

Business Plan for: Froth and Flavor

Module name: Entrepreneurship (BMIT5001)

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1 Executive summary

In the centre of the town, "Froth and Flavor," an environmentally conscious coffee business, is passionate about giving its patrons an environmentally friendly coffee encounter. Responsibility for the environment is going to be accorded top billing in every area of operations, including obtaining fair trading, natural coffee seeds to putting sustainable packaging and energy-saving techniques into place. In addition to serving coffee experts, Froth and Flavor Café intends to serve customers who are concerned about sustainability and are looking for items that are environmentally friendly.

2 Business details

Company name: Froth and Flavor Coffee House

Address: Etruria Mills, Etruria Rd, Hanley, Stoke-on-Trent ST1 5N, UK.

Primary contact method:

Via Email: info@frothandflavorcoffee.co.uk

Description

The business will be committed to giving guests in the centre of the town an environmentally friendly coffee service. Responsibility for the environment is given priority in all areas of operations, from obtaining fair-trade initiatives, naturally grown coffee seeds to putting sustainable packaging and energy-saving techniques into place. The café provides a pleasant, welcoming environment for customers relax, connect, and consume fine meals and coffee. The objective is to serve buyers who are looking for environmentally friendly choices and who are also ecologically sensitive, in addition to those who enjoy coffee.

3 Key personnel

Details of owner(s):

Name: Gergo Balla

Position/main responsibilities: Operations Manager (Owner)

Experience and knowledge of our industry: Extensive experience in coffee industry of more than 15 years.

Previous employment: Worked in various roles in the coffee industry including manager and a consultant

Key skills brought to the business: Bringing planning, leadership, and management skills to the café.

Business experience and any training undertaken: Completed courses in business management and have a degree in hospitality management.

Academic/professional qualifications: Degree in hospitality management/courses in business management

Salary expectations £ 28,275

Name: Donald Trump

Position/main responsibilities: Head Barista

Experience and knowledge of our industry: Worked with barista over 5 years.

Previous employment: Worked in Brewery coffee shop as barista.

Key skills brought to the business: Strong passion for customer satisfaction.

Business experience and any training undertaken: Completed barista training courses.

Salary expectations £ 23,595

Name: Boris Johnson

Position/main responsibilities: Barista

Experience and knowledge of our industry: Worked with barista over 3 years.

Previous employment: Worked in Brewery coffee shop as barista.

Key skills brought to the business: Strong passion for customer satisfaction.

Business experience and any training undertaken: Completed barista training courses.

Academic/professional qualifications: Barista training certification.

Salary expectations £ 22,308

Name: Vladimir Putin

Position/main responsibilities: Barista

Experience and knowledge of our industry: Worked with barista over 2 years.

Previous employment: Worked in Brewery coffee shop as barista.

Key skills brought to the business: Strong passion for customer satisfaction.

Business experience and any training undertaken: Completed barista training courses.

Academic/professional qualifications: Barista training certification.

Salary expectations £ 22,308

4 The business idea

The idea for an enterprise is to open "Froth and Flavor Coffee," an environmentally conscious coffee house that places a high priority on conservation across the board. The café will serve fair traded, natural coffee that is obtained from environmentally friendly plantations all around the globe. Create a pleasant and welcoming environment where guests could unwind, socialise, and appreciate excellent meals and coffee (Adeleke, 2020). Furthermore, Brews and Beans Café is committed to reducing its ecological impact through the utilisation of recyclable containers, energy-saving techniques, and the promotion of reused goods.

5 Business goals

1. What do you want to achieve in your first year of business?

The primary goals for the inaugural year of trading are to achieve profitability within the first 180 days of operation, establish Brews and Beans Café as a globally recognised brand in the local market, cultivate a loyal customer base through exceptional service and high-quality products, and attain an annual revenue of £150,000. One also aims to exhibit commitment to ecological preservation by actively endorsing both individual conservation initiatives and collective events. These objectives align with the vision of providing guests with an environmentally friendly coffee service and establishing a strong foundation for continuous success and long-term growth. (Turner, 2017).

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2. Where do you see your business in 3-5 years' time?

Maintain a financially successful autonomous coffee shop without any outstanding debts. Instead of implementing an extensive and daunting long-term strategy, the corporation prioritises simple and achievable short-term objectives. The primary objective is to achieve a monthly sales revenue of £25,000 in the long run. If the firm consistently surpasses its goals, it may choose to raise the bar by setting more ambitious targets. However, if it fails to achieve any goals, it may opt to modify them in order to prevent

demoralisation. Examine the complete monthly process, including all the details and outcomes, and analyse the implications of the achievements, lessons learned, potential areas for company improvement, and other approaches that may have been taken. (Connelly, 1979) The goal is to establish partnerships with local producers, distributors, and institutions to strengthen the commitment to environmental sustainability and boost the local economy. Consistently implementing innovative strategies, such as loyalty programmes and mobile ordering, can enhance customer happiness and drive corporate growth.

6 What the business does

Product/service	Features	Benefits
Quality Coffee	Sourced from sustainable farms	Good-quality coffee
Fair-Trade Tea	Sourced from lower income countries	Fair trade, conducting all trade in a fair way, protect traditional skills and cultural identity.
Fair-Trade Sourced Beans	Sourced from lower income countries	Fair trade, economic and environmental well-being of small producers
Sustainable Packaging	Made with biodegradable materials	Single-use plastic waste
Pastries	Made with local materials	Environmentally friendly
Online Ordering	Order through website and application	Ordering process streamlined
Loyalty Program	Rewards for regular customers	Encourages customer loyalty

7 What makes the business different (Value Proposition)

Your product/service is unique or different compared with the competition because:

- Froth and Flavor coffee stands beside the rivalry because of its uncompromising dedication to ecological awareness and conservation. The distinctive selling point is the commitment to obtaining fair trading, quality coffee seeds from responsibly operated plantations across the globe. In contrast to its opponents, the café places a high priority on environmentally conscious practices in every area of its business, ranging from using environmentally conscious containers and energy-saving techniques to providing freshly made foods and green products (Puspita, 2024). Buyers also have a stronger sense of belonging and a feeling of responsibility when environmental initiatives and local art exhibitions are organised. Patrons who opt for Brews and Beans Café not only indulge in exceptional coffee and nourishment, but also contribute to the establishment of an ecologically sustainable and prosperous economy for the planet.

8 Legal requirements

The legal and insurance requirements that apply in your business are:

1. In order for a coffee shop to be in compliance with the law, it must adhere to many legal limitations and regulations, including corporate registration, ecological guidelines, restrictions on planning and construction, obtaining a liquor licence (where applicable), obtaining food preparation permits and complying with labour laws. Obtaining insurance coverage for assets, business shutdown, employee injuries, online accountability, personal liability, and product liability is crucial for

minimising risks and safeguarding the company against potential legal actions. Brews and Beans Café ensures the protection of the rights of its staff, clients, and the firm itself by adhering to regulatory standards and providing assurance guarantees. This commitment ensures that the café operates smoothly and meets acceptable performance levels. (Ramazanov, 2022).

You will meet your legal and insurance requirements by:

1. The regulatory and security requirements will be met by thoroughly examining and understanding the laws and obligations that pertain to the operations of Brews and Beans Café. In order to ensure complete adherence to all relevant laws, it is necessary to seek guidance from legal professionals and insurance brokers who have expertise in the hotel industry. Periodic reviews and improvements will be conducted to stay updated on any changes to the law or medical standards. (Jang, 2019). Implementation shall be carried out as necessary to maintain compliance and effectively mitigate risks. The business focuses on adhering to employment legislation and staffing standards, health and safety guidelines, licencing requirements, intellectual property and copyright laws, data protection regulations, and GDPR compliance. The business is exempt from obtaining a premises licence since it will not operate beyond 11pm and will not engage in the sale of alcohol. The shop will sell food and has obtained registration as a Food Business with the local council.

9 Market research

Trends in your chosen market are:

- Several noteworthy trends can be observed in the coffee market. Speciality espresso is more prevalent. This development is characterised by a rise in the demand for high-quality cocoa beans, unique flavour profiles, and artisanal brewing methods (Chernev, 2020). Clients have become increasingly demanding and are now seeking a diverse range of coffee beans, origins, processing methods, and brewing techniques to cater to their evolving preferences. (Tran, 2018).

How you know this: (Provide examples with references)

- A thorough economic analysis is required to understand these tendencies. Employing comprehensive consumer studies from reputable sources is a highly effective method. These papers provide astute insights on market dynamics, customer preferences, and company advancements. Further insights into customer preferences and habits can be acquired through the use of focus groups, digital data collection, and user surveys. (Ongener, 2019).

10 Profiling customers

The customer groups you will be selling to are: (4 x Customer profiles minimum)

1. Eco-Conscious Customers: Customers who place a high value on sustainability and prioritise ecologically friendly practices. Has a moderate budget and prefers shopping at stores that utilise biodegradable materials and promote fair trade.
2. Local Residents: The user values a comfortable and welcoming place that fosters a sense of community. They often prefer to patronise local establishments.
3. Social Groups: Friends and clubs convene for social occasions and engage in talks while enjoying coffee. The user has a diverse budget and has a preference for group seats and snack alternatives that can be shared.
4. Coffee Enthusiasts: Enthusiasts of artisanal coffee, unique coffee beans from certain regions, and the coffee community. Has a moderate to high budget and has a preference for coffee experiences that are artisanal and well created.

Your customer research has shown what your customers want is:

1. (What research did you undertake and what were the results?)

A variety of techniques were used to perform thorough study in order to gain a greater awareness of the tastes and needs of the customers (Pozos, 2015). Understanding customer segments can inform decisions about coffee menu, service improvements.

How you know this:

Various sorts of evidence can be employed to identify the acknowledged consumer segments and understand their preferences. To get insights into customer data, preferences, and behaviour patterns, several sources of information are utilised, including polls, advertising studies, and sales tracking. Genuine consumer feedback acquired through review websites, input forms, and quizzes provides significant insights into recurring trends. (Derepa, 2023). Analyse client data to identify notable patterns and features, such as age, coffee preferences, visit frequency, and average spending. The firm is currently in the preliminary stage of planning. (Maciejewski, Mokrysz, Wroblewski, 2019)

Number of customers you expect to win in each group and what they might pay:

Group	Number of customers	Price they might pay per unit
Busy professionals	150	£4.25
Coffee Enthusiasts	250	£5.50
Health-conscious Consumers	100	£4.90
Community Engagers	250	£4.00

11 Profiling competitors

Competitor name	Strengths	Weaknesses
• Starbucks	• Prime Location	• High prices
• Brew Lab	• Skilled baristas	• Limited space
• Brews and Beans Coffee Shop	• Quick Service	• Limited variety

How you can improve on their offer and/or price(s) unique offerings:

- The café can focus on supplying unique products, such as specialty coffee variations and signature drinks, while also providing additional services such as specific times for espresso consumption and sustainability-focused initiatives that enhance the overall customer experience. This will enable the company to offer clients unique products at prices that are comparable to those of its nearest competitors. (Rashid, 2015). Implementing price plans, adopting consumer customisation, and enhancing client impression through

impactful advertising and marketing initiatives are crucial. The firm provides table service, eliminating the need for consumers to wait in queue to place an order. Instead of providing simple sandwiches and little snacks, the firm offers freshly prepared cakes. Froth and Flavor coffee feel different like an Apple store compare to other electronics giant. There is a feel like home allure to the Froth and Flavor coffee. (Goud, Sheelam, Nandi, 2020)

12 Managing market risks

Write down the risks you have identified:

1. A greater number of smaller eateries and renowned coffee shops could threaten Café's audience and revenue.

How will you manage these risks so that they become less of a threat:

1. To draw in and keep patrons, highlight the coffee shop's dedication to environmental responsibility, excellence, and charitable work. Attract consumers and raise brand exposure by leveraging the internet, promotional emails, and regional advertising.
2. Make exceedingly positive experiences for customers as top priority (Maulana, 2023). Work together on advertisements, incidents, and collaborating goods to draw interest and increase passenger journeys to a coffee shop.

13 Pricing

How you can calculate your prices:

- The company employs a cost-based pricing approach, whereby the selling price is determined by considering the expenses associated with producing, manufacturing, and distributing the product. Implementing cost-based pricing is reasonably straightforward and serves as a valuable initial step for newly established enterprises introducing new items. (Stice, 2020)
- The concept is simple: calculate all the costs of bringing a product to market. Then, add a margin to determine the selling price. (Leschke, 2013).

How your prices compare with the competition:

Product/service	Your price(s)	Range of competitor prices (per unit)
Americano	£3.70	85
Cappuccino	£4.20	£4.40
Latte	£4.20	£4.40
Espresso	£2.50	£2.70
Mocha	£4.80	£4.950
Pastry	£3.00	£3.20

Reasons for the difference between your price(s) and your competitors' price(s):

- Following the cost-based pricing strategy and the targeted profit margin, the business can sell its products a bit cheaper than its competitors. As they are larger companies with more returning customers, they can set a higher profit margin without the risk of losing them due to a lack of rivals. (Weprin, 2019)

14 Promotion and advertising

How and where will you promote your product/service?

- Taking use of well-known communication sites like Facebook, Tiktok, X to share eye-catching material, communicate with fans, and advertise sales, occurrences, and novel food offerings. Keeping up an accessible website with each detail one need about Café, such as food choices, address details, times of operation, and contacting data (Muslich, 2024).

15 Staff

Role	Total cost	Necessary experience
• Head Barista	£23,595	• Customer service, coffee preparation •
• Operations Manager	£28,275	• Hospitality management
• Barista	£22,308	• Customer service, coffee preparation •
• Barista	£22,308	• Customer service, coffee preparation

16 Premises

	Cost £
Premises required at start-up (annual):	£11.000

17 Suppliers

Your key suppliers and their credit terms

Supplier	What you'll buy from them	Number of days' credit
• Coffee Roastery	• Coffee beans	• 25
• Bakery	• Baked goods	• 20
• Dairy Supplier	• Dairy products	• 35
• Fresh produce	• Fruits and vegetables	• 20
• Cleaning supplies	• Cleaning products	• 35

18 Equipment

Resource	When	How funded	Cost £ per unit
Commercial Fridge	Start-up	Loan	£2,500
Automatic Bean Coffee Machine	Start-up	Loan	£5,400
Touchscreen till	Start-up	Cash	£350
Kitchen	Start-up	Loan	£9,000
Commercial Dishwasher	Start-up	Cash	£750

19 Managing operational risks

Risk	Solution
Staff • Staff turnover • Inadequate training	• Implement employee retention strategies • Comprehensive training programs
Suppliers • Disruptions in supply chain • Quality issues of products supplied	• Maintaining relations with multiple suppliers • Conducting supplier vetting process

(Ali, Gurd, 2020)

Finance

Please double click in the table below to access the embedded Microsoft Excel sheets to input your figures, Microsoft Excel will automatically update the total for you. If you do not have access to Microsoft Excel you can use the link below this table and save the file onto your PC. You can then use Open Source Software such as [Google Docs](#) or [OpenOffice](#) to access the information by uploading the file into this software. Please note that all tables can be customised and additional rows and categories can be added.

20 Start-up costs

Calculate how much money you need before you start trading.

premises and utilities: £11,000

Insurance: £1,000

Marketing: £1,000

Licenses: £1,000

Wages/recruitment: £30,000

Market research costs: £1,000

Espresso machine: £2,500

Coffe machine: £4,900

Touchscreen till: £350

Kitchen equipments: £9,000

Dishwasher: £750

Total: £62,500

* Total from here should be used in 22 Sourcing finance below

21. Profit and loss forecast

Premises (Including rent, utilities)	11,000	11,000	11,000
Telephone and broadband	330	330	330
Printing post and stationery	300	300	330
Advertising and promotion	1,000	1,000	1,000
Bank charges	650	650	650
Wages	96,486	96,486	101,310
Insurances	1,000	1,000	1,000
Stock	10,000	13,000	15,00
Equipment and vehicle leasing	17,000	0	0
Other	0	0	0
Total costs	147,521	131,776	140,230
Net profit	-13,677	16,940	25,010
Calculate your net profit margin	20	20	30
Calculate your break even	Year 1 (£)	Year 2 (£)	Year 3 (£)

22 Sourcing finance

Total borrowing requirement for the business

	£
Start-up costs	68,575
Personal start-up contributions	38,575
Other start-up contributions	0
Total required	30,000
The assets you have available as security	25,000

23 Managing financial risks (such as, sales are less than forecasted or start-up finance takes three months longer to obtain)

The risks that you have identified for your financial forecast are:

1. The initial risk that has been recognised is the possibility that real revenue would not match the projected amounts. A scenario like this might put efficiency and goals for revenue in risk, thereby endangering the company's entire liquidity (Winata, 2021).
2. Obstacles in obtaining venture capital, however, pose a serious risk as well. If it continues to take a few weeks more than expected to secure launch funding, this could cause major operational disruption and restrict essential company goals (Shin, 2015).

How you will minimise their impact:

1. With continuously evaluating revenue growth and quickly modifying plans if variations become apparent, Café can reduce the effect of missing sales objectives (Ferreira, 2018).
2. Café could inquire into alternate possibilities for financing, such as getting short-term loans by lenders, arranging higher rates with vendors, and acquiring temporary funding from relatives and close friends, in order to reduce the effects of business funding obstacles (Lopes, 2019).

24 Cash flow forecast (Click on the tabs within the Microsoft Excel sheet to view the second 6 months and summary)

	Start-up 0	1	2	3	4	5	6	Total
Income from sales	0	12,167	10,000	9,200	11,000	10,156	9,640	62,163
Loans received	30,000	0	0	0	0	0	0	30,000
Total £	30,000	12,167	10,000	9,200	11,000	10,156	9,640	92,163
Expenditure								
Wages	0	8,040	8,040	8,040	8,040	8,040	8,040	48,240
Loan repayments	0	1,082	1,082	1,082	1,082	1,082	1,082	6,492
Premises (rent, utilities)	1,133	1,133	1,133	1,133	1,133	1,133	1,133	7,931
Stock	1,250	1,250	1,250	1,250	1,250	1,250	1,250	8,750
Marketing and Market research	500	135	135	135	135	135	135	1,310
Licenses and Insurance	3,000	0	0	0	0	0	0	3,000
Equipment	19,275	0	0	0	0	0	0	19,275
other	600	0	0	0	0	0	0	600
Total £	23,058	11,640	11,640	11,640	11,640	11,640	11,640	92,898
Income less expenditure	6,942	527	-1,640	-2,440	-640	-1484	-2,000	-735
Opening bank balance	25,000	31,942	32,469	30,829	28,389	27,749	26,265	25,000
Closing bank balance	31,942	32,469	30,829	28,389	27,749	26,265	24,265	24,265

25 Conclusion.

Hence, the café can become a prosperous and permanent environmentally conscious coffee business that prioritises protecting the environment while providing excellent goods and services. With careful planning, intelligent accounting, and aggressive reduction of risks, Froth and Flavor Coffee hopes to accomplish its objectives, make a good impact on the wider community, and prosper in a competitive marketplace. Coffee lovers are going to love Froth and Flavor Coffee as it focuses on creativity, pleasing clients, and sustainable operating methods. It also has the potential to have a significant environmental effect, despite being a popular spot.

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