

Business Plan: Ivory Cafe

Programme of Study: CertHE Business Skills for the Workplace

Module Name and Code: Enterprise and Entrepreneurship LCLM 4006

Assignment Title: Business Plan for Ivory Café – A Sustainable Coffee Shop

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Submission Date: 01/03/2026

Executive Summary

Ivory Café is a modern, sustainability-focused coffee shop that aims to provide high-quality coffee, freshly baked goods, and a comfortable social environment for students, professionals, and local residents in London. The business will focus on ethically sourced coffee beans, eco-friendly packaging, and a welcoming café atmosphere that encourages productivity and social interaction. The primary objective of Ivory Café is to combine premium coffee quality with sustainable practices and excellent customer service to create a strong and loyal customer base.

The café will operate as a Private Limited Company (Ltd) and will be located in a high-footfall urban area near universities and office spaces to attract consistent daily traffic. The business will offer a range of products including specialty coffees, teas, pastries, sandwiches, and plant-based options to cater to diverse dietary preferences.

Market research indicates a strong and growing demand for coffee shops in the UK, driven by busy lifestyles, social café culture, and the increasing trend of remote working and studying in cafés (**Statista, 2024**). Although the coffee shop market is highly competitive, Ivory Café will differentiate itself through sustainability, high-quality ingredients, and a strong brand identity (**Statista, 2024**).

The marketing strategy will focus on social media promotion, local advertising, loyalty programmes, and partnerships with nearby businesses and universities. The startup requires an initial funding of £30,000, sourced from personal investment and a small business loan. Major startup costs will include equipment, rent, interior design, and initial inventory.

Overall, Ivory Café has strong potential for growth due to its strategic location, clear market demand, and commitment to sustainability and customer experience.

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1. Overview of the Business Idea

1.1 Product and Service Offering

Ivory Café is a specialty coffee shop that will offer a wide range of beverages and food items designed to meet the needs of modern urban consumers. The main products will include espresso-based drinks such as lattes, cappuccinos, americanos, and flat whites, alongside cold brews, teas, and fresh juices. In addition, the café will provide freshly baked pastries, sandwiches, cakes, and vegan-friendly options.

The café will emphasise quality by sourcing ethically produced coffee beans from sustainable suppliers and using fresh, locally sourced ingredients where possible. Customers will also benefit from dine-in, takeaway, and online pre-order services to enhance convenience.

Key features of the business include:

- High-quality specialty coffee
- Eco-friendly cups and packaging
- Free Wi-Fi and comfortable seating
- Student discounts and loyalty rewards
- Vegan and healthy menu options

This service addresses consumer demand for convenient, high-quality coffee experiences in a relaxed and modern environment.

1.2 Management Structure

Ivory Café will adopt a simple functional management structure suitable for a small startup. The management team will consist of:

- Owner/Manager: Responsible for overall business operations and strategic decisions
- Head Barista: Oversees coffee preparation, quality control, and staff training
- Marketing Coordinator: Manages promotions, social media, and customer engagement
- Finance Assistant: Handles budgeting, accounting, and financial planning

This structure ensures efficient daily operations while maintaining clear responsibility for each key business function.

1.3 Legal Format

The business will be registered as a Private Limited Company (Ltd) in the United Kingdom. This legal structure is appropriate because it offers limited liability protection, enhances business credibility, and allows easier access to funding and investment ([GOV.UK](https://www.gov.uk), 2023). Additionally, it separates personal and business finances, which is essential for long-term financial management and legal compliance.

2. Market Research

2.1 PESTEL Analysis

Political Factors

Government regulations related to food safety, hygiene standards, and employment laws directly impact café operations. Compliance with UK health and safety regulations and food hygiene ratings will be essential for maintaining a positive business reputation. Guidance provided by the **Food Standards Agency (2023)** highlights the importance of meeting food safety and hygiene requirements for food businesses. Additionally, government support for small businesses and sustainable initiatives can benefit startups like Ivory Café.

Economic Factors

The UK economy is experiencing rising living costs and inflation, which may affect consumer spending habits. However, coffee remains an affordable luxury for many consumers, making cafés relatively resilient during economic uncertainty. Data from the **Office for National Statistics (2023)** shows continued consumer spending in the hospitality sector despite economic pressures. Strategic pricing and cost control will be necessary to maintain profitability.

Social Factors

There is a strong café culture in the UK, particularly among students, remote workers, and young professionals who frequently use coffee shops as social and workspaces. Market research by **Mintel (2023)** indicates that consumers

increasingly value cafe atmosphere, convenience, and quality. Increasing demand for plant-based and sustainable products also supports the café's eco-friendly positioning (**Burns, 2016**).

Technological Factors

Technology plays a significant role in modern café operations. Digital payment systems, online ordering apps, and social media platforms enable efficient service and marketing. Implementing a user-friendly website and mobile pre-order system will improve customer convenience and operational efficiency.

Environmental Factors

Environmental concerns are increasingly influencing consumer choices. Many customers prefer businesses that use sustainable packaging and ethically sourced products. Research by **WRAP (2022)** emphasises the role of sustainable packaging and waste reduction in food and drink businesses. Ivory Café will use biodegradable cups, reduce plastic usage, and promote recycling to minimise environmental impact and appeal to eco-conscious customers.

Legal Factors

The café must comply with UK food safety laws, hygiene standards, employment regulations, and data protection laws such as GDPR. Obtaining the necessary licences, insurance, and health certifications will be essential before launching operations.

2.2 Competitor Analysis

The coffee shop industry in the UK is highly competitive, with major chains and independent cafés dominating the market. Key competitors include large coffee chains, local independent cafés, and bakery cafés.

Large chains benefit from brand recognition, extensive resources, and established customer bases. However, they often lack personalised service and unique brand identity. Independent cafés compete through atmosphere, specialty products, and local customer engagement.

Ivory Café's competitive advantage will include:

- Sustainable and ethical brand positioning
- Personalised customer service
- High-quality specialty coffee
- Comfortable study and work-friendly environment
- Competitive pricing for students and locals

By focusing on sustainability, quality, and customer experience, the café can successfully differentiate itself in a saturated market.

3. Marketing Communications

Ivory Café will implement an integrated marketing communications strategy to attract and retain customers. The primary target market includes students, young professionals, and local residents aged 18–45 who regularly purchase coffee and value comfortable social spaces (**Kotler and Keller, 2016**).

3.1 Social Media Marketing

Social media platforms such as Instagram, TikTok, and Facebook will be used to promote the café, showcase products, and engage with customers. High-quality images of drinks, customer experiences, and behind-the-scenes content will help build brand awareness and online engagement.

3.2 Local Marketing Strategy

Local advertising will play a key role in attracting nearby customers. This will include distributing flyers, offering student discounts, and collaborating with local universities and businesses. Window displays and in-store promotions will also encourage walk-in customers.

3.3 Loyalty Programmes and Promotions

Ivory Ca will introduce a digital loyalty card system where customers earn points for every purchase. Special promotions such as “Buy 5 Get 1 Free,” seasonal drinks, and student discounts will increase customer retention and repeat purchases.

3.4 Branding and Customer Experience

The brand will focus on a warm, modern, and eco-friendly identity. Interior design will feature comfortable seating, natural décor, and a welcoming atmosphere to encourage longer visits. Excellent customer service, consistent product quality, and fast service will enhance customer satisfaction and positive word-of-mouth marketing.

Email marketing and newsletters will also be used to inform customers about new menu items, promotions, and events.

4. Financials

4.1 Required Funding and Sources

Ivory Café requires an initial startup funding of £30,000 to successfully launch the business. The funding will be obtained from the following sources:

- £15,000 personal savings from the owner
- £10,000 small business bank loan
- £5,000 government startup grant

This funding mix reduces financial risk while ensuring sufficient capital for equipment, rent, and marketing activities during the launch phase.

4.2 Startup Expenses (First Month)

The main startup expenses expected during the first month of operations include:

- Coffee machines and equipment: £8,000
- Shop rent and deposit: £6,000
- Interior design and furniture: £5,000
- Initial inventory (coffee beans, milk, food supplies): £3,500
- Marketing and advertising: £2,500
- Business registration, licences, and insurance: £1,500
- Staff wages (first month): £3,000
- Utilities and miscellaneous costs: £500

Total Estimated First-Month Expenses: £30,000

CASH FLOW

	MONTH
Cash in	1
Loan- start up capital	£10,000
Sales (total sales of product and/or services)	£15,000
Other	£5,000
Total cash in-flows (A)	£30,000

	MONTH
Cash out-expenses	1
Rent or premises costs	£6,000
Business rates for your business premises	£0
Utilities (gas, electricity, water)	£500
Insurance	£1,500
Telephone and internet	£0
Marketing and advertising expenses	£2,500
Vehicle running costs	£0
Equipment purchase or leasing	£8,000
Postage, printing, stationery	£5,000
Transport and delivery	£0
Professional fees (legal, accounting etc.)	£0
Cost of sales (Cost of product)	£3,500
Wages your own	£0
Staff wages	£3,000
Any other	£0
Any other	£0
Total cash out-flows (B)	£30,000

Your net cash flow (A-B)	£0
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4.3 Financial Justification

The largest portion of the budget is allocated to equipment and rent, as these are essential for café operations. Investment in high-quality coffee machines ensures product consistency and customer satisfaction. Marketing expenses are necessary to build brand awareness during the launch period and attract initial customers (**Kotler and Keller, 2016**).

The café will generate revenue through daily beverage and food sales, takeaway services, and loyalty-driven repeat purchases (**Burns, 2016**). With consistent customer traffic and effective cost management, the business is expected to reach its break-even point within 12 months of operation. Long-term profitability will be

supported by strong customer retention, menu expansion, and potential future delivery services.

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