

# Business Plan

## a Vietnamese Coffee Shop in Helsinki

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Laurea University of Applied Sciences

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Do Tu Linh  
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Abstract

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Nowadays, economy is more and more developing. In consequence, startups have become a trend. Nonetheless, starting an own business is not an easy task, and become an entrepreneur also require many skills. Planning a business plan is a vital process.

The number of Vietnamese people and Asian people is now increasing in the Finnish society. Therefore, opening a Vietnamese coffee shop is the extraordinarily step that will help not only the author approach the economy evolution but also for the the Asian culture integrate into the Finnish community.

The purpose of this Bachelor's thesis is to develop a business plan to establish a Vietnamese coffee shop in Helsinki. This thesis discusses the following things introduces the tea and coffee culture in particular in Vietnam and in general in Asia, provides a detailed insight into the coffee consumption of Finnish people.

The aim of this plan is to guarantee that all aspects are clear, outline the strategies, and also point out some weakness and risks that the coffee shop may encounter when it starts. Almost all the figures in this thesis were released by the author. At the time this study was undertaken, it could not cover the Finland economy. The price on the menu are not fixed and they depend on the changes of market. In general, the outcome of the study is the first step in the process of starting a business: define business, products and services and operate procedures and competition.

Keywords: business plan, coffee shop, Vietnamese style

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## 1 Introduction

The number of students studying abroad in Finland is escalating, and Vietnamese coffee has grown as a necessary part of Vietnamese society. Therefore, there is a huge demand for Vietnamese people to find a place that suits their taste in Helsinki. With the opening of Lili coffee shop, Vietnamese people living abroad now can get access easily to the coffee they have grown up with. With regard to coffee, while offering popular coffee known by Finnish people, the founder focuses on launching Vietnamese coffee. Coffee of Vietnam is totally unique and different. Historically, Vietnam was one of the most important countries involved in coffee cultivation. As Vietnam is the world's second largest producer of coffee, Lili coffee is unique and favored globally and especially national wide. Moreover, according to Vietnamese taste, Lili has a high demand of less sugary cakes and also provides popular Asian and traditional Vietnamese cakes that would satisfy the need of Vietnamese people.

The culture of drinking in Asia is not about alcohol but about coffee and tea. It is still about friends but it's sober conversation as oppose to drunken ones. (Norman, 2011).

Tea is essential to Vietnamese culture. Drinking tea in Vietnam is simpler than the Chinese or Japanese, but it bears the essence of Vietnamese culture. (Thu, 2010). The yellow and green of the tea and the natural scent of flowers symbolise the country, rich in culture and natural resources. At the beginning, you can feel bitterness in tea, notwithstanding, the sweet and cool taste will come and linger your tongue.

There is a saying in Vietnam: "the cup of tea starts a story". Therefore, in every special and important celebration, people always invite friends/relatives a cup of tea before starting such as wedding and funeral. Moreover, the guest come, the host offers a cup of tea, that shows the respect and courtesy in communication culture of the Vietnamese people. Vietnamese can drink tea several times a day. The elders always start a day by sipping a pot of hot tea. When they play chess, they enjoy green tea that helps them clear their mind. The younger is more favourite on ice tea. In the hot weather like Vietnam, nothing is better than a cup of ice tea, sitting in a street vendor, chatting with friends, and even strangers can sit together, sharing the stories. "It expresses a random pleasure as drinking it is a ritual preliminary to conducting business, scholarly meditation, getting acquainted, serving guests at home or in parties, even to romance or just to satisfy one's thirst." (My, 2012).

This chapter gives readers a general outline of the study. First, the author presents the background of coffee and tea culture in Vietnam, with personal knowledge and research statistics. Then, the business plan, evaluating the business idea, are defined. Afterwards, the product and service are explained. After that, competitors and investment calculation are identified. Finally, funding, profitability and sales are pointed out for a feasibility analysis.

The study evaluates market situation, customer perspicacity of Vietnamese coffee, and estimated finance for the business. Scopes and limitations of the research are clearly declared by different analysis tools such as SWOT, PEST. Affected by the The European debt crisis, Finland economy is on the way of recovering. Therefore, this study could not investigate the Finland economy and the change of market. On the other hand, some customs are not looked over related to foreign business regulations and tax regulations. In conclusion, Finland is still a wide and promising market.

## 2 Background of Vietnamese Coffee and Tea Production

Vietnam have been planting tea for over 2000 years and become one of the largest and oldest tea-producing countries in the world. Although the history of Vietnamese tea cannot be compared to that of the Chinese or Japanese, drinking tea plays an essential role in Vietnamese culture and traditional habit of each family both in the past and in the present.

Vietnam had a wide range of varieties tea; however, it can be classified into three main categories: green tea, plain black tea, and scented tea.

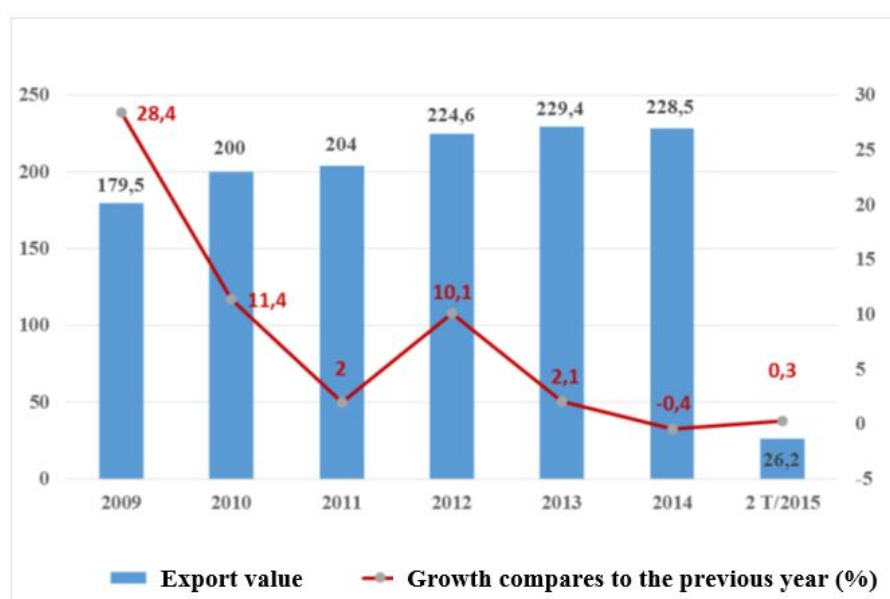


Figure 1. Export revenue growth of Vietnamese tea products million USD, %.  
(Vietnam Trade Promotion Agency, 2015).

According to Vietnam Trade Promotion Agency 2015 (Figure 1), the graph shows the export revenue growth of Vietnamese tea products. In general, the exports value through first 6 years increased steadily year by year. First, from 2009 to 2012, the value rose moderately by 45.1 million USD with the considerable decrease with the previous year by 10.3%. Next, from 2012 to 2014, the figure had grown gradually from 224.6 to 228.5 million USD. When compared to the same period last year, tea exports decreased by 9.8% in value.

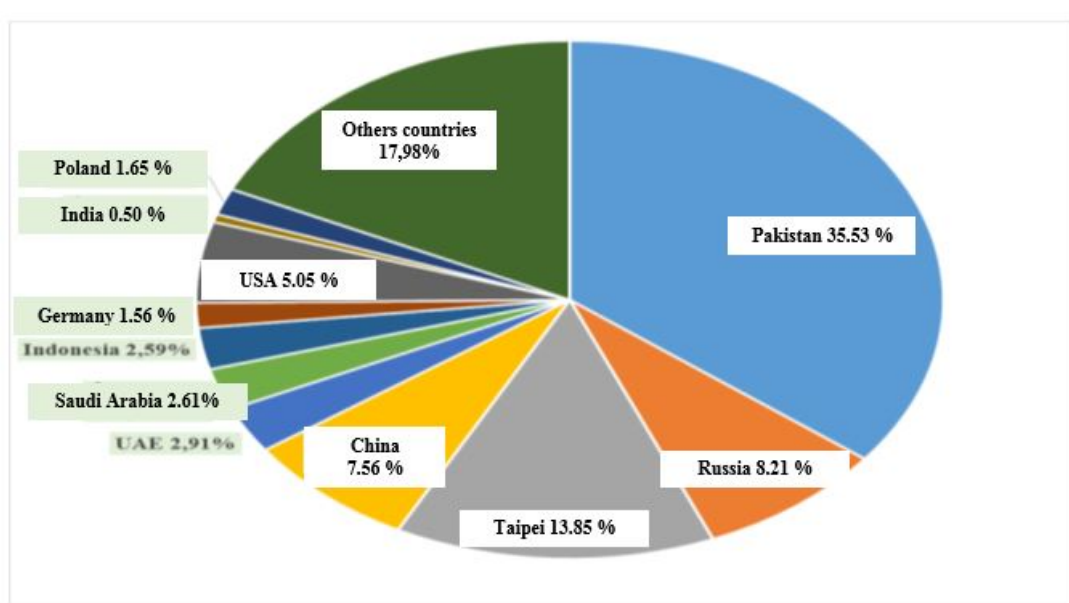


Figure 2. Export market proportion of Vietnamese tea products in 2014.  
(Vietnam Trade Promotion Agency, 2015).

Statistics issued by Vietnam trade promotion agency (Figure 2), the pie chart shows the export market proportion of Vietnamese tea products in 2014. First, Pakistan received 35.53% of tea's export from Vietnam, which was dramatically higher than other countries'. Taipei, Russia and China's exports were average numbers, which perspective 13.85%, 8.21% and 7.56% in 2014. The percentage of other countries were fluctuating between 0.5% and 2,91%. Vietnam's coffee is mostly exported to 70 countries around the world.

Graph 5: October to December exports by selected countries

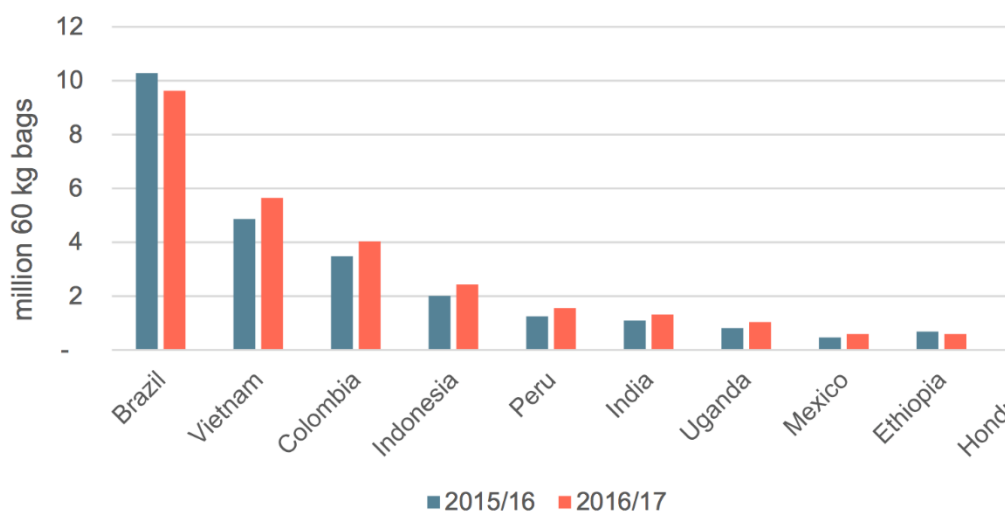


Figure 3. Vietnamese Coffee export revenue US\$ billion in 2009 - 2014.

(International Coffee Organisation, 2017).

According to International Coffee Organisation (2017), the graph shows the exports coffee by selected countries from October to December (2015-2017). First, the export of Brazil was the highest in both 2015/16 and 2016/17 period, by around 10 million 60 kg bags. Vietnam stood at the second place with 5 million in 2015/16 and almost 6 million in 2016/17. Other countries such as Peru, India, Uganda, Mexico, Ethiopia and Honduras had low exports of coffee from 2015 to 2017. All the figure was under 2 million 60 kg bags. (Figure 3).

Overall, the export of Vietnam was two third the Brazil's. The Brazil's export fell sharply from around 10 million to around 9 million while the Vietnam's export grew significantly from 5 million to around 6 million.

### 3 Coffee Consumption in Finland

According to International Coffee Association (ICO), Finland is one of the world's largest consumers of coffee beans. Finland is ranked the most coffee consuming country nonetheless they do not have adequate conditions to grow coffee beans themselves.

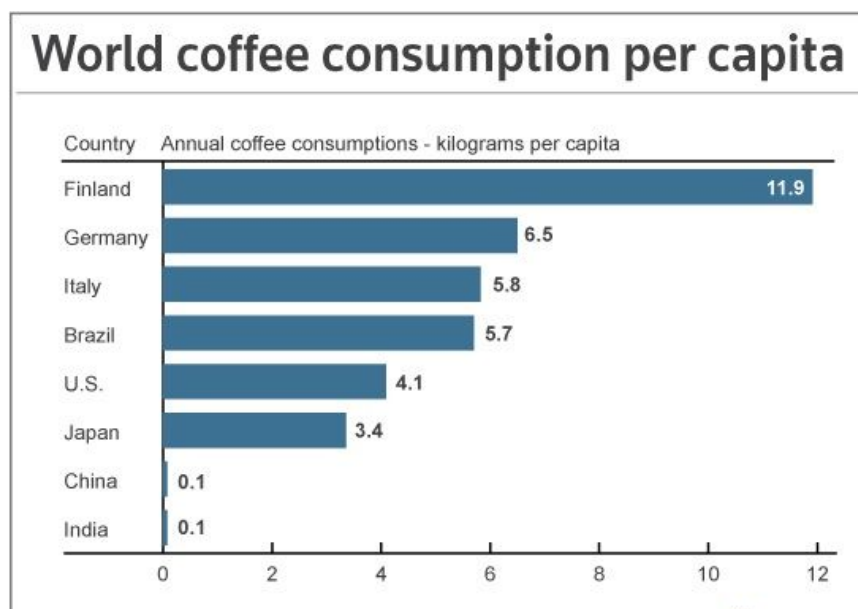


Figure 4. World Coffee Consumption per capita. (International Coffee Association, 2012).

The Figure 4 shows World Coffee Consumption per capita with selected countries. Finland was the one which had the highest import coffee, which was nearly 12 kg per capita. China's and India's exports were the lowest in 0.1% both. Overall, the reason probably by China and India



can produce coffee by themselves. The figures of Germany, Italy, Brazil, U.S and Japan were not special between 3.4 and 6.5 kg per capita.

#### 4 Business Plan

The definition of a business plan is a written document, which is describing the future of the business, what the business plan to do and how business plan to do. The sales, marketing strategy and the financial background will be included. A business plan also contains a projected profit and loss statement. “The time you spend making your business plan thorough and accurate, and keeping it up-to-date, is an investment that pays big dividends in the long term”. (Entrepreneur staff 2017).

According to Smith, 2012: “we will start developing a business plan. Understanding your business goals will assist you in formulating a solid business plan. You will also need to make decisions about everything to do with your business.”

A business plan is a fundamental tool that any start-up business needs to have in place prior to beginning its operations. A good business plan starts with an executive summary of the business; includes a detailed description of the business, its services and products; and states how the business intends to achieve its goals. (Investopedia 2017).

##### 4.1 Art of Making and Selling Coffee and Tea

Linh Do Tu, a Vietnamese graduate, is planning to establish a cake and coffee shop, named Lili Coffee, in Helsinki. The report is an analysis and evaluation of the market, also the behaviour of Finnish people attends new food culture.



Figure 5. Lili cake and coffee logo. (Linh, 2016)

The company's name is Lili Coffee. With this name the owner wants the customers to have a friendly, funny and unique image of us. It is a clear, short and easy-to-remember message of what Lili is, basically a coffee shop. Especially, It is created with an aim of helping Vietnamese people easily recognize that it is a Vietnamese shop just by a quick glance.

Especially, Vietnamese coffee style is distinctive with a single-cup coffee filter kit, including a filter chamber, filter press, cup spanner, and cap. All you need is hot water and a filter kit. This brewing style is low-tech and known as Cafe Phin. People usually prefer a glass mug or a cup because they can watch the progress of the brewing, seen in Figure 6. A simple metal filter, called a "Phin", plays a key role as a single-serving brewer and filter. This method takes about 4-5 minutes, somewhat less than brewing in a coffee machine, and it is more fun and guarantees incredible flavour.



Figure 6. Vietnamese coffee brewing style. (Linh, 2016)

In addition, the shop is also offered flavoured tea. Different types of tea provide customers with diverse choices, and a delicious combination with our other products. The shop also has other mixed tea, such as ice tea with juice, and bubble Thai milk tea. Other drinks in bottles are also be sold at the shop. Furthermore, the coffee shop provides a wide range of fresh cakes, including cupcakes, mini cakes, gateaux and exotic Vietnamese cakes, seen in Figure 7.



Figure 7. Lili coffee's diverse and fresh cakes. (Linh, 2016)

Being inspired by Asian and European cultures, the founder aims at bringing out the combination of both sophistication and modernity in our sweet and savoury treat. Most of the cakes, which are either Japanese or Vietnamese style are well known and favorited in Asia.

All products are tailored to target Vietnamese people who are living in Finland, especially in Helsinki. These years, the number of Vietnamese people coming to study and work in Finland is increasing steadily. Therefore, alongside Vietnamese restaurants, the need for a Vietnamese cakes and coffee shops is high. This group is the main target. Another potential group is B2B customers, which are companies and coffee shops. Furthermore, our potential customers can be Finnish or international people, who are interested in new cultures, especially Vietnamese traditional way of enjoying coffee, or Asian favourite cakes.

The shop will be established in Helsinki area, near schools, companies or dense population areas or shopping malls, which have a frequent visitors of the Vietnamese community. It will serve all the drinks (coffee, hot tea, ice tea, milk tea) at the shop every day. Additionally, the shop will have a cake theme every week. The information of the weekly cakes will be announced to customers at the beginning of the week. Meanwhile, Everyday a random cake will be voted by customers/ followers on Facebook to be served. Therefore, some cake will be served of the week and one daily cake voted by the customers being served every day. In the near future, the shop might have offered a different Vietnamese dish every morning for customers.

Moreover, the coffee shop is focused on building relationships with companies to offer catering services for their events and developing potential collaboration with other coffee shops, for example by providing self-made cakes. Individual customers can also contact to order the cakes from the menu.

#### 4.2 SWOT Analysis

SWOT is originated by Albert S. Humphrey in the 1960s. S.W.O.T. is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats. SWOT Analysis is a useful technique or a tool for understanding business. SWOT can help uncover opportunities that business is well-placed to exploit. And by understanding the weaknesses of the business, the owner can manage and eliminate threats that would otherwise catch unawares. By using the SWOT framework, a strategy can have started to craft that helps distinguish business from competitors, therefore the business can compete successfully in the market.

According to MindTools editorial team: "Strengths and weaknesses are often internal to your organization, while opportunities and threats generally relate to external factors. For this reason, SWOT is sometimes called Internal-External Analysis and the SWOT Matrix is sometimes called an IE Matrix".

#### 4.2.1 Strengths and Weaknesses

“Strengths are positive internal factors that are within your control. Think of the experience and resources that are available to your business”. (Lisa, 2017)

Lili Coffee is the first to offer Asian popular cakes, especially in Vietnamese and Japanese style, in Helsinki. All the cakes are less sugary and adjusted to Asian taste. The owner is one of the pioneers in launching Vietnamese coffee in Helsinki. The coffee is made of high-grade and well-known Vietnamese highland coffee beans (Arabica, Robusta). In addition, Lili Coffee is also offered Trung Nguyen coffee, a Vietnamese popular coffee brand and had unique tea. The prices of products are cheaper than those of other cake or coffee shop in Helsinki. The coffee shop will have a unique design and a modern atmosphere at the shop, which is good for study, lounge and leisure.

Weaknesses are negative internal factors that leave the business at a disadvantage. To define the company's weaknesses, the owner may need to answer these questions: What factors that are within your control detract from your ability to obtain or maintain a competitive edge? What areas need improvement to accomplish your objectives or compete with your strongest competitor? What does your business lack? (Tim, 2017).

In spite of having many potencies, the shop is still faced with many disadvantages. First of all, there are currently more ubiquitous coffee shops such as Starbuck, Robert's coffee and the Coffee House. As a start-up, the owner is lacking experience in running a business and have a limited budget. Moreover, as a foreign company, it extraordinarily difficult for the shop to develop and be recognized by Finnish people.

#### 4.2.2 Opportunities and Threats

Opportunities are factors that can contribute to business growing success. These factors are typically outside of control, which is why they are considering external factors. According to Lisa (2017): “To find an opportunity where your, competitors cannot take skill and creativity. Don't be afraid to think outside the box when you're listing possible opportunities”.

Vietnamese coffee is a potential product that can expand and grow popular in Finnish market with the highest consumption of coffee in the world. Additionally, Finland is the country of coffee drinkers and enthusiasts who want to try the products. It is believed that the coffee shop can win big and frequent clients, such as companies in different sectors, with catering services and have potential collaborations with other coffee shops.

A threat to a company is an external factor, that could negatively impact the business. By knowing threats, the entrepreneur might be able to find a strategy to minimize them, or at least, come up with a plan to handle them in a way that will not shut down the business. Identifying threats is all about being prepared and taking proactive steps to minimize the damage.

The most considerable threat for Lili house is competitors, which is other Vietnamese coffee shops in the area, who have the similar ideas of coffee. Therefore, Finnish market might not react positively to our coffee, and it takes time to change the current market taste, as Vietnamese coffee is still particularly new in Finland.

Furthermore, climate may also affect the businesses operations. Generally, if bad weather is expected, customers are more reluctant to visit coffee shops who are not regular customers. This may cause problems for the business in having “off days” during winter seasons of “bad” weather. The business should expect customers each day, regardless of bad weather, nevertheless in winter, the area may not be as populated as the summer seasons.

### 4.3 PEST Analysis

The PEST analysis forms a much more comprehensive version of the SWOT analysis. It is a framework or tool used to analyse and monitor the external marketing environment factors (macro environment level) that have an impact on an organisation.

As the source [pestleanalysis.com](http://pestleanalysis.com) states that PEST is an acronym for Political, Economic, Social and Technological perspectives as analysing the business plan. This analysis is used to assess these four external factors in relation to the business situation.

#### 4.3.1 Political and Economic Perspectives

Political environment refers to the role of the government in a society: to be more specific, it is their ability to stabilize their state, their regulation of tax, foreign trade, development, or the extent to which they focus on the welfare of the community.

Finland is a parliamentary republic country. Moreover, Finland is one of the least corrupt countries in the world. Starting a business in Finland is more straight-forward because of the low level of corruption than in most places. Finland is one of the attractive features of the country as an investment location. Their judicial system is independent and impartial.

Finland will remain one of the most politically stable countries globally over the course of our 10-year forecast period (2016-25) based on the research of BMI (Fitch Group). Finland is well established and functioning state bureaucracy, an effective rule of law and various personal freedoms and civil liberties, such as one of the world's most progressive gender equality legislation (Invest in Finland, 2017).

The economic environment is about the macro-economics factors such as inflation, exchange rate, business cycle or different economic growth rates in different regions. Finland has a high level of income and well-being. However, the unemployment rate is rising rapidly, but social safety nets keep income inequality low. The general government deficit is above 3% of GDP and gross debt will rise above 60% of GDP in 2015. From The Economist Intelligence Unit, Finland has rank 6 in the Business Environment Rankings, that means, Finland is one of the best country to do business.

Based on OECD (2016), Productivity has fallen in manufacturing and has hardly increased in business services. Labor cost is rising and non-cost advantages had been a loss, these have fetch the erosion of the international competitiveness. The government programme to streamline regulations, promote competition and encourage entrepreneurship will support growth. Investing in innovation is essential and needs continuing to raise well-being.

#### 4.3.2 Social-Cultural and Technological Perspectives

Socio-cultural factors include a demographic indicator, the distribution of income, lifestyles, changes in behavior and attitude towards organizations. Finland population was estimated 5,268,799 in 2014, while in Helsinki, the population is about 629,512. Finland is the eighth largest country in Europe and the most sparsely populated country in the European Union.

The Finnish people use their time very effectively. They plan timetables and always follow them. In Finland, people are valued as equal regardless of age, gender, profession and religion. "Arrive on time" is enormously important in Finnish culture. This first impression creates trustworthy and respectful. The Finnish people also drink a lot of coffee. This is not a habit; it becomes a drinking culture in Finland.

Technological environment is about the extent to which an environment is technologically developed concerning of new discoveries, technological research, and the sophistication of the technology transferred.

Finland is a Europe's technology leader. In 2010, the industry's enterprises employed 54,000 people in Finland and had an aggregate turnover of EUR 19 billion. The industry employed a

further 137,000 workers abroad in its foreign subsidiaries. (Technology Industry of Finland, 2017). Nokia is one of the most well-known technology companies established in Finland.

#### 4.4 Professional Competence and Training

The owner has tourism management degrees in Finland. These years studying abroad helps her strengthen knowledge with theories and practical trainings and generate ideas of how she should run her own business.

Furthermore, Linh Do Tu also has experience working at several Vietnamese and Asian restaurants in Finland. She used to work as an assistant, cleaner at Asian Garden and Mango House, an Asian Restaurant in Pietarsaari. Moreover, she also worked as a cook assistant and a waitress at Dongnai grill, an Asian Restaurant in Vaasa. Therefore, Linh has experience to serve people and have chances to meet many types of customers, especially Asian people. She worked as a housekeeper at Scandic Park in Helsinki, for the reason that, she known the quality of cleaning the restaurant and how to satisfy all the customers.

Therefore, Linh Do Tu had a chance to practice organizing and managing a small business. She improves communication skills and customer relationship management skills. Through her part-time jobs, Linh Do Tu proved that she is hard-working, insistent, enthusiastic, and determined. Especially, she has a strong passion. Being an entrepreneur has always been her dream and being in the kitchen is the greatest desire. Linh Do Tu loves cooking. Now as graduated from college, she really wants to take a chance to make dream come true: Having her own cake and coffee shop, employ herself and sharing with people the food she loves. She has a vision that Vietnamese cakes and coffee can grow significantly and become a trend in Finnish market, which keeps her highly motivated to make the first step.

Despite our strengths, Finnish skills of the owner are still limited. It is her toughest challenge to operate a business in Finland. However, she is constantly improving Finnish and willing to invest more efforts in learning Finnish. Running a cake and coffee shop here is a challenge yet also an opportunity for her in terms of Finnish language. Furthermore, she plans to attend night classes to improve her language skills. The owner is young and has a deep passion. With enterprise, she will have many initiatives to benefit business.

#### 4.5 Customer Segmentation

Lili Coffee has 6 customer groups in total, which are described as below. The first customer group is Vietnamese people. The products from our shop are already familiar to Vietnamese people. Therefore, they are more likely to be major customers. Nowadays, there is a large



number of Vietnamese coming to Finland, especially Helsinki, to study and work. There is a certain need for a cake and coffee shop that suits their taste. Allocation of resources is about 65%. Our Potential customers are Vietnamese students (aged 18-25) or Vietnamese officers (aged 23-28). Youngsters are more likely to know and enjoy our products.

The second most important Customer group is B2B customers (companies and other coffee shops). They can be organizations or companies who are celebrate events monthly and need catering service. They can also be coffee shops, which have not offered cakes at their own stores yet. They might be looking for a collaboration. Allocation of resources is 25% and our Potential customers for this group are other Vietnamese coffee shops.

The Customer group 3 is General shoppers. Another important customer group could be shoppers nearby, who are mostly customers during afternoon time. After shopping at the stores, these shoppers could be hungry and look for a place to sit and take a rest. Allocation of resources is 25%.

Customer group 4 focuses on International people, who are studying or working in Helsinki and want to discover a new style of enjoying coffee.

Customer group 5 is Finnish people, who want to experience a new culture through our cake and coffee.

Customer group 6 is Travelers/ visitors who love cake and coffee or Vietnamese cuisine. During summer or festival time, there will be a lot of travellers come from many countries such as China and Japanese. After a long day seeing and eating new things, they will want something similar to their culture. Consequently, LiLi's cake and coffee can response to their needs.

Obviously, the three most important groups are defined to Lili as Vietnamese people who live in Helsinki areas and Finland, B2B customers (companies and other coffee shops), and the shoppers at nearby local stores.

#### 4.6 Markets and Marketing

There are more than a hundred of coffee shops within Helsinki area. As Finnish people drink coffee the most worldwide, coffee shops have grown popularly as an enormous sector in Finland. However, there is currently not much competition in particular business, as the coffee shops focus on Vietnamese coffee style and also Asian well-known cakes.

There is an enormous demand for Vietnamese people to find a place that suits their taste in Helsinki. As Vietnam is the world's second biggest producer of coffee, Vietnamese Coffee is unique and favored worldwide and especially national wide. Vietnamese people also drink coffee a lot and, therefore, Vietnamese coffee has grown as a necessary part of Vietnam. With the opening of a coffee shop, Vietnamese who live abroad now can get access easily to the coffee they have grown up with. Moreover, according to Vietnamese taste, the shop offers less sugary cakes, which have a high demand. The coffee shop also provides popular Asian and traditional Vietnamese cakes that would satisfy the need of Vietnamese people.

Lili coffee is decided to approach customers' attention with a combination of traditional marketing, promotional marketing, online marketing and social media marketing. As an owner, she can build a media database and base on it to establish relationships with media and journalists. Newspaper is a traditional yet influential tool in Finnish market. Flyers as a mass marketing tool is also a must, which benefits with low costs and immediate response. Some of the promotion plan include: 30% off the first day, or offering Vouchers 9 purchases = 1 free coffee and cake (minimum 9 EUR per visit).

The owner is also going to develop a website so that the customers can check the menu and prices, information, regular notifications, advertisements and specific offers. with regard to social media marketing, Facebook and Instagram account will be created for the shop. Those sites will focus on educating and reminding the target audience about products and services, and promoting communications. Marketing on social sites, such as Facebook, Instagram, Snapchat and Twitter, is an effective method to interact with our prospects and customers. Especially, word-of-mouth is emphasizing the importance, as it can be one of the main marketing tools that works really well among Vietnamese community. In addition, direct marketing will be used, mostly in order to approach the B2B customers.

The products are presented through Facebook page, and brochures are given around the shop area. Every day, new and fresh products are sold at our shop. We will make a catalogue, where all of our product will be listed. The special menu will be decided daily, announced through Facebook and our website. The menu will be changed weekly with different cakes.

Product knowledge is important. All the coffee product was imported by Vietnam, so that they are very familiar with the users. The employee can explain how the product works or why it is unique that makes the customer pleased. Moreover, all the cake is handmade, and all the ingredients are clean and checked. Prospecting is very important. Every month, we will have the cake or coffee test to searching the new customers. Furthermore, we can manage and have the statistic about our old customer.

Orders are also accepted via by phone and message. The products can be customized by customers. The shop will have plans to release menu through websites such as Trip advisor, Yelp, own website and own Facebook. These websites are exceedingly famous not only for travellers, but also for locals. Here, millions of unique visitors who visited websites for find the business and write reviews. The shop can manage profiles and respond privately or publicly via messaging the reviewers.

#### 4.7 Product and Financial Risks

The top priority product of shop is Vietnamese coffee and fresh self-made cake. Lili coffee offers a wide range of products; however, it might instead increase the risk to satisfy the customers. If the quality of only one product among the several products fails the expectation of a customer, the shop could easily lose them.

This is a controllable risk. Lili coffee needs to focus on the quality instead of quantity. The coffee shop can decide some certain products to be served everyday instead of offering all the products one time. It might affect the quality of the products if, for example, the owner is rushing in baking different types of cakes in a short time. The owner can also arrange baking schedules to ensure that the coffee shop will not be in a rush. In addition, the owner needs to strictly follow the recipes while making tea, coffee and cakes, in order to provide the same good products all the time.

Another important risk is the market. The products might not address a large enough market and the right opportunity within that market, at the right time. Lili coffee might not get enough attention as the shop needs to. Therefore, the founder needs to know the customers and why, how and where they buy related products to assess before launching product. It is imperative to do the research, know the landscape, and be able to clearly articulate how the business fits within the context of this landscape, identify the routes to market, and whether the owner can build them effectively, in a timely fashion and within budget.

Being young entrepreneurs, the owner is fortunate to have the financial support from family. In other words, they are all angel investors. However, this might be a burden on the dearest when something goes wrong. In order to control this risk, the owner needs to identify key business milestones and schedules that clearly identify the points in time when equity or debt investments are necessary to reach the next major milestone. If the owner is able to articulate the business plan, growth path and reach each milestone successfully, this can build the confidence in potential investors to write the next check.

## 5 Products and Services

Lili shop's products are chosen and selected extremely harsh. Almost all the products are exported from well-known Vietnamese coffee brand. The menu is the most considerable for the shop therefore, the owner is particularly attentive for the drinks and cakes.

### 5.1 Coffee Menu

There are different types of coffee, such as Vietnamese highland coffee (Arabica, Robusta, Culi). The owner named coffee with a Vietnamese way: "Trung Nguyen Coffee" with 5 different types, and Paulig coffee.

#### 5.1.1 Trung Nguyen 1

Trung Nguyen 1 is Culi Robusta coffee. It is Dark, strong, full-bodied and naturally sweet, can stand up to plenty of milk and sugar, made with select Culi Robusta beans. This is a particularly excellent choice for iced coffee. Trademark heirloom Vietnamese Robusta originally established in Vietnam in 1890 - 1922, made from select Culi beans for richest flavour. The Vietnamese pioneered and perfected the Robusta variety over a hundred years ago. Yet in the late 20th century, much of the gourmet quality of this heirloom variety was lost due to improper cultivation and harvesting.

The Culi Robusta is Trung Nguyen's triumphant return to the best gourmet Robusta in the world. There simply is no other source that have found that exemplifies the true potential of gourmet, heirloom Robusta raised in the perfect climate, picked in multiple sessions, and sun-dried for up to 100 days to achieve the full ripeness and wonderful flavour tones that cannot be duplicated in water-washed coffees. It is difficult to describe this coffee to Americans who have never had access to a gourmet heirloom Robusta, and who have been told that only Arabica coffee can be exceptional.

This is one of the world's best gourmet "cheap thrills". Because of the prolific growth of Robusta, this coffee is available in a price range well below its worth in quality. However, the Culi Robusta does not store well as an iced coffee, so it should be served only on the day it is brewed. The Culi Robusta is a high-caffeine coffee, with about 40% more caffeine than most Arabicas. It is hard to brew this coffee too strong as it has few faults. It performs well in most drip machines at one level tablespoon, or more to taste, per cup. It can be doubled up in a Phin or French Press for an espresso intensity. It also is a great mixer for improving the flavour of that expensive Arabica coffee you have in your pantry that you were disappointed with. Blend your own Arabica/Robusta mix and you will join the millions who say "Wow!" over Culi Robusta

in any form. Robusta is a superior coffee for those who like to drink their coffee with cream and sugar, since it has been lab-proven that Robusta flavour is not masked by cream and sugar, unlike many Arabicas.

### 5.1.2 Trung Nguyen 2

Trung Nguyen 2 is Robusta Arabica. This coffee is one of Trung Nguyen's most popular and well-rounded coffees, Blend of rich, bold Robusta and milder fragrant Arabica; The Trung Nguyen Robusta Arabica is definitely the hands-down most accessible and popular coffee served in our taste testing and Market booths. It is a wonderful blend of high-quality Arabica and heirloom Robusta. It is an "anytime" coffee, with medium caffeine, well-balanced blended taste, and as good iced as it is hot. We suspect that at one time, a blend like this was the standard approach to fine coffee served around the world, before the days of modern hybrids and confined one-species tastes.

### 5.1.3 Trung Nguyen 3

Arabica Se is a sweet, refreshing coffee with no bitterness. Floral and vanilla notes; extremely versatile. The Trung Nguyen Arabica Se is one of the world's most select and superior Arabica coffees. The Se stands for "Sparrow". The Sparrow Arabica is a cultivar grown exclusively in Vietnam and is noted for its mild acidity and superb balance. The farmers often describe it as "what a donut-shop coffee wants to be when it grows up"! If you object to the flavours in the new hybrid Arabicas, which can be redolent of liquorice, lemon or barley, you will enjoy the fully old-world taste of this fine Arabica.

The Arabica Se is such a great combination of mild acidity and balanced aroma and taste that it is well suited as an all-purpose coffee, served any time of day and excellent for icing. It is also a perfect dessert coffee, being a little sweet and wonderfully rich, so it is not eclipsed by your Tiramisu. Iced, it should be brewed strong. It is impossible to make the Se bitter by brewing, so use it in any brewing method and feel free to double the number of grinds or even make it Turkish-style if you begin with the whole bean and grind it fine. This coffee is also a good candidate for cold brewing, where it picks up floral tones and becomes a low-acid but flavourful coffee when used in an iced coffee concentrate. The Se works well in any brewing method, including even basket filter drip machines.

#### 5.1.4 Trung Nguyen 4

Culi Arabica is Hand-selected culi (single, unsplit, pea berry) Arabica beans from Buon Me Thuot Highlands for intense and complex 100% Arabica multi-source flavour. It is fragrant, smooth, yet with a dark edge from the pea berries; a gourmet choice. This is a fragrant heirloom Arabica coffee with a complexity in the low tones one might expect from gourmet Robusta or Excelsa coffee. There is not a hint of objectionable modern hybrid liquorice or barley taste. It is a favourite in winter due to its comforting dark, pea berry edge and broad flavour range. It has a haunting aftertaste that commands a second cup. In the summer it has an edge that makes it a unique and superb iced coffee.

This is a coffee that is immensely versatile and fun, and for many Trung Nguyen fans, it is their favourite all-round blend. For calibrating this coffee for commercial brewing, we suggest the whole bean, set to the grind you need. In commercial machines, if the grind is off, the flavour result can move from light to dark too easily, and some of the fabulous flavour hints can be lost, particularly if brewing at a high temperature. The grind is good for Bunn-style carafe brewers, where the results are reliable and delicious and will surpass any coffee service coffee. For home brewing, the pre-ground is perfect for cone-filter drip machines, perks, cold-brewing, Phin filters and French Press, so people typically will not get any flavour advantages from grinding it themselves. If people use a basket-style machine, they may want the whole bean and it should be ground to medium-fine.

#### 5.1.5 Paulig's Festive Mocha

Juhla Mokka is a fine and fully flavoured coffee blend produced from best quality coffee - Santos, Colombian and Central American blends. Its quality has passed through the generations. Juhla Mokka makes you feel special on ordinary days just like on special occasions. It has become a most favourite Finnish coffee brand.

## 5.2 Tea Menu

Lili Coffee has different types of tea for customer to brew, taste, feel and enjoy, such as red tea, green tea, white tea, oolong tea, rooibos tea, fruit and herbal tea, such as Lapsang Sou-chong, Margaret's Hope TGFOP, Rose Congou Superior, Oriental Beauty Oolong, Zesty Lemon Rooibos, Delicious Berry, Orange and Apple, Camomile and Peppermint.

Especially, the shop offers Japanese green tea, known worldwide as Matcha. With Matcha, Lili Coffee can create many different drinks and impress our customers by its distinctive flavour. Other unique tea at the shop is Vietnamese highland tea, jasmine tea and lotus tea. These

typical teas are all that is special about Vietnamese tea, which has been favorited around the world and is also very potential to be trending in Finland.

Asian tea culture has significantly developed since the early days. However, the owner has observed that it is still at the beginning stage in Finland. Nowadays, more and more Finnish people start to drink tea as they realize that it is extremely healthy. The owner believes that unique tea will be enjoyed, especially when customers have cakes at the shop.

Lotus tea is a regular green tea that has been scented with lotus blossoms. This tea has a natural scent because a few lotus petals remain in the mix as proof (they enhance the aroma too). As is traditional for lotus tea, this is a "sticks and leaves" tea, meaning it contains both the top leaves and the tip of their stem, to complement the lotus flavour. The lotus aroma is difficult to describe, but it has hints of chamomile and a subtle richness. It is also a bit naturally sweet, and particularly refreshing when with iced.

Vietnamese Jasmine Green Tea is a pure green tea, scented with jasmine petals. The jasmine aroma is distinct but not overpowering. This is a very balanced tea and exceedingly fresh-tasting. A few natural jasmine petals remain in the tea, enhancing the aroma and demonstrating its authenticity. This tea can be brewed two or three times (in fact, it tastes even better on the second brew), making it a good value for such a fine tea.

Lili Coffee also has two types of flavoured ice tea, which are lemon and peach. Ice tea is self-made and hence special.



Figure 8. Peach ice tea (Thelovelesscafe, 2017)

The tea was made from the Thailand red tea with condensed milk and fresh milk. It will be served with tapioca pearls and fruit-flavour syrup such as mango, peach, green apple. This tea is served cold rather than hot.

### 5.3 Cakes and Delicacies

Lili coffee is served many types of cakes that can supply all the demand of fastidious customers. We have classic choux with different custard fillings such as berries, vanilla, chocolate and matcha. Crunchy topping choux with different custard filling is also our special dishes. Other extraordinary cakes from our shop are Hokkaido chiffon cupcakes. You still can choose the different custard fillings inside like berries, vanilla, chocolate or matcha.

Lili coffee has some special recipes for Vietnamese cakes. Sponge cake with salted eggs is one of the most secret dishes. The customer can taste the harmonious combination between the sweet of sponge cake, mayonnaise sauce and the shiny of salted eggs. Japanese Cotton Cheese Cake can make everyone feel like eating a sweet cloud. Customers can try the extraordinary cakes that are favourite dishes of Vietnamese. For example, Vietnamese steamed buns with different tastes pork and quail eggs, charsiu pork, liu sha or Vietnamese pyramid dumplings.



Figure 9. Vietnamese pyramid dumpling. (Linh, 2016)

In other respects, Lili coffee also provides some familiar cakes, for instance Mini mousse cakes, which had many flavour 'Matcha', 'Passion fruits', 'Strawberry', 'Blueberry', 'Mango', 'Banana and Chocolate'. We have some personal names for our Butter cupcakes like 'Death by



Chocolate' or 'Cloudy Matcha'. Tiramisu, Brownie and Blueberry Cheesecake are also always in our menu.

#### 5.4 Catering Service and Collaboration

Lili shop offers catering service for companies to organize their events. They can order our service 7 days in advance. The shop provides the self-branded cakes and also includes delivery service as a package.

The owner creates her own catalogue with prices for other coffee shops, which are currently considering purchasing our self-branded cakes to re-sell at their own businesses. We aim at gaining a fixed and long-term contract with them.

## 6 Competitors

Currently, Lili has three major competitors, which are similar the most to our business. The first and strongest competitor is Bumi Café. This is a combination between Coffee shop and kiosk. It is located at Pursimiehenkatu 21, Helsinki. They are known making good Vietnamese coffee and the staffs can speak some Finnish. In addition to coffee, they only have smoothies, sandwiches and some snacks, and offers customers relatively limited choices. Their location is not strategic.

Similar to the first competitor, the second competitor is another Vietnamese Coffee shop- Papu Cafe. They provide customers with more vvarious choices. They also have Vietnamese coffee alongside Finnish coffee, some tea, some snacks and salad, and some cakes. They are located in the centre area and They speak Finnish fluently. Nevertheless, their weakness is that they do not have unique products that are able to impress customers significantly.

Another challenge is Kakku Galleria, which is a Finnish Coffee shop and a Desserts Paradise. They have Finnish coffee and many types of tea. Additionally, they provide customers with a wider choice of cakes. They have many stores and locate around the centre area. They speak Finnish. Here, the customer can eat all the cakes that they can with only 11.90e.

Additionally, there are countless other coffee shops in Helsinki areas that are possibly our competitors. However, we will consider the competitors which are located nearby our shop the most. It will be analysed as soon as we win our desired location. To sum up, the strengths of these coffee shop is that They speak some or good Finnish, Their Vietnamese coffee style is pretty similar to us and they were the first. They have well-presented cakes and competitive

prices. They are known as they have been operating for sometimes. On the other hand, there are some weaknesses that they need to focus. They offer a relatively limited range of products. Two of them are not strong competitors in terms of self-branded cakes. The other one provides cakes that are too sweet, at least compared to Vietnamese taste.

However, the founder will consider the competitors which are located nearby the shop the most. It will be analysed as soon as the owner win a desired location. Lili Coffee is competing fairly with the competitors. The coffee shop is more of a Vietnamese shop as the founder targets mainly at Vietnamese people. Alongside Vietnamese coffee, Lili also has other Asian and Vietnamese tea. The cakes are creative and less sugary, which is suitable for Asian taste. Lili is the only shop that offers catering services for companies and also collaborate with non-cake baking coffee shops. The owner always keeps a customer-oriented mind. Lili coffee aims at delightful products and professional services and wants customers to enjoy and benefit the most they can. The owner has work experience and well training with customer services, and customer relationship management. Lili Coffee is ready to bring out the joy and competing fairly with all rivals. The owner only focuses on educating customers about our unique products. The customers themselves can differentiate us and make their commitments.

## 7 Investment Calculation on Funding, Profitability and Sales

Investment calculation is shown the source of funding and the expenditure requirement for the business. The fixed costs are wages, salaries, rental, insurance, bookkeeping.

### 7.1 Investment Plan

EXPENDITURE REQUIREMENTS	EUR
Cost of establishing the business	1,300
Equipment Installation	6,000
Kitchen Equipment	2,110
Serving Equipment	330
Furniture & Fixture	1,640

Office supplies	520
Property given as capital contribution (2 Laptop)	3,000
Marketing investment	1,500
Initial Stock purchase	550
Working Capital	1,050
Cash Reserve	10,000
<b>TOTAL EXPENDITURE REQUIREMENT</b>	<b>28,000</b>

<b>SOURCES OF FUNDING</b>	<b>EUR</b>
Equity	
Share Capital	0
Personal Cash Investment	25,000
Property given as capital contribution	3,000
<b>TOTAL SOURCES OF FUNDING</b>	<b>28,000</b>

## 7.2 Profitability Calculation

Profitability Calculation can be used to analyse if a sale target is realistic.

### PROFITABILITY PROJECTION

Period : Jan 2017 - Dec 2018

	Year 2017	Year 2018
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Target profit	16,800	16,800
INCOME AFTER TAXES	16,800	16,800
Taxes 20%	3,360	3,360
Start-up Grant	4,200	
Funding requirement	15,960	20,160
A. OPERATING MARGIN (required)	15,960	20,160
Fixed costs		
Costs relating to premises	120	120
Purchases tool equipment	500	500
Repairs and maintenance	120	120
Leasing payments	10,800	10,800
Communication costs (phone, internet, etc.)	360	360
Office expenses	120	120
Travel and car expenses,	120	120
Depreciation Ventilation system & kitchen set up	1,500	1,500
Marketing expenses	600	600
Bookkeeping, auditing, tax returns, etc.	-	-
Other costs (Insurance premiums, etc.)	600	600
B. TOTAL FIXED COSTS	14,840	14,840
SALES MARGIN REQUIRED (A+B)	30,800	35,000
Purchases +materials and supplies (net of VAT)	6,361	7,249
NET SALES REQUIRED	37,161	42,249

VAT 24 %	8,919	10,140
TOTAL SALES / INVOICED SALES REQUIRED	46,080	52,389
NET SALES AS PER SALES PROJECTION	40,857	46,144

DIFFERENCES	3,696	3,895
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### 7.3 Sales Calculation

The sale target can be calculated as a monthly, weekly, or hourly sale target. This is an easy way to access the customer relationship.

#### CAKES SALES

(Monthly: Oct -Dec 2016)

Description	Quantity												Year 2016							
													Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)	
1 Choux													400	300	150	1.01	0.20	857	171	
2 Cupcake														300	300	100	2.82	0.56	1,976	395
3 Minicake														300	200	100	3.63	0.73	2,177	435
4 Gateaux														10	10	10	19.35	3.87	581	116
5 Liu sha bao														100	50	30	3.23	0.65	581	116
6 Pork bao														50	30	30	3.63	0.73	399	80
7 Pyramid dumpling														100	50	50	2.42	0.48	484	97
<b>Total</b>													<b>1260</b>	<b>940</b>	<b>470</b>			<b>7,054</b>	<b>1,411</b>	

(Monthly: Year 2017)

Description	Quantity												Year 2017			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Choux	170	170	170	300	450	300	200	300	450	400	200	100	1.01	0.20	3,236	647
2 Cupcake	80	80	80	150	300	200	200	200	400	300	80	80	2.82	0.56	6,069	1,214
3 Minicake	80	80	80	150	250	100	100	100	300	200	100	100	3.63	0.73	5,952	1,190
4 Gateaux	10	10	10	20	15	15	10	15	20	20	10	10	19.35	3.87	3,194	639
5 Liu sha bao	50	50	50	100	50	30	30	30	30	100	50	30	3.23	0.65	1,935	387
6 Pork bao	30	30	30	50	30	10	10	10	30	50	30	10	3.63	0.73	1,161	232
7 Pyramid dumpling	30	30	30	100	50	30	30	30	30	100	30	10	2.42	0.48	1,210	242
<b>Total</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>870</b>	<b>1145</b>	<b>685</b>	<b>580</b>	<b>685</b>	<b>1260</b>	<b>1170</b>	<b>500</b>	<b>340</b>			<b>22,756</b>	<b>4,551</b>

(Monthly: Year 2018)

Description	Quantity												Year 2018			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Choux	200	200	200	350	500	350	200	300	500	450	200	100	1.06	0.21	3,758	752
2 Cupcake	100	100	100	200	400	250	200	200	400	400	100	100	2.96	0.59	7,557	1,511
3 Minicake	100	100	100	200	300	150	100	150	300	300	100	100	3.81	0.76	7,621	1,524
4 Gateaux	10	10	15	15	15	15	15	20	20	10	10	10	20.32	4.06	3,353	671
5 Liu sha bao	50	50	50	50	50	30	30	30	30	50	50	30	3.39	0.68	1,694	339
6 Pork bao	30	30	30	30	30	10	10	10	30	50	30	10	3.81	0.76	1,143	229
7 Pyramid dumpling	50	50	50	50	50	30	30	30	30	50	30	30	2.54	0.51	1,219	244
<b>Total</b>	<b>540</b>	<b>540</b>	<b>545</b>	<b>895</b>	<b>1345</b>	<b>835</b>	<b>585</b>	<b>740</b>	<b>1310</b>	<b>1310</b>	<b>520</b>	<b>380</b>			<b>26,345</b>	<b>5,269</b>

Assumption: Cost of Purchase is estimated at 20% Selling Price and Selling Price is increased 5% since 2018

**DRINK SALES**

(Monthly: Oct -Dec 2016)

Description	Quantity									Year 2016						
	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)									
1 Black coffee										200	150	100	2.42	0.24	1,089	109
2 Brown coffee										200	150	100	2.82	0.28	1,270	127
3 Paulig's coffee										150	100	100	1.61	0.16	565	56
4 Tea										100	100	100	2.02	0.20	605	60
5 Ice tea										100	0	0	2.02	0.20	202	20
6 Milk tea										150	50	50	2.02	0.20	504	50
<b>Total</b>										<b>900</b>	<b>550</b>	<b>450</b>			<b>4,234</b>	<b>423</b>

(Monthly: Year 2017)

Description	Quantity												Year 2017			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Black coffee	100	100	100	200	200	150	150	200	200	150	150	100	2.42	0.24	4,355	435
2 Brown coffee	100	100	150	200	200	150	150	200	250	150	150	100	2.82	0.28	5,363	536
3 Paulig's coffee	50	50	100	100	100	80	80	100	100	100	100	100	1.61	0.16	1,710	171
4 Tea	100	100	100	100	100	80	80	150	150	100	100	100	2.02	0.20	2,540	254
5 Ice tea	0	0	50	150	150	100	100	150	150	100	0	0	2.02	0.20	1,915	192
6 Milk tea	50	50	50	150	150	100	100	150	150	50	50	50	2.02	0.20	2,218	222
<b>Total</b>	<b>400</b>	<b>400</b>	<b>550</b>	<b>900</b>	<b>900</b>	<b>660</b>	<b>660</b>	<b>950</b>	<b>1000</b>	<b>650</b>	<b>550</b>	<b>450</b>			<b>18,101</b>	<b>1,810</b>

(Monthly: Year 2018)

Description	Quantity												Year 2018			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Black coffee	100	100	100	200	200	200	200	200	200	150	150	100	2.42	0.24	4,597	460
2 Brown coffee	100	100	150	200	200	250	250	250	250	150	150	100	2.82	0.28	6,069	607
3 Paulig's coffee	50	50	100	100	100	100	100	100	100	100	100	100	1.61	0.16	1,774	177
4 Tea	100	100	100	100	100	100	100	100	150	100	100	100	2.02	0.20	2,520	252
5 Ice tea	0	0	50	150	150	150	150	150	150	100	0	0	2.02	0.20	2,117	212
6 Milk tea	50	50	50	150	150	200	200	200	150	50	50	50	2.02	0.20	2,722	272
<b>Total</b>	<b>400</b>	<b>400</b>	<b>550</b>	<b>900</b>	<b>900</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>650</b>	<b>550</b>	<b>450</b>			<b>19,798</b>	<b>1,980</b>

**8 Reflection**

This thesis was written by the author in order to know the potential of start a coffee business in Finland. Before establishing a real coffee shop, business plan must be defined and requires huge amount of brain storming. All data should be analysed through techniques and tools such as SWOT or PESTEL. All problems need to list and defined so that the owner can reduce the risk and minimize them or avoid any risks.

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## 10 Figures

Figure 1. Export revenue growth of Vietnamese tea products (Unit: million USD, %).

Figure 2. Export market proportion of Vietnamese tea products in 2014(Unit: %).

Figure 3. Vietnamese Coffee export revenue in 2009 - 2014 (US\$ billion).

Figure 4. World Coffee Consumption per capita.

Figure 5. Lili cake& coffee logo.

Figure 6. Vietnamese coffee brewing style.

Figure 7. Lili coffee's diverse and fresh cakes.

Figure 8. Peach ice tea.

Figure 9. Vietnamese pyramid dumpling.

## 11 Appendices

## Investment Plan

<b>EXPENDITURE REQUIREMENTS</b>	<b>EUR</b>
Cost of establishing the business	1,300
Equipment Installation	6,000
Kitchen Equipment	2,110
Serving Equipment	330
Furniture & Fixture	1,640
Office supplies	520
Property given as capital contribution (2 Laptop)	3,000
Marketing investment	1,500
Initial Stock purchase	550
Working Capital	1,050
Cash Reserve	10,000
<b>TOTAL EXPENDITURE REQUIREMENT</b>	<b>28,000</b>

<b>SOURCES OF FUNDING</b>	<b>EUR</b>
Equity	
Share Capital	0

Personal Cash Investment	25,000
Property given as capital contribution	3,000
<b>TOTAL SOURCES OF FUNDING</b>	<b>28,000</b>

### PROFITABILITY PROJECTION

*Period : Jan 2017 - Dec 2018*

	Year 2017	Year 2018
<b>Target profit</b>	16,800	16,800
<b>INCOME AFTER TAXES</b>	16,800	16,800
Taxes 20%	3,360	3,360
Start-up Grant	4,200	
Funding requirement	15,960	20,160
<b>A. OPERATING MARGIN (required)</b>	<b>15,960</b>	<b>20,160</b>
<b>Fixed costs</b>		
Costs relating to premises	120	120
Purchases tool equipment	500	500
Repairs and maintenance	120	120
Leasing payments	10,800	10,800

Communication costs (phone, internet, etc.)	360	360
Office expenses	120	120
Travel and car expenses,	120	120
Depreciation Ventilation system & kitchen set up	1,500	1,500
Marketing expenses	600	600
Bookkeeping, auditing, tax returns, etc.	-	-
Other costs (Insurance premiums, etc.)	600	600
<b>B. TOTAL FIXED COSTS</b>	<b>14,840</b>	<b>14,840</b>
<b>SALES MARGIN REQUIRED (A+B)</b>	<b>30,800</b>	<b>35,000</b>
Purchases +materials and supplies (net of VAT)	6,361	7,249
<b>NET SALES REQUIRED</b>	<b>37,161</b>	<b>42,249</b>
VAT 24 %	8,919	10,140
<b>TOTAL SALES / INVOICED SALES REQUIRED</b>	<b>46,080</b>	<b>52,389</b>
<b>NET SALES AS PER SALES PROJECTION</b>	<b>40,857</b>	<b>46,144</b>
<b>DIFFERENCES</b>	<b>3,696</b>	<b>3,895</b>

**CAKES SALES**

(Monthly: Oct -Dec 2016)

Description	Quantity												Year 2016				
													Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)	
											Oct	Nov					Dec
1 Choux											400	300	150	1.01	0.20	857	171
2 Cupcake											300	300	100	2.82	0.56	1,976	395
3 Minicake											300	200	100	3.63	0.73	2,177	435
4 Gateaux											10	10	10	19.35	3.87	581	116
5 Liu sha bao											100	50	30	3.23	0.65	581	116
6 Pork bao											50	30	30	3.63	0.73	399	80
7 Pyramid dumpling											100	50	50	2.42	0.48	484	97
<b>Total</b>											<b>1260</b>	<b>940</b>	<b>470</b>			<b>7,054</b>	<b>1,411</b>

(Monthly: Year 2017)

Description	Quantity												Year 2017			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Choux	170	170	170	300	450	300	200	300	450	400	200	100	1.01	0.20	3,236	647
2 Cupcake	80	80	80	150	300	200	200	200	400	300	80	80	2.82	0.56	6,069	1,214
3 Minicake	80	80	80	150	250	100	100	100	300	200	100	100	3.63	0.73	5,952	1,190
4 Gateaux	10	10	10	20	15	15	10	15	20	20	10	10	19.35	3.87	3,194	639
5 Liu sha bao	50	50	50	100	50	30	30	30	30	100	50	30	3.23	0.65	1,935	387
6 Pork bao	30	30	30	50	30	10	10	10	30	50	30	10	3.63	0.73	1,161	232
7 Pyramid dumpling	30	30	30	100	50	30	30	30	30	100	30	10	2.42	0.48	1,210	242
<b>Total</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>870</b>	<b>1145</b>	<b>685</b>	<b>580</b>	<b>685</b>	<b>1260</b>	<b>1170</b>	<b>500</b>	<b>340</b>			<b>22,756</b>	<b>4,551</b>

(Monthly: Year 2018)

Description	Quantity												Year 2018			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Choux	200	200	200	350	500	350	200	300	500	450	200	100	1.06	0.21	3,758	752
2 Cupcake	100	100	100	200	400	250	200	200	400	400	100	100	2.96	0.59	7,557	1,511
3 Minicake	100	100	100	200	300	150	100	150	300	300	100	100	3.81	0.76	7,621	1,524
4 Gateaux	10	10	15	15	15	15	15	20	20	10	10	10	20.32	4.06	3,353	671
5 Liu sha bao	50	50	50	50	50	30	30	30	30	50	50	30	3.39	0.68	1,694	339
6 Pork bao	30	30	30	30	30	10	10	10	30	50	30	10	3.81	0.76	1,143	229
7 Pyramid dumpling	50	50	50	50	50	30	30	30	30	50	30	30	2.54	0.51	1,219	244
<b>Total</b>	<b>540</b>	<b>540</b>	<b>545</b>	<b>895</b>	<b>1345</b>	<b>835</b>	<b>585</b>	<b>740</b>	<b>1310</b>	<b>1310</b>	<b>520</b>	<b>380</b>			<b>26,345</b>	<b>5,269</b>

Assumption: Cost of Purchase is estimated at 20% Selling Price and Selling Price is increased 5% since 2018

**DRINK SALES**

(Monthly: Oct -Dec 2016)

Description	Quantity												Year 2016				
													Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)	
1 Black coffee											200	150	100	2.42	0.24	1,089	109
2 Brown coffee											200	150	100	2.82	0.28	1,270	127
3 Paulig's coffee											150	100	100	1.61	0.16	565	56
4 Tea											100	100	100	2.02	0.20	605	60
5 Ice tea											100	0	0	2.02	0.20	202	20
6 Milk tea											150	50	50	2.02	0.20	504	50
<b>Total</b>											<b>900</b>	<b>550</b>	<b>450</b>			<b>4,234</b>	<b>423</b>

(Monthly: Year 2017)

Description	Quantity												Year 2017			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Black coffee	100	100	100	200	200	150	150	200	200	150	150	100	2.42	0.24	4,355	435
2 Brown coffee	100	100	150	200	200	150	150	200	250	150	150	100	2.82	0.28	5,363	536
3 Paulig's coffee	50	50	100	100	100	80	80	100	100	100	100	100	1.61	0.16	1,710	171
4 Tea	100	100	100	100	100	80	80	150	150	100	100	100	2.02	0.20	2,540	254
5 Ice tea	0	0	50	150	150	100	100	150	150	100	0	0	2.02	0.20	1,915	192
6 Milk tea	50	50	50	150	150	100	100	150	150	50	50	50	2.02	0.20	2,218	222
<b>Total</b>	<b>400</b>	<b>400</b>	<b>550</b>	<b>900</b>	<b>900</b>	<b>660</b>	<b>660</b>	<b>950</b>	<b>1000</b>	<b>650</b>	<b>550</b>	<b>450</b>			<b>18,101</b>	<b>1,810</b>

(Monthly: Year 2018)

Description	Quantity												Year 2018			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Selling price (EUR)	Unit cost (EUR)	Net Sales (EUR)	Purchase (EUR)
1 Black coffee	100	100	100	200	200	200	200	200	200	150	150	100	2.42	0.24	4,597	460
2 Brown coffee	100	100	150	200	200	250	250	250	250	150	150	100	2.82	0.28	6,069	607
3 Paulig's coffee	50	50	100	100	100	100	100	100	100	100	100	100	1.61	0.16	1,774	177
4 Tea	100	100	100	100	100	100	100	100	150	100	100	100	2.02	0.20	2,520	252
5 Ice tea	0	0	50	150	150	150	150	150	150	100	0	0	2.02	0.20	2,117	212
6 Milk tea	50	50	50	150	150	200	200	200	150	50	50	50	2.02	0.20	2,722	272
<b>Total</b>	<b>400</b>	<b>400</b>	<b>550</b>	<b>900</b>	<b>900</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>650</b>	<b>550</b>	<b>450</b>			<b>19,798</b>	<b>1,980</b>