interior design	£8,000
Initial food and beverage inventory	£3,000
Marketing and promotional activities	£2,000
Staff salaries (first month)	£5,000
Total Startup Investment	£40,000

Monthly Operating Expenses	
Monthly Expenses	Estimated Cost (£)
Rent	£5,000
Staff wages	£6,000
Utilities (electricity, water, internet)	£1,000
Ingredients and supplies	£1,500
Marketing and advertising	£500
Total Monthly Expenses	£14,500

Revenue Projection	
Revenue Source	Estimated Cost (£)
Rent	£5,000
Staff wages	£6,000
Utilities (electricity, water, internet,)	£1,000
Ingredients and supplies	£1,500
Marketing and advertising	£500
Miscellaneous expenses	£500
Total Monthly Expenses	£14,500

Break-Even Analysis – Coffee Shop Ivanna



Projected Cash Flow – Coffee Shop Ivanna



Figure 3: Financial Plan – Coffee Shop Ivanna

Financial Plan Explanation

The financial plan delineates the required capital for establishing and operating the proposed coffee shop at Battersea Power Station in London. Table 1 illustrates the financial resources the business will need to commence operations. The projected initial expenditure to establish the firm is around £40,000. This includes the first month's rent, coffee machines and other equipment, interior design, merchandise, marketing initiatives, and employee compensation. The primary investment is in coffee machines and equipment, since high-quality gear is essential for preserving product quality and operational efficiency.

Table 2 presents the projected monthly operational expenses, estimated to be around £14,500. Rent, employee compensation, utilities, supplies, and marketing are the primary costs. Rent and personnel compensation are the most significant monthly expenditures for hospitality companies in central London.

The revenue forecast indicates that the coffee company might generate around £600 daily in sales. This figure suggests that the monthly revenue might approximate £18,000, contingent upon a consistent influx of clients and pedestrian activity in the Battersea Power Station area.

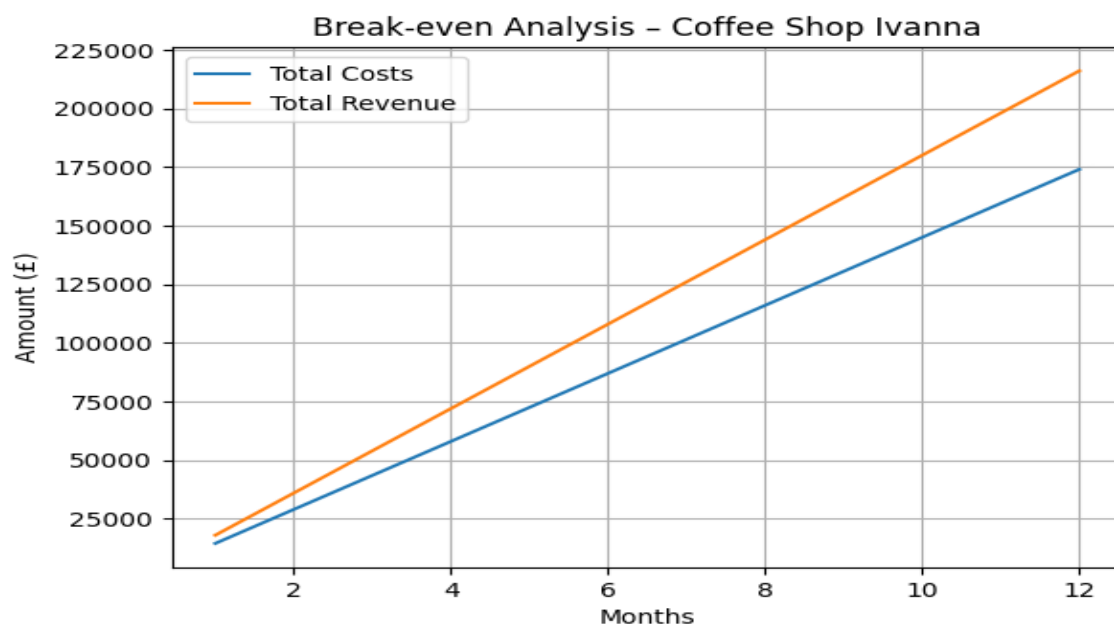


Figure 4: Break-even graph

The break-even analysis indicates the point at which the firm's revenue suffices to cover all its expenses. The coffee business is projected to achieve break-even within around six to eight months, based on financial projections. From this juncture, the company need to begin generating profit.

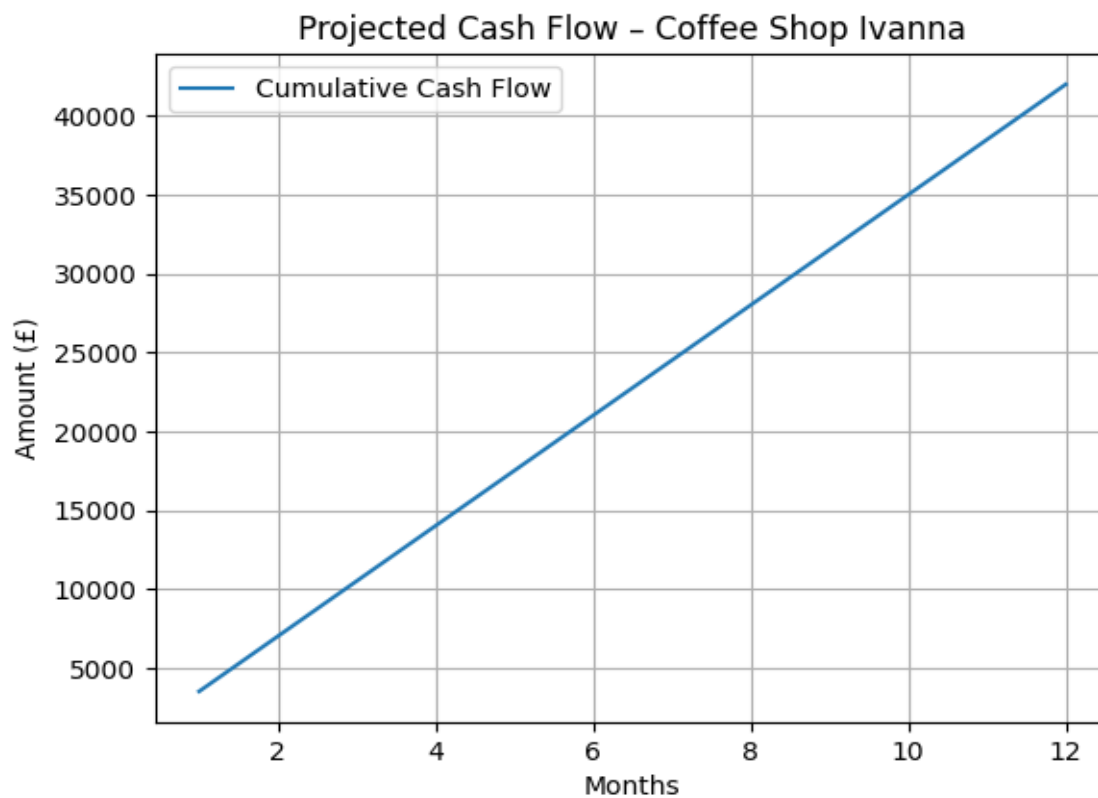


Figure 5: Monthly cash flow chart

Ultimately, the cash flow projection illustrates the gradual repayment of the initial investment and the firm's attainment of financial stability as its revenue increases over time.

Conclusion

This business concept proposes establishing an independent coffee shop near Battersea Power Station in London. The analysis indicates that the region had significant market potential due to high foot traffic, a robust coffee culture, and an increasing need for inviting social venues.

The coffee shop will include a welcoming ambiance, excellent beverages, fresh food, and outstanding customer service. The organization's streamlined structure will facilitate efficient operations while delivering superior service.

Despite the competitive nature of the business, market research using the PESTLE framework indicates significant opportunities for independent cafés that prioritise quality, customer experience, and brand identity.

Financial projections indicate that the business may achieve profitability within its first year, provided that sales targets are attained and expenses are managed well.

The proposed coffee shop is a viable company concept with significant potential for growth and long-term success.

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