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Business plan for opening a coffee shop

An Huynh

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This subject of this thesis project is the author's business plan for opening a themed book coffee shop in Helsinki and involved discovering how a new graduate is going to establish a start-up company in the food and beverage field. The study addresses how a business is run as a start-up company and discuss several difficulties of becoming an entrepreneur in Finland.

The theoretical framework of this thesis discusses issues regarding entrepreneurship, the setting up of a company and how this should be documented. The objective of the study was to produce a feasible business plan for a coffee shop in Helsinki and to help people get a closer look at the step-by-step procedure of how this can be achieved.

The empirical research involved investigating the Finns' habits of consuming coffee and other popular beverages in order for the author to design the menu of the coffee shop. Market research and observation of how coffee shops in Helsinki are doing in terms of their success in maintaining and strengthening their brand were also utilised to draw up a detailed business plan.

The thesis project utilised and qualitative research methods. By interviewing 3 the coffee shop owners and customers about their interest in buying coffee in Helsinki, details concerning the potential market could be gauged and some of the pitfalls likely to face a new graduate when opening a coffee house could be determined. The thesis has brought a clearer insight on how to run a coffee business in the Helsinki region as well as given a detail business plan for the startup step by step.

Keywords: entrepreneurship in Finland, coffee shop, establishing a company, Finnish coffee consumption

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1 Introduction

Knowing that Finnish people are among the biggest coffee consumers in the world, and have been for decades (Curtet 2015), the author sees that there is a potential to open a coffee shop in Finland. Having been given the chance to live in the happiest country in the world (Forbes 2018), the author enjoys seeing the way Finnish people expressing their lives and culture through a cup of coffee. On top of that, the author has her own passion for coffee and aim of being a coffee expert. In addition, studying Business Management specified in Marketing aspects will also be a plus for the author to maximize the impact and make her mark. Therefore, running a themed coffee shop would both please the Finns with their favorite coffee drinks and make the author's dream comes to reality.

The author plans to take the unique approach to secure customers because of the intensive competition in the coffee and beverage market, which is the niche marketing strategy. As a small start-up business with limited budgets and products, the author chooses to target toward a certain segment of the capital population based on their hobby. Specifically, through niche marketing the author wants to approach customers who love coffee and like reading books.

1.1 Purpose of the study

This paper is written with the aim of proposing guidance for people who want to become entrepreneur, especially those who want to run a themed coffee shop and looking into how important a detailed plan is to make the business idea possible. The thesis is also discussing the difficulties and potential of establishing a company in the food and beverage area. The theoretical part of the paper looks into what should be taken into consideration before running a business.

The theoretical part focuses on the detailed business plan, clarifying each step should be done in the content of the plan. During the process of writing this part, the writer has been given the opportunity to apply what she had been learning and transform it into visible words.

1.2 Research question: business plan to open a coffee shop in Helsinki area

An ideal coffee shop should be located in an ideal location, which is in the heart of the centre, pavement where people are crossing by a lot, or in a crowded residence area. However, looking for a good locations also means that a high rental sum, which is obviously a limitation for a new graduate entering the marketing with low budgets allowance. Moreover, the Espresso House coffee shop is seemingly dominating the market by attending every central corner of the city also makes it more challenging to have a nice located coffee house.

In response to this problem, the writer's study proposes a different market approach by focusing on the unique the shop would bring to capture attention from targeted customers. This proposed research aspires to explore options for an alternative approach that can also maintain business sustainability.

1.3 Research methods

Both quantitative and qualitative methods are employed to help the writer examine the market the customers' habit of consuming beverage. Carrying out this research involving observation on customer's behaviour and drinking hobby, market research on competitors and market ingredients in order to make a visible financial plan, interviews with some coffee stores' owners to get to know better what the obstacles they found in the beginning stage. Besides, desk research will also assist the author to identify actions should be taken in each step of the plan.

2 What is entrepreneurship?

The word entrepreneurship was defined by Professor Howard Stevenson, who is the godfather of entrepreneurship studies at Harvard Business School (Harvard Business Review 2013). According to Stevenson, entrepreneurship is the pursuit of opportunity beyond resources controlled. To be more specific, each every single word in the definition should be explained to clarify the meaning of entrepreneurship.

'Pursuit of opportunity' implies the act of trying to achieve an offering which preferably over a long period of time (Cambridge Dictionary). The offering that is being mentioned by Stevenson usually involve the situation of being the leader in an innovative product, presenting a new better version of an existing product, shifting customers target group of an existing product or even inventing a new business model. The second phase of the definition, beyond resources controlled, refers to the resources restriction (Eisenmann 2013). When starting the new business, founders just tend to control human, social and financial status of their own, which allows them to operating with the internally generated cash flow in some circumstances. Yet, on the contrary, establishers are required to generate more resources for the operating activity such as facilities, distribution channel, etc, applied to highly potential enterprise.

It was also explained by Stevenson that having the challenge of resources inadequate has led the new comers to the market to face demand risk, technology risk, execution risk and financing risk. Demand risk involve the customers' decision whether to buy the new idea proposed by the entrepreneur or not. Technology risk usually concerns mechanical and scientific solutions that are brought to the market. While the first two risks are mostly depending on whether or not the target customer adopt the new offer(s), the remaining two risks seem to be decided by the entrepreneurs themselves. Execution risk refers the entrepreneur's persuasiveness in terms of

convincing the personnel to make it happens, to draw a successful path for the company. Financing risks, obviously, relating to how the new founders will manage and generate capital reasonably.

In the discussion on entrepreneurship, Professor Stevenson claimed that entrepreneurs face a Catch-22, which focuses mostly on the entrepreneurs' side when they might need to overcome the difficulty in keeping the company operated and convincing involving individuals to contribute to the risky venture. In order to explain the Catch-22, Stevenson had divided it into four main tactics:

- Lean trial, which refer to the as less set of detailed and careful actions as possible taken to clear up the risks and maximize the possibility of success by relying on a fruitful product offered.
- Staged investing: helps entrepreneurs to deal with risks in a particular orders and to spend time and effort only on the required resources in order to reach the expected milestones.
- Partnering that gives entrepreneurs the opportunity to make use of other firm's assets and as a result shift the risks to the other party/parties who is/are able or more willing to bear them. This tactic means that new entrants will rent out assets in order to keep the cost variable and not to indulged the big amount of fee charged that linked with the resources owned.
- Entrepreneurs can also use the tactic called storytelling which they will bring the better world and thereby inspire asset owners to lessen risks to commit more resources than they would do.

Discussing on the definition of entrepreneurship by Stevenson, Harvard School of Business's article (Eisenmann 2013) had agreed on that it did matter in practical terms for two reason. Firstly, the entrepreneurship defined by Professor Stevenson looks into a different angle to managing. At this point, new entrants can be found from many different of companies types consisting large corporations. Secondly, the four tactics that given in the Cacth-22 has helped start-up founders to deal with risks as well as mobilize resources. And that embracing the definition helps entrepreneurs in their role while they rarely have enough resources.

2.1 Why taking the risk of starting up?

Starting up a business is a hard work with no guaranteed results, but how come millions do so every year? Burns (2011) has marked in his book this question while explaining the economists claim that the rate of new entrants are related to the growth of the industry they are entering. Therefore, there was an assumption made after discussing due to the fact that economists failed to convincingly explain the reason why there are still a great amount of new ventures

despite knowing the risks they might have to face. This assumption is that the startup entrants into an industry in order to wait for the possibility of extra profit. However, they have looked into the factors that influence entrepreneur and inspire them to run their own venture.

2.1.1 Start-up influences

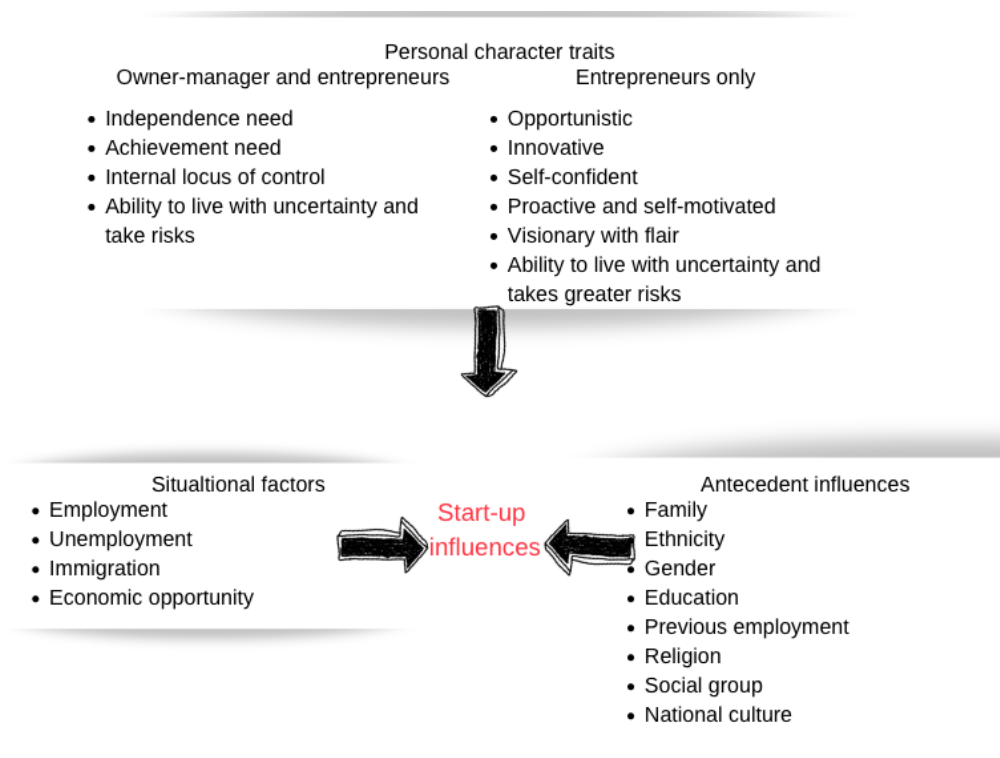


Figure 1. Start-up Influences (Burn 2011, p.34)

All these factors influence the decision of whether to start up a business and whether to grow it. It was discussed more detailed that both antecedent influences and the dominant culture of the society will affect individual characteristics and vice versa. And thus the entrepreneurial traits will shape the society, affect who they are in contact with as well (Burn 2011, p.34). And has also led us to discuss the sociological entrepreneurship.

2.1.2 Sociological entrepreneurship theory

The sociological theory is one of the major entrepreneurship theories that is developed for the enterprise to focus on the social context (Lanstrom 2008). In the summary review of the Literature of Entrepreneurship theories and Empirical research (Simeh 2011), there are four social contexts that relates to entrepreneurial opportunity. The first one is social networks. It is said that concentrating on building and expanding networks will only help trust but not opportunism, which means that success should not be believed as an outcome coming from building faith with other individuals. The social context that comes second is the life court stage context. In this circumstance, the entrepreneurs-to-be will be put under the analysis of life situations and

personal traits. Those individuals with more experiences in life can affect and define their thought and cause of actions. Next up, ethnic identification is the third social context that relates to entrepreneurial opportunity. This context discusses that social background can be a great advantage that determine how far an entrepreneur can push himself/herself. The last context called population ecology refers to the environmental factors such as political aspects, customers, employees, competitors, government legislation which can decide how successful a new venture can be and how they can influence the business.

2.2 Vision statement

Business plan vision draws the future of the company in terms of directions and philosophy. Vision statement is designed for determining how the company will be like in the long run. The company's vision should only be reviewed once it has reached the targets. It is important for every enterprise to have vision because it shows the primary actions and inspire employees to work more efficiently to archive the target (Alter 2000, p.46).

2.3 Mission statement

Mission statement is the business's guideline for all actions taken with the company. While vision show the company's directions, mission lead the way to achieve them. Alter (2000,p.47) stated that an enterprise would not reach its determined goals and objectives without defining its missions. There are five questions that can help an enterprise to define its mission: what, how, for whom, why and who.

The "what" question is showing the company's target of achievement, which is also known as question of purpose. The "how" question illustrates the organization's chain of actions according to the business strategy which are taken to archive the given goals. The next question is known as a customer statement that defining to whom the product is going to be send and whom it is designed for. The coming question an enterprise has to find answer for is: Why. In order to come up with answer for this question, the startup company must be able to emphasize the existence of product offered such as why should customers buy your product and what kind of problems are solved due to the existence of this new item? Last but certainly not least, an enterprise organization should also be aware of the value statement "who", which focuses on the main principles and beliefs of the company. Being proficient in this aspect not only would help the company and its personnel to have a clearer picture in what steps should be taken to strongly approach the decision-making process but it would also help anticipate the personnel

and management behave in different circumstances, which is crucial for the business planning process (Alter 2000, p.47-50)

2.4 Objectives

Business plan objectives determines where the business is in the coming few years, has its size been significantly increased or stayed the same, will the company manage to a rapidly growing or such circumstances that can happen to the organization. Therefore, identifying business objectives should be one of the top priority when setting up a business plan as it defines where you are and what would you become in the future. Business objectives should be clear, relevant and realistic enough for a startup to rely on. They are, as well, achievable and cost-efficient. If there is any restructure taken into consideration, management of the company should take in to account the factors of cost structure as well as business scale so that it does not have negative impact on the business mission statement (Alter 2000). In a nutshell, business objectives reflect it mission statement, meaning that if the negative outcome is reached, mission statement should be reconsidered to change.

2.5 Action plan

Action plan is generally a brief description of execution actions needed to reach the given goals. This plan is extremely useful as startup can see what tasks should be prioritized and what actions should be implemented accordingly so as to efficiently and quickly to reach the objective set before deadlines. Furthermore, action plan gives the company credibility and avoid overlooking small details (Sniehotta, Schwarzer, Scholz & Schuz 2005). The writers also stated that action plan consists of five circulated stages, which means that if necessary, the first stage should be reviewed after the last stage is finished in order to improve the plan:

1. Identifying current situation, progress and implementation of self-assessment
2. Setting goals
3. Determining suitable strategy to be implemented. This stage can be divided into smaller steps in order for a better clarification.
4. Executing actions
5. Evaluating outcomes

Once again, objectives mentioned above play a very important role in the process of acting plan. In order for the company to avoid failure, it is suggested that company should keep a clear objective and concrete description of actions step by step. The description should be arranged in a logical order and be review frequently. Schmidt & Laycock (2016) suggested that companies should have a few substitute strategies so as to minimize the risks during the process of acting as planned and make the process go more smoothly and flexibly. Additionally, companies should also write diary during the plan implementation so as to improve and apply a good practice afterwards.

Action plan involves multiple resources like people, finances, material, services and transportation. After necessary resources are decided, it is important for companies to bear in mind that they are adequate to use to achieve goals as well as they are cost effective. The process of budgeting and resource allocation can be based either on previous experience or costing exercise if there is no experience. (Schmidt & Laycock 2016.) To conclude, it is worth to say that the action planning is the essential part of business planning process due to the reason that it describes the path to the goals' achievement and put everything in a good order.

3 What is a business plan?

Business plan is the justifies an enterprise's objectives, strategies and actions with the aim of supporting its survival and development in the certain period of time (Peterson, Jaret & Schenck 2010). A business plan shows the directions a company could lead to in order to turn the initial ideas into a functional company and thus, deciding accordingly what operation actions should be taken as well as including operation revisions (Beckett 2012). Generally, a business plan consists of different sections that are related and affected one another. Each section corresponds to one specific question reflecting the business (Schmidt & Laycock 2016). Looking at a startup's business plan, an outsider gets to know more detail on its missions, visions, objectives and strategies. business plan in fact plays a significant role in the succeed of a company, particularly as the starting phase of the business. Business plan is particularly beneficial for entrepreneurs to tackle business difficulties. A well-prepared business plan will help companies to build a strong foundation.

3.1.1 Keeping the entrepreneur stays proactive

In real life, there are many people capable of coming up with innovative ideas. However, turning the ideas into practice are usually challenging. Business ideas come from everywhere in normal life, they start from the smallest things to large scale and detailed ones. No matter how good and creative the initial ideas are, they are mostly given up when it requires implementation actions to make them feasible. Hence, business plan is the tool that supports enterprises with a solid foundation in order to help them easily and logically organized the tasks and steps should be done for the establishment process. Entrepreneurs who are planning to run a new company must be able to reasonably measure the risks and take appropriate actions when

needed (Berry 2013). By highlighting the possible problems and objectives for businesses, entrepreneurs are more likely to work out the business directions more logically and effectively, business plan makes it possible for entrepreneur to stay proactive rather than reactive.

3.1.2 Change management

Business plan allows entrepreneurs to flexibly change the components according to the situation and the on-going competition and thus, entrepreneurs can effectively improve and develop the newly-established company while maintaining the company operation (McKeever 2007). The business plan is created and supposed to be changed and adjusted time again as the company develops. An up-to-date business plan is useful for anticipating or increasing capital for expansion of business (Ward 2016). Looking at business plan, founders are allowed to face the possible challenges and opportunities of the company and make a wise decision for unexpected circumstances or examining the incoming opportunities or avoiding distractions it is when the business plan comes handy. (McKeever 2007). Business plan helps facilitate the planning process and makes the business profitable and attractive to investors and other stakeholders. A thorough and well thought out plan will support change management and crisis management which are often needed at the startup phase of any businesses.

3.1.3 Operational management

A detailed-written business plan points out the needs of each parts of the business. Accordingly, founders may reorganize company's structure as well as improve its operation productivity. As a consequence, the operation would show a great improvement on its performance. Business plan is commonly used by most entrepreneurs and corporations usability and flexibility. It is not only a map for startups to adhere to in the establishment phase of the business but also a tool for companies to optimize their growth or overcome crisis. The author has decided to write this thesis using Lean Canvas as the fundamental framework to develop the business plan. The elements of the business plan in this study therefore is fully adhered with the Lean Canvas's components.

3.2 Lean Canvas

3.2.1 What is Lean Start-up Canvas?

Lean Start-up is the start up-focused version of the Business Model Canvas (Chitea no date). In order to improve the chance of success to a venture, it is crucial for the founders to minimize the risks of failure. Founders need help to create images, attention as well as reputation. And Lean Canvas is just right for that. It was first created by Ash Maurya in his book Running Lean, was defined as a business model hypothesis testing and validation tool (Maurya 2012). Lean Canvas was described as the design tool that help entrepreneurs make an actionable plan and stay focus on the chosen market simultaneously.

Ries (2011) has stated five principles of Lean Startup.

Entrepreneurs are everywhere - Startup can happen anywhere at any time which means that this approach is suitable for everyone who want to be an entrepreneur regardless of industries, place of working, scope of the company. According to this approach, anyone with the innovative product and dealing with risks and overcome them are called an entrepreneurs.

Entrepreneurship is management - an entrepreneur needs to possess a particular set of management skills in order to avoid mistakes when he/she knows how to assess value and determine the next steps (Ruffolo 2015).

Validated Learning - a startup institution does not exist to only create a product or to serve customers' needs. Its existence should serve a sustainable purpose that a business validate scientifically by running experiments and testing its owner vision. As a results, startup owners will be able to identify problem and address the risks in order to make proper adjustment on the product development.

Build-Measure-Learn - the feedback loop. Startup companies will initially put in the circulation of transforming ideas into products or services, receiving customer responses and acting accordingly whether to keep on the current operation (called persevere) or to adjust into different direction/ approach (called pivot). This principle is meant for minimizing the cost and time spent on the complicated business plan and to speed up the feedback.

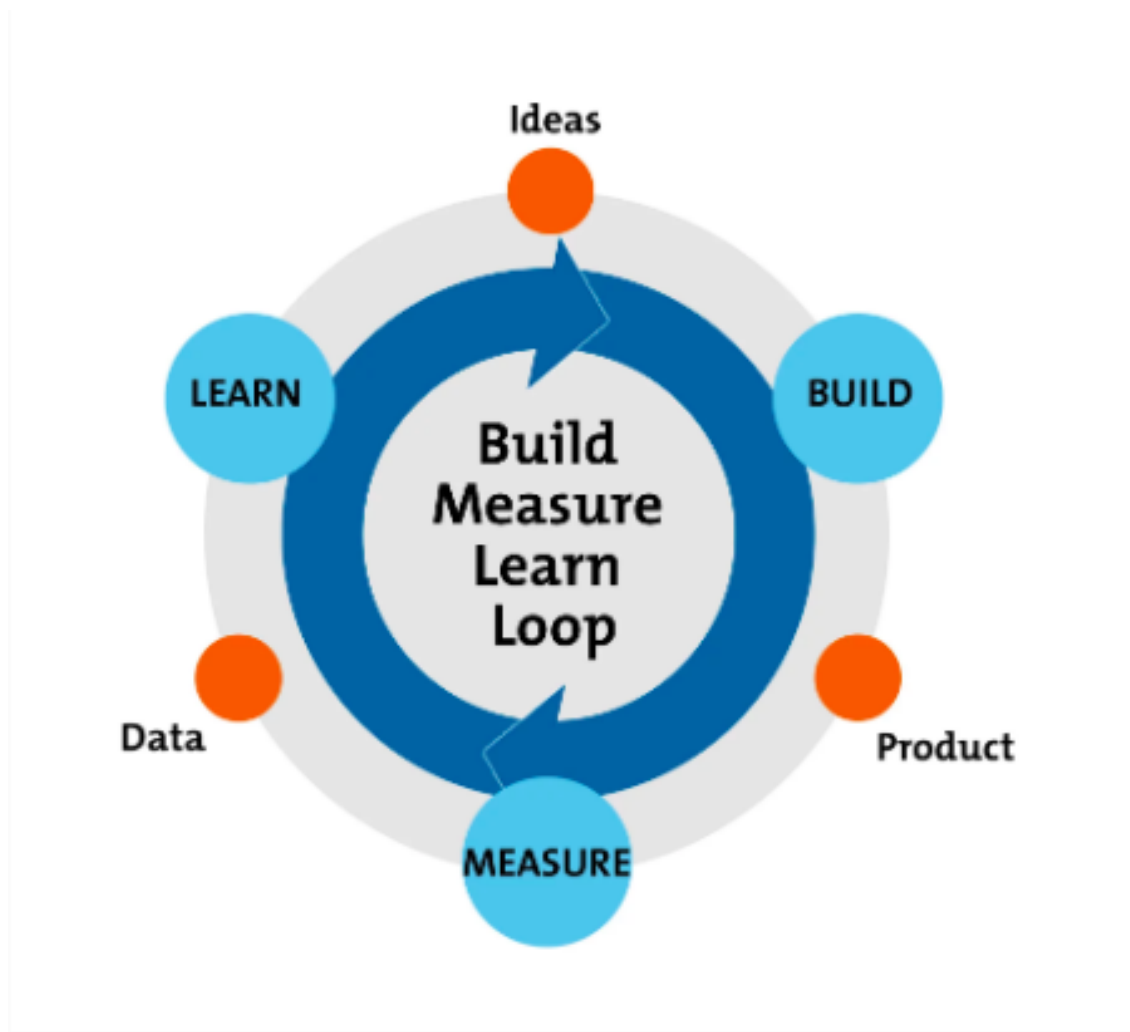


Figure 2. Build-Measure-Learn loop

Innovation Accounting - Accounting plays an equally important role as other principles mention above. It helps founders keeps track on the business performance, follows and compares objectives the company has met and thereby prioritize results improvement. When discussing the innovation accounting, Ries has divided it into three main stages: the first stage determines when a minimum viable product should be established to keep track of the company's performance in practice. The second stage decides next milestones set for the company to keep up. The last step is to make changes on something (pivot) or to keep its own performance (persevere) (Ries 2011, p. 118).

3.2.2 Business Model Canvas versus Lean Canvas

Business Model Canvas was designed by Alexander Osterwalder and Pigneur, it describes the reasons why an institution creates, delivers and gains its value. It is a strategic framework that consists of nine fundamental building blocks. They are Customer Segments, Value Propositions,

Channels, Customer relationship, Revenue Streams, Key Resources, Key Activities, Key Partnerships, Cost Structure (Osterwalder & Pigneur 2010, p. 14 - 17).

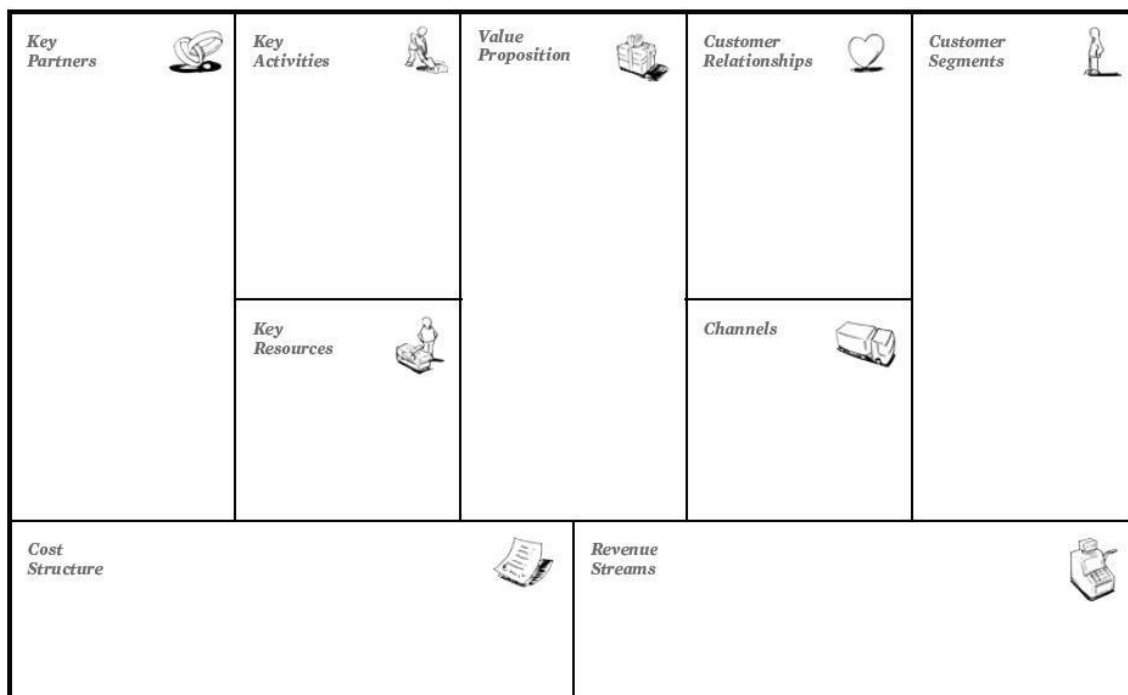


Figure 3. Business Model Canvas. Source: Adlibweb

As mentioned in the Lean Canvas definition above, Maurya had adopted the Business Model Canvas and edited to another version that is believe to be simple but more powerful for startup in order to address the uncertainty accurately. The Lean canvas comprising nine building blocks that are Problem, Solution, Unique Value Proposition, Unfair Advantage, Customer Segments, Key Metrics, Channels, Cost Structure and Revenue Stream.

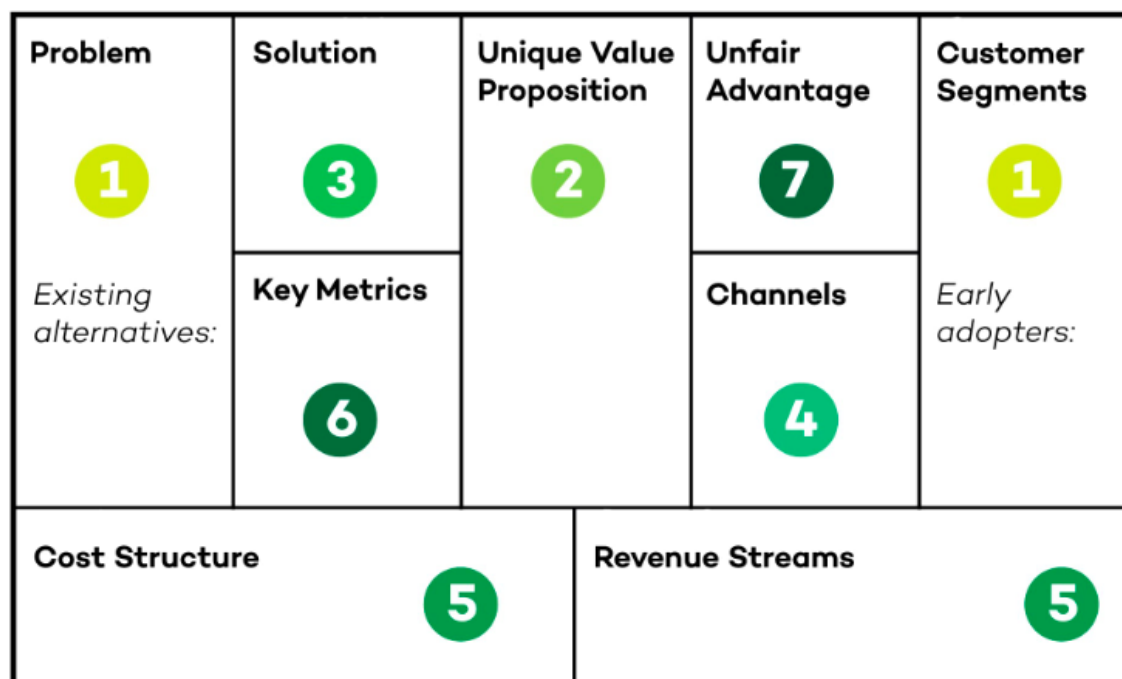


Figure 4. Lean Canvas. Source: Tapptitude

Problem - Customer segment - the top 3 existing problems should be addressed here based on the author's early adopters problems. Apart from bringing up a completely new alternative, most of the problems have their own solutions correspondingly. Bearing these problems in mind, the entrepreneur(s) will be able to get a more clearly understanding on the target customer segment and that narrow down customer focus.

Unique Value Proposition (UVP) - it is located in the very center of the Lean Canvas representing the most important role UVP plays and how difficult it is to fill it correctly. Unique Value Proposition shows how different you are to stand out from others. Filling UVP is considered difficult because you need to write the most important part that your products are offering in a short form, which reducing the unnecessary words but keeping the worthy ones. In addition, what makes UVP even more important is that it is where you have the very first interaction with the products and it is to decide whether it captures first time visitor and keep their eyes on your site or not. However, authors and entrepreneurs do not have to be panic because there is room for mistake. A good start for everything in the canvas is to jot down everything best that comes into mind and develop step by step then adjust it gradually.

Solutions - the third part to start with is to deal with the solutions come out for each problem. As most of the ideas in the Canvas are all uncertain ones, solutions are not recommended to be finished at this stage but to stay until everything become clearer in the next sketch out.

Channels - it is said that building a significant path to reach the target customers from the very beginning is as important as defining what products a startup offers. There are a great amount of channels options available nowadays, meanwhile, choosing an applicable and viable one among these is as such important.

Revenue Streams and Cost Structure - defining the price for the coming product or service is usually postponed because most of the entrepreneurs tend to get the product ready before defining the price. However, should they consider the value their product offer to the market that solve customers' most concerned problems, it is enough to justify charging for the product. It is believed that delaying pricing is to speed up the initial learning because pricing can sometimes lead to the inevitable friction that startups should not come across in the building stages. If this strategy is strictly followed when one organization is already funded, it might just work properly. Nevertheless, it will, simultaneously, postpone the test of identifying the risk and critical factor in a business model. What is more, sometimes a few proper target customers would be enough to help for the test. Hence, being honestly and frankly decide the price of the product and accordingly deliver product's value to which customers expect, engage to target customers, generate cash flow would be a good bounce for starting to tackle one of the most difficult tasks in the business model.

Yet, it is easier said than done. Determining how much should properly be charged for a product is not always an easy task to do. As the important role pricing plays in the business, it will keep the business going on the right track and reflect one business's branding and positioning in the market.

The revenue streams section can be used to map out the income generated from each of the company's customer segments (Mcgill 2018). It is calculated by subtracting costs from the revenues made from Customer Segments and is focused only on cash generated not including profit made.

Meanwhile, Cost Structure refers to all the costs expenses for running a business model. The right way to define this part is to minimize all the unnecessary costs and deliver product value at the same time.

Key Metrics - all analytics data. It indicates how well an organization is performing by showing specific statistic and actual number on a startup overall performance. Organizations and companies of all size, not to mention new comer, need to track key metrics so as to draw a clearer picture of how the company is doing. Companies can act accordingly to the matter that may affect them in order to reach their strategic objectives. Key metrics can be shown as .

Unfair Advantage - every organization entering the market considering its asset as the competitive advantages but forget that it needs to take on the risk of the unfair advantage as well,

which can be the copying or stealing idea, customer or anything that belong to the company. Being an entrepreneur, every individual has to be able to build up a successful business that is not easily to be taken or copied.

Prioritize Where to Start - Once the Lean Canvas was sketched out, have a final look at the draft and select the best business model to start with is what an entrepreneur should do next. Putting the plan side by side so that it can be accompanied with you in every step. The next objective is to find a market which has adequate customers who will need the product and accept the price, only then the startup company is ready to be built around.

3.2.3 Why has the author chosen the Lean Canvas?

The Lean Start-up Canvas has been chosen to assist the author with her business planning process for several reasons. Firstly, it helps manage a new business in a more logical approach as well as to deliver the products offered to customers more quickly. This method is particularly helpful in accelerating the speed of growing the business and also developing the products in a more principle way.

It has been discussed in the Lean Start-up Methodology that many enterprises initially inventing a product that they believe has room for consuming in the market without the target customers acknowledgement. As a result of not having researched on the customer's interest for the item(s) that turned out not to be as expected, start-up companies failed to pick up their business. Therefore, in order to eliminate the uncertainty, the Lean start-up approach should be applied because it focuses on the methodology around the development of a product.

What is more, the Lean Canvas Model has marked the quote "work smarter not harder" (The Lean Start-up Methodology no date) for its problem solving and in-detail specification on the needs that should be focused on. Thereby create the first products for the business which allows the founder to enlist early adopters, add personnel, start to build a product.

Lean Start-up Canvas is validated learning method that illustrate the progress. Especially when it comes to the point that entrepreneurs focus on creating the ideas which customers will buy, they can then adapt their plan accordingly.

4 Methodology for Market research

In order to help the author get a more apparent picture on what should be done in the coffee shop she is planning to open, the author decides to implement a deep research into the coffee

market through both primary and secondary research for detail information on how much people in Helsinki areas love coffee as well as a closer look in different aspects of the coffee market.

4.1 Observation

The primary data collecting process through which observation is applied is the participant observation. The observation is carried as a qualitative methods, which emphasizes the meaning and insight based on individuals' behavior in certain aspects. The second type of observation method is known as structured observation, it is implemented as quantitative and concerns the frequency of actions in a certain period of time (Saunders, Lewis, Thornhill 2016). The three writers also claimed that observation is used with the purpose of getting clearer knowledge on the group of participants.

The author conducted the primary research on her own including interview on a customer group to find out their buying habits on coffee beverages and observations. The primary research is applied to look for the answer for the author's business plan only. Primary research has given the author many specific results on the target market, customer habits making them relevant to the business plan. During the research, identities of participants are not to be revealed, neither they are participating in the group activities. This is because participants would act more naturally when they are not aware of being observed. Additionally, the observation concerns the customers purchasing habits in chosen coffee shops, thus, observation is known as the most appropriate collecting data method for this situation. Another reason for not revealing participants' identity is that the observation is done to understand the subconscious phenomena, which can be altered or get reaction from participants. However, conductors are suggested to be careful when observe because their bias and expectations would affect the outcomes.

4.2 Interview

Semi-structure interview was selected to this study. Semi-structure interview helps with explanatory, exploratory research. With semi-structure interview, research can build on question, understand interviewees by many follow up and deeper questions. The interviewer has a pre-made set of themes and topics, even though the questions can be dissimilar. Semi-structure interview is flexible, and it deeply addresses issues (Brennen 2013, 38).

4.3 Data analysis (secondary research)

Thematic analysis is chosen as the main data analysis method of this research. Thematic analysis is applied for qualitative research, concentrating on investigating data according to

themes. Thematic analysis identifies the direct and indirect ideas of words and texts within the data (Guest, 2012). “Thematic analysis is used in a realist study that seeks to understand factors underpinning human attitudes actions” (Saunders, Lewis, Thornhill 2016). This research will be analyzed with the deductive approach, which is connected to an existing theory. 23 The analyzing process will start with recording and generating gathered data. After that, a list of codes will be made, and the gathered data will be sorted accordingly. The codes will be selected according to the main theory as the whole data set is to understand and examine the existing theory. The next step is to put codes and data into themes, in order to understand the relationships of theory and reality, theory and data, data and the whole concept. These themes will be refined and evaluated.

In order to support the author in her business plan to know the market better, desk research was also used to help the author use previously completed studies as references and apply results to her own business plan.

4.4 Survey

In order to understand better customers’ favorite coffee drink and their demographic information, the author had sent out a quick survey consists of seven questions were distributed in Espresso House coffee shop with the participation of 15 people. The purpose of this survey is to help the author has the initial idea on the customers’ characteristics such as people at what age usually put more interest in drinking coffee, the most chosen coffee and what attracts customers to buy coffee, etc. Therefore, distributing survey is the best way to gather such information as well as the most suitable method for sorting out the customers for the new coffee shop in the future. The survey consists of seven questions:

1. What are your gender?

Male

Female

2. How old are you?

20-30

31-40

Above 40

3. What is your favourite coffee drink?

Caffe Mocha

Cappuccino

Latte

Espresso

4. Is the price right?

Yes, it is reasonable

No, too expensive for me

5. Do you find “member benefit”, “free drink offer” attracting?

- Yes, I care about offers and benefits No, I am not interested

6. Do you think good location is important for a coffee shop?

- Yes, I prefer a centrally located coffee shop No, location is not important

7. Are you attracted by a nice packaging coffee cup?

- Yes, packaging is important No, a good drink is more important

5 Market analysis results

5.1 Reliability and validity

This section is written with the aim of clarifying the method the author used to enhance reliability and validity of research. According to Silverman (2000, P.176), validity represents the truth, which also means that the research findings was authentically derived from critical examination. The strategy is divided into three categories: the truth value, the auditability and the applicability of findings. Additionally, to maintain the transparency of research, the author has described clearly in detail how the process was carried out and documented carefully. This document indicates the starting point, selection method, data analysis and reporting the consequences.

5.2 Observation

The author conducted observation method in two big coffee shops in the Helsinki central areas and one convenient store that sells coffee to go in Helsinki, Espoo regions to find the specific data to answer those questions. The observation in each location took approximately 15 minutes to one hour. The experiments were conducted for two months including the average twice a week of observing in each representative store.

The observation gave the author a brief conclusion on some sorts of information such as customer’s demography, frequency of visit and their purchasing behaviors.

The exact location and detail when the experiment was carried out consists of:

- Starbuck Coffee (Kamppi Shopping Center): Week 1/2019, two times; week 2/2019, two times; week 3/2019, one time; week 4/2019, two times; week 5/2019, one time; week 6/2019, one time; week 7/2019, two times; week 8/2019, two times.

- Starbuck Coffee (Stockmann Department Store, Aleksanterinkatu): Week 1/2019, one time; week 2/2019, one time; week 3/2019, two times; week 4/2019, two times; week 5/2019, two times; week 6/2019, one time; week 7/2019, one time; week 8/2019, one time.

- R-kioski (Espoontori, Espoon keskus): Week 1/2019, three times; week 2/2019, three times; week 3/2019, one time; week 4/2019, two times; week 5/2019, three times; week 6/2019, two times; week 7/2019, two times; week 8/2019, three times.

- R-kioski (Helsinki Central Railway Station, 24h open): Week 1/2019, two times; week 2/2019, one time; week 3/2019, two times; week 4/2019, two times; week 5/2019, one time; week 6/2019, three times; week 7/2019, two times; week 8/2019, one time.

- Espresso House (Helsinki City Center): Week 1/2019, two times; week 2/2019, one time; week 3/2019, one time; week 4/2019, two times; week 5/2019, one time; week 6/2019, one time; week 7/2019, one time; week 8/2019, two times.

- Espresso House (Forum Shopping Center, Helsinki): Week 1/2019, two times; week 2/2019, two times; week 3/2019, two times; week 4/2019, two times; week 5/2019, two times; week 6/2019, one time; week 7/2019, two times; week 8/2019, two times.

During the time experiments were taking place, the author used both qualitative and quantitative observations depending on the type of coffee shop. Specifically, qualitative observation was used in Starbucks and Espresso House coffee shops to help the author describe, then interpret the observation and finally evaluate the results. Meanwhile, observation in R-kioski convenient stores was carried out in quantitative method as it is a different style of selling coffee: coffee-to-go. Thus the author used this method to mark down every time the phenomena happens and then calculate the frequency of customer buying coffee drink to go and draw the consequences.

The observation had led the author to the following answers mentioned in the research questions:

1. How often do they have/go to buy a coffee drink?

When it comes to the author's attention, people do express their love to a coffee drink that light up the day thus they consume approximately three to four cups of coffee per day.

2. How busy is a coffee shop during the day/ at peak time?

The author noticed that never had a time a coffee shop had no visitor. It was reported to have a great numbers of customers, especially long queue of coffee lovers in the early morning, noon and after work time.

3. What are people's trend of buying coffee?

As the observation method was carried out in the winter time, which was January and February, people prefer a warm or hot cup of coffee and cacao for a warm up and cozy their body. Ten out of ten people who were in one time notice ordered a warm coffee drink which usually were cappuccino, mocha, cacao or hot melted chocolate. An iced latte came at the second place as the option for most of the young adults.

5.3 Interview analysis and comparison

In order to know better the competitors and challenges when enter the coffee market, the author had come to look for three coffee shop owners who just opened their shop in recent years for an interview. These startups are the owners of three coffee shops' owners wanted to keep their name and the shops confidentially.

Although they did not want to expose so much detail information on sales and business operation, they were sharing a lot about difficulties and problems they encountered when first open the shop. The interviews were implemented at the owner's coffee shop and took around half an hour for each interviewee.

The interview with three participants who are startup coffee shop owners has given the author a clearer picture of challenges when opening a coffee bar and how to make the business runs smoothly. After analyzing and comparing information, the author put all the data briefly in a Lean Canvas Model for the three interviewees so that it will be easier for the author to focus on the necessary part for her own business plan.

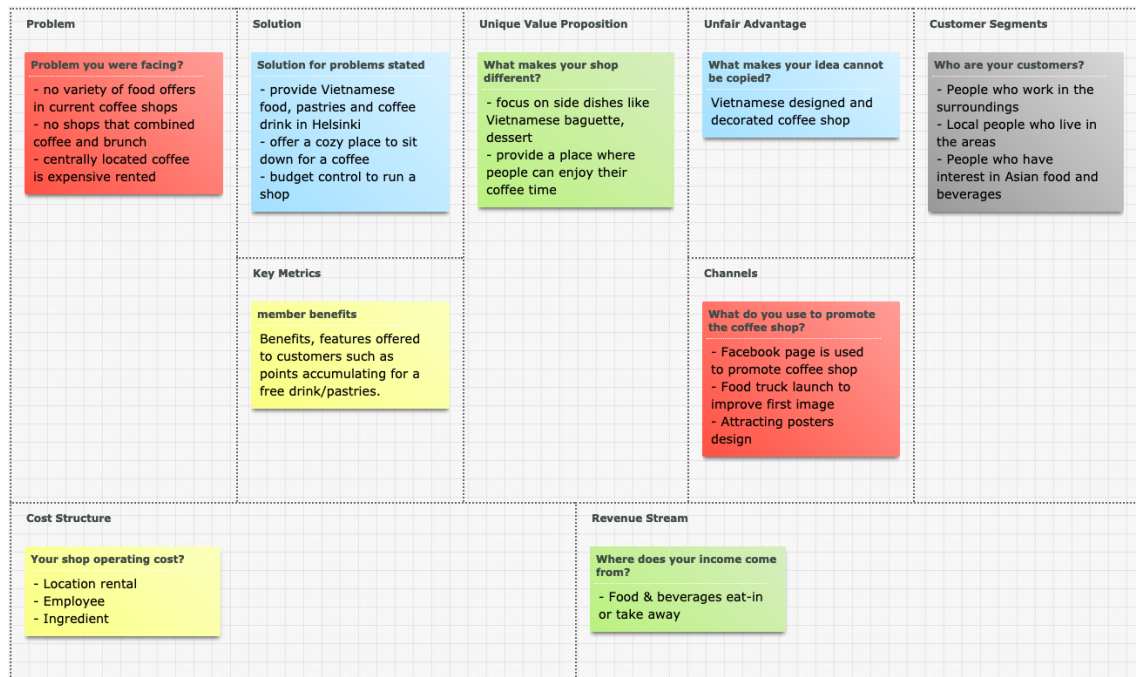


Figure 5. Initial Lean Canvas based on Interviewees' answer

Customer Segment - all the interviewees have their coffee bar located far from the Helsinki central area with limited space. Hence, they all aimed at local residence in the nearby areas and people who work in the region. Besides, they also focused on making Asian food, Vietnamese in particular food to capture more customers who care about Asian culture.

Problem - the top challenges they encountered when opening the shops were more or less similar to one another. Interviewee 1 said: “*Last year after my graduation, I did research in the area and found out that coffee lovers tend to go to a big brand coffee shop just because it is popular, thus I want to differentiate my shop by concentrating on the coffee quality*”. Interviewee 2 added: “*There were not so many Asian coffee shop that offers Asian food along with the coffee, that was why I wanted to run my own store*”. The remaining interviewee had no different answers, yet, due to the low budget, she would like to focus more on the quality, not to expense so much on renting a nice location.

Unique Value Proposition (UVP) - when being asked about what differentiate themselves from the rest, the three participants said they were aware that there are a few more stores that possess the same concept as theirs. Still, the competition is low so they have time to improve as well as make their shop outstanding from one another by providing high quality coffee with tasty side dishes, brunch.

Solution - In spite of having the same answer, which was opening a coffee shop that provide Vietnamese baguette, pastry and dessert, the three owners have different focus on the way of making food. One of them claimed that he wanted to provide customers with a cozy place to

sit down and enjoy coffee. The other two both agreed on improving food and beverage quality to engage more customers. The third interviewee, added: *“Saving cost and budget control is equally important while maintaining my coffee house quality”*

Channels - *“How to reach more customers and make them your loyal ones is one of the most concerned question when starting up one coffee shop”*, said Interviewee 2. Bearing this in mind, they still are not able to do anything else than make good use of traditional and popular channels such as social media page, posters. One participant who has using his saving in years for establishing this business said that he did invest on running a food truck at Stockmann Helsinki area that sold coffee and Vietnamese food combos which was cheaply charge in order to test customers’ reaction on the food and to promote the coffee shop simultaneously. This food truck campaign was run for one and a half month before the opening of the official store and had helped him capture a few dozen customers who share the same interest on Asian food to come. *“You never know your prediction is right or not until you dare to try. I played it big and got paid off”*, he believed.

Cost structure – In order to maintain the business, an owner needs to bear a lot of costs. During the beginning of startup, the cost structure is kept simple and minimized as much as possible. These costs usually consist of employees’ salary, monthly location rental, ingredient whose range between 2500 Euros to 4000 Euros and may vary in different cases.

Revenue Stream – Income of the coffee shop is mostly come from coffee and food sales. Apart from that, owners said that sometimes they received large order, for instance, small catering service for office or company, they would charge the price for organizing event depending on the scale.

Key Metrics - So far, the three coffee stores have been in the beginning stage of bringing revenue, said the three interviewees. Therefore, they try to make sure it does not cost too much while catching in new customers. In order to track the consumer engagement and usage of coffee and food products, one of the owner gave away customer loyalty card which can trace back how often a customer comes back, however, he did not share further information. The other two, said they were still struggling managing the coffee shop and try to increase customers’ frequency of visit. Nevertheless, the quiet and hidden location is preventing them from measuring. Despite the obstacle, they said that they are working on the promotion campaign that probably be launched in Spring or Summer to engage more customers.

Unfair Advantage - mentioning the value of coffee shop they are running that is not easily copied, interviewee 1 shared her opinion: *“At this point, I am pretty confident that my coffee shop owns a unique decoration which represents Saigon City that no other coffee shop possesses”*. Interviewee 2 said that: *“I have my own way of differentiating my store by running*

unique marketing project like the food truck last time, and I will work more on promoting idea”. Meanwhile, interviewee 3 expressed: “It is important to be aware that my idea could be stolen, I can do nothing if somebody insists on copying my shop idea, however, my coffee shop is here and will be developing every day in terms of food and drink. We will change the menu variety and create new taste on the products.”

5.4 Secondary research on the coffee market

5.4.1 Finnish import coffee market

As the highest coffee consumption per capita rates in the world, Finland imports coffee from developing countries, with Brazil as the main supplier (cited in CBI report, 2018). The coffee imported from Brazil is divided to parts, in which some of them are exported to Russia in roasted form. A large group of Finnish consumers has shown their interest on high quality coffee, which leads to the emerge of new coffee roaster shop in Finnish market and simultaneously, expand the group of suppliers and origin of coffee import market.

Despite being claimed as the world’s top coffee consumption country, with small population of 5.5 million, Finnish coffee imports are relatively low (cited in CBI report 2018). The coffee import market solely accounts for 2.1 percent of total European market for importing green coffee in 2016 with 71 thousand tons this year.

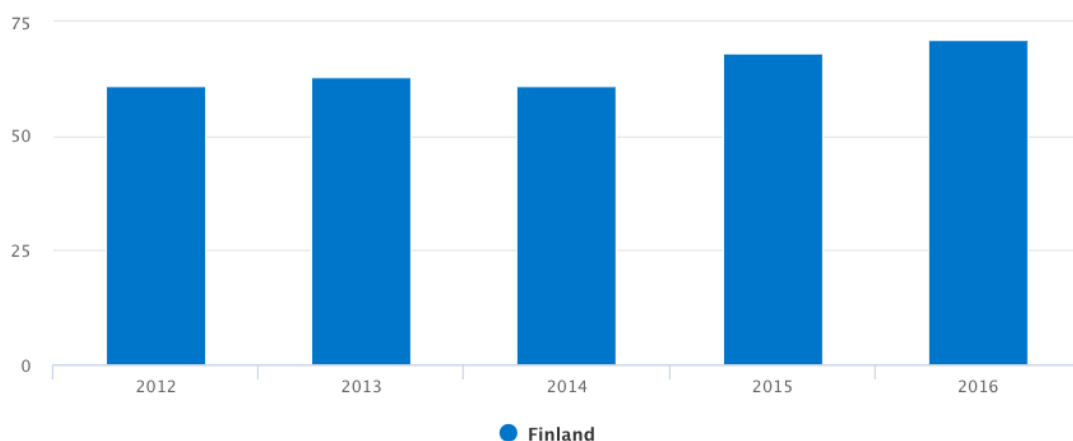


Figure 6. Finnish green coffee imports from 2012 to 2016 (unit thousand tons). Source: Eurostat, 2017.

During these four years, the Finnish imports had been reported to be quite stable, gradually increased by 3.8 percent every year with some insignificant fluctuations. These results had proven the possibility to focus on the high quality coffee specialization.

5.4.2 Coffee as a growing market

Coffee has become a big concern for a lot of people. For example, in April 2016, the first coffee event was held in large scale to show the speciality culture named as the Helsinki Coffee Festival and has been organized in Spring every year ever since. The festival was about discussions surrounding coffee and health, coffee quality, 'Cold Brew' and the main stream - coffee culture in Finland.

Due to the fact that more and more consumers care about coffee quality and variety when they taste the beverages, one of the Finnish largest coffee companies - Paulig has shifted their focuses to produce high quality coffee by running a separate company called Robert Paulig.

5.4.3 Sustainability in Finnish coffee market

Finnish thriving coffee market is given one of the most important certifications for its sustainability by UTZ. UTZ stands for sustainable farming and better opportunities for farmers, their families and our planet. The UTZ program enables farmers to learn better farming methods, improve working conditions and take better care of their children and the environment. When you buy UTZ certified coffee, cocoa or tea you are helping build a better future (cited in UTZ.org). Bedhall (2018) stated that in terms of sourcing coffee in a sustainable way, Finnish market Fairtrade makes sure to pay a reasonable price to the farmers who grow coffee if they follow the scheme strictly. The Paulig Group cooperates with Volcafe Way, a company known for connecting the coffee grower to the supply chain, at the same time supporting farmers to learn more about coffee production and business skills. Furthermore, it also commits to the society by helping a lot with community campaigns.

Along with that, other big Coffee Groups like Starbucks and Nespresso have also provided the Finnish market with sustainable coffee products. Specifically, Starbucks 'Coffee and Farmer Equity Practices' (C.A.F.E Practices) - the private standard owned by the company for rating coffee quality and sustainability, entered the Finnish market with its first shop in 2012. Nespresso, who had introduced itself through the online webpage from 2012, had also opened its first store in 2014. The supplier also possesses the guidelines 'Nespresso AAA Sustainability' approach for assessing coffee quality.

5.4.4 Finland as the top coffee consumer

The Independent (no date) has reported that at least twelve kilograms were consumed per capita per year, which represents around ten cups of coffee per day for each person. Based on that, Finns were voted as the world's top coffee consumption country in 2017 (The International Coffee Organization 2017).

More practical researches have shown the potential of opening a coffee shop in Finland, particularly Helsinki (Pace, 2018). These researches were implemented by a group of entrepreneurs coming to Helsinki so as to improve the coffee quality of Helsinki regions. One of the newcomers stated his opinion that Finns love to drink coffee to warm up the day and consider it as beer's substitute beverage. Another member of the group realized that Finnish people familiarize themselves to different tastes of food and beverages of all types. Thus, the coffee market is changing and adapting too. Kuuma, Maja Coffee Roastery and Ihana Kahvila are some examples that are now selling ground coffee to prove that coffee has room to grow in the market.

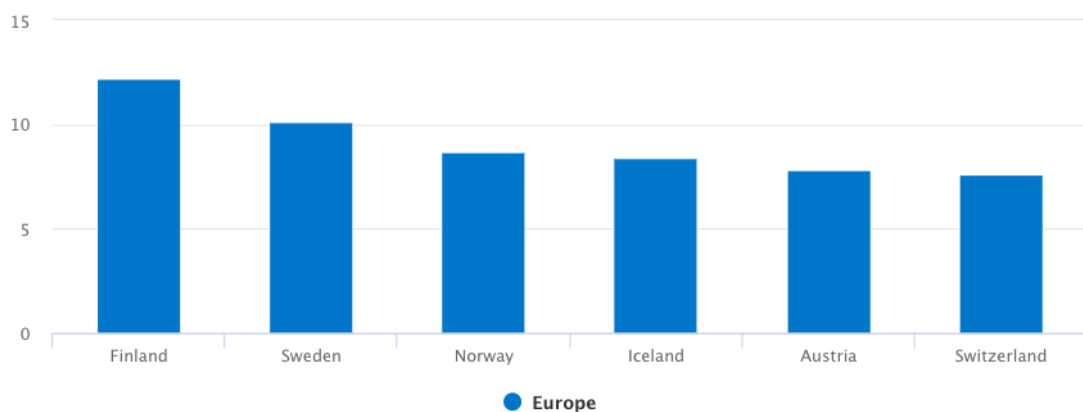


Figure 7. European countries' coffee consumption in 2016. Source: International Coffee Organization.

5.5 Survey results show customers' buying patterns

5.5.1 Target market:

Customers' age range from 20 to 50 are reported to buy coffee more frequently. Based on the observation, they are mostly student, officers, business people, tourists (mostly pay visit at coffee shops), sales people, etc. Their genders were noticed to be equally shared, half of the customers are male and the other half are female purchasers.

They were seen to be apparently coming to the convenient store for a coffee take away on the basis of everyday visit. These visitors are mostly in a hurry and prefer grabbing an inexpensive coffee to go. They are mostly construction workers, who hardly have enough time for a coffee break but whom need caffeine more than anyone else in the morning.

From what the author noticed in the coffee shop chains, coffee lovers seem to be more relaxed and have time to enjoy the drink while talking and sharing the day with their acquaintances. These visitors here appeared in a more variety of ages, from student, young adults, tourists to

family gather or a friend meeting. It seems that possibly people of all ages, no matter what their careers are, sit down for a cup of coffee to boost up the day.

5.5.2 Customer buying patterns:

It is crucial for a business to have a deep look at its customer purchasing habits in order for businesses to adapt to their new behaviors to successfully sell its products (Fritz 2018). Before the author's eyes, customers' purchasing behavior have appeared to be in greater details in certain aspects. The 15 participants had shown their favorite coffee drink and their purchasing patterns through the following questions:

GENDER

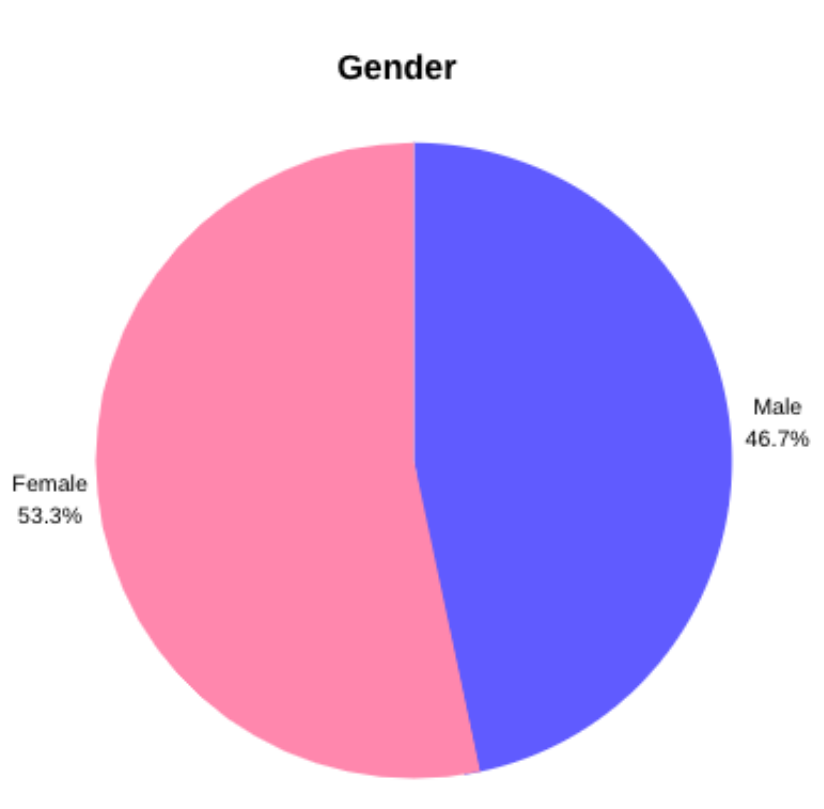


Figure 8. Participants' gender

Seven out of fifteen participants are male, eight of them are female.

AGE

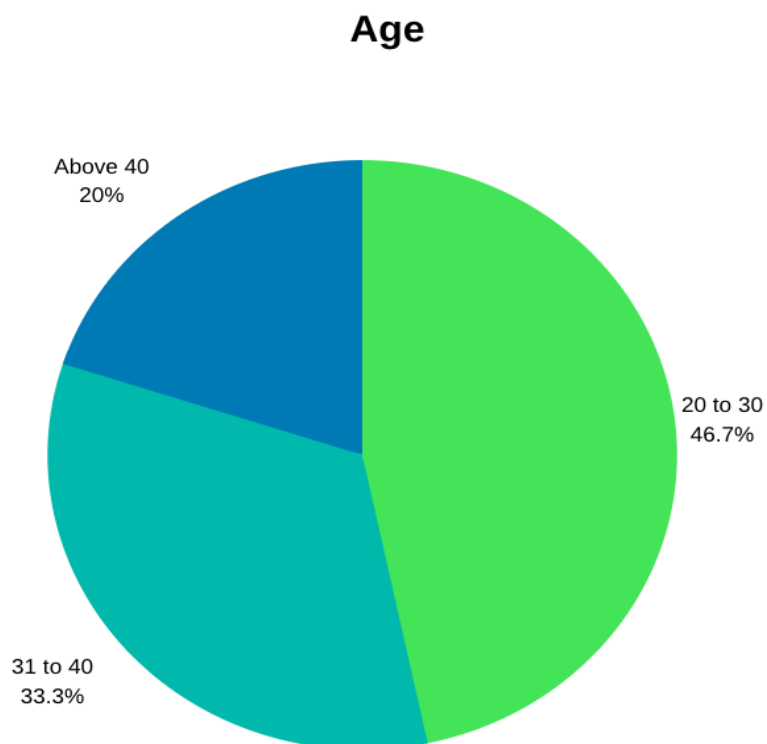


Figure 9. Participants' age

Seven participants are ranged from the age between 20 and 30, five of them are between 31 to 40 years of and the remaining three participants are above 40 years old.

WHAT IS YOUR FAVORITE COFFEE DRINK?

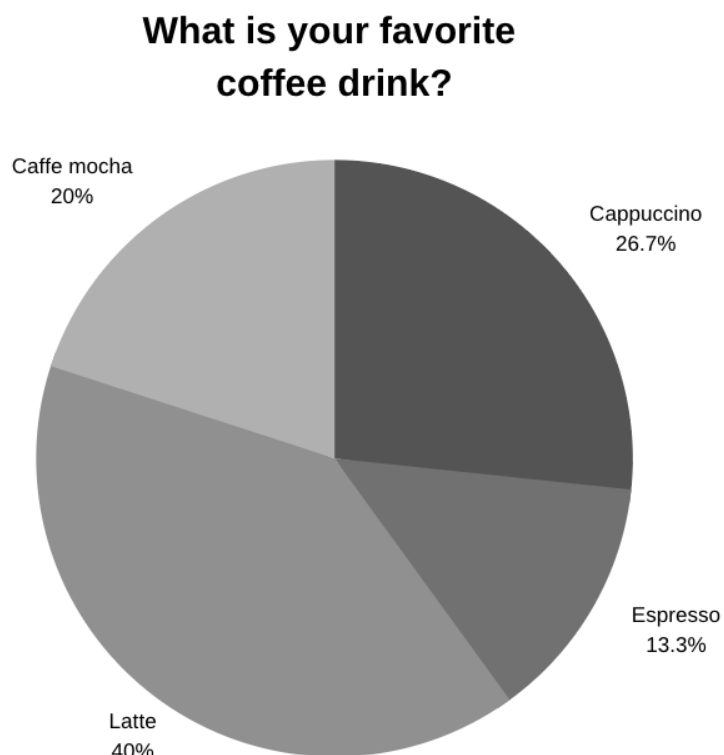


Figure 10. Participants' favourite drinks

Their favorite coffee drinks are all around the popular types which are, specifically, four of them chose Cappuccino as their favorite, two people pick Espresso, six individuals voted Latte and the rest three participants said mocha is their choice.

IS THE PRICE AFFORDABLE?



Figure 11. Participants' opinion on the price

Most of the participants when asked about the price of the coffee drinks agreed that it is already reasonably charged. The other six expressed their disagreement as the coffee drink should be cheaper.

ARE YOU ATTRACTED BY BENEFITS, FEATURES, OFFERS?

Do you find "member benefits", "offers for drink" attracting?

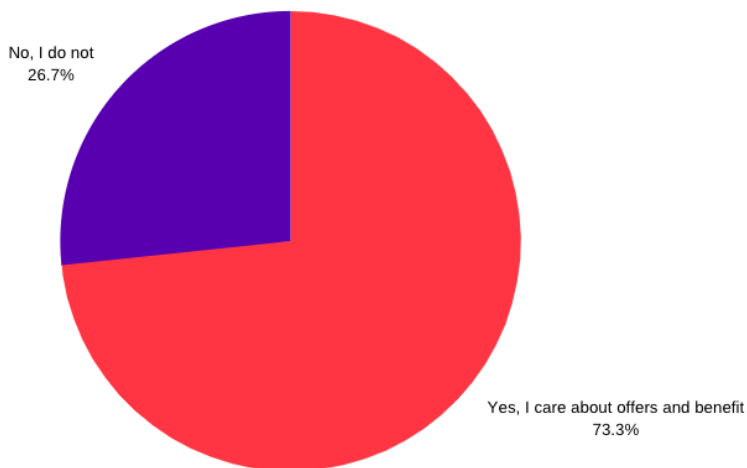


Figure 12. Participants' interest on offers and promotions

Eleven participants show their great interest on offers and promotions in coffee shops in which they usually pay visit in order to follow the discounts, keep track of the new feature to conveniently buy coffee such as quick payment by application or update new drink coming to offer. The remaining four people said they care only for their favorite drink and do not have enough time to follow other complicated things.

DO YOU THINK LOCATION IS IMPORTANT?



Figure 13. Participants' thoughts on coffee shop location

When being asked about whether or not they would visit a well situated coffee shop, eight out of fifteen customers said they would go to a coffee shop whose centrally located. Seven customers said they do not mind location as long as the coffee quality is good. These seven participants also showed that they seek for high quality coffee drink only.

IS PACKAGING IMPORTANT?

Are you attracted by a nicely packed coffee cup?



Figure 14. "Is packaging important?"

When it comes to coffee packaging, the majority said that they do not pay that much notice to the package. Meanwhile, six customers said that they are willing to pay a bit more for a nicely packing coffee.

In a nutshell, the main reason for customers to return to a coffee shop is great coffee taste, quick service and pleasant atmosphere. The author believes that selling coffee with good service and quality in a nice setting location will help to build a strong fundamental of customer loyalty.

6 Business Plan

Business plan for a coffee shop is made of six components consists of vision, mission, values, final lean canvas, marketing plan, recommendation for further research.

6.1 Vision

The author has defined three main points for vision of the coffee shop for the first five years:

- To be established and known as "the most potential coffee shop among the new established ones"
- To be a leader in service and quality

- To be the most well-known coffee shop in the area.

6.2 Mission

There are four missions set when the coffee shop open:

- To set and maintain the highest standard of quality and ethics in everything offer to customers
- To provide the perfect taste for coffee drinking products and reliable services to customers
- To earn the trust of customers, employees, partners
- To inspire and connect coffee lovers

6.3 Values

Every business exists to bring certain values to its people, society as well as to gain the trust from the community. So does this coffee shop. It is opened to be an honest, reliable coffee shop where people can be open-minded, listened, cared about. The shop will make its best effort to create a unique place where customers can socialise with one another in a comfortable and relaxing environment while enjoying the best brewed coffee or espresso and pastries in town. The coffee shop is here to help her customers to relieve their daily stresses by supplying them with a piece of mind through friendly service and consistent high-quality products.

6.4 Final lean canvas

Learning from the market research as well as interviews with coffee shop start-ups, the author was able to finalize her own lean canvas for the coffee shop to be established explaining detail in terms of problem, target customers, value proposition and relating aspects.

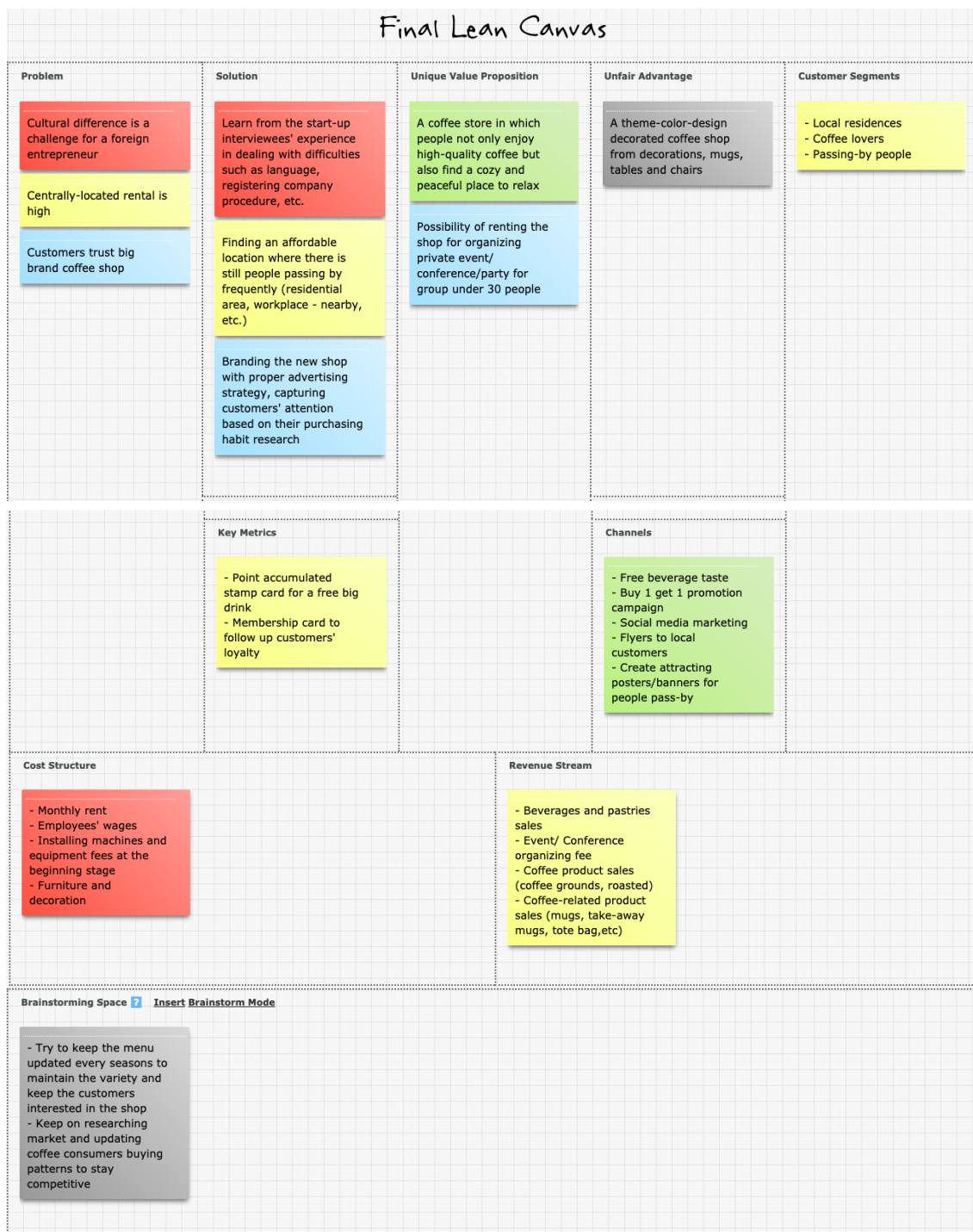


Figure 15. Final lean canvas

Customer segment

Just like the startups who were interviewed, the author has budget-limited, thus, the new coffee shop is expected to be opened in a residential area. For this reason, target customers of the shop are determined to be local residences, coffee lovers in the area and passer-by.

Problem

Establishing a new company is always challenging, especially for foreigners who live in Finland. There are many difficulties they are facing when starting up a business such as language barrier, paperwork relating company registering procedure, renting location, dealing business with suppliers and so on. Another problem stands in the way of founding a coffee shop that every entrepreneurs need to tackle is that customers tend to trust and buy from the big brand coffee shop.

Solution

Being aware of the cultural difficulties a foreigner would face, the author decided use the interviewees experience as reference to learn how to deal with each challenge. Furthermore, finding an ideal place within budget allowance would also be prioritized during the preparation steps for opening the shop. This location does not necessarily centralized, but can be at where people pass by more often, for instance, a crowded street, a crowded residence area, a hotel-nearby are. Choosing the right location for the coffee shop should be prioritized in terms of accessibility, visibility and customer behavior. Apart from that, the author will need to work on a proper marketing and branding strategy to attract customers and get their attention on the new coffee shop.

Unique Value Proposition

As mentioned in the values offered above, this to-be-opened coffee shop presence so as to bring the relaxing and socializable atmosphere to its customers while enjoying a cup of coffee. Another idea came up during the brainstorming process is that taking the advantage of the nice theme-color decorated, the coffee shop could be rented for organizing private event or conference for groups of under 30 people and provide small catering service for those events.

Unfair Advantage

Being a new startup among hundreds of coffee shops including popular brand as well as new graduate with the same idea of starting up an Asian style or Vietnamese coffee shop, what would make this coffee bar different and make it not easily copied is one of the most challenging question raised for the author. Hence, after the research, brainstorming and learning from seniors, the author has drawn the picture of the theme coffee shop. This theme could regard the matching furniture and color chosen for the store or how it could be arranged to make the coffee shop looks cozy when looking from the outside and bright when looking from the inside. To be more specific, the author intends to use her favorite color - green mint for the theme color because this color is inspiring and bright, it looks attractive and brings happiness for people when they see. Some examples for the theme color are shown below.



Picture 1. Example of theme-colour furniture design

The coffee bar's open and clean interior design with modern wooden decor will convey the quality of the served beverages and snacks, and will be in-line with the establishment's positioning as an eclectic place where people can relax and enjoy their cup of coffee.

The clear window displays, through which passerby will be able to see customers enjoying their beverages, and outside electric signs will be aimed to grab the attention of the customer traffic.

Key metrics

The customers' interest and frequency of visit are measured by the stamp card which accumulates points after every purchase made and followed by a small rewards such as free drink or 50 percent discount on the coffee products. In order to track whether or not the business is retaining customers as well as revenue generated, a membership card would be issued to every customer. Thanks to the loyalty card, the owner will be able to improve services and learn about consumers' happiness with the service.

Channels

Apart from the most common way to reach customers like others businesses do - social media marketing, the new coffee shop will also apply multiple ways to get in touch with its customers. Specifically, some of them are free beverage taste, buy 1 get 1 promotion on special occasions; in the opening stage, flyers would be distributed in hands of passers, pedestrians; an eye-catching design of poster is considered to be put in front of the shop to attract more people.

Cost Structure

The expenses of the coming coffee shop are broken down into two section: Fixed cost and Variable costs. According to Coffeeshopstartups.com (no date), fixed costs are those expenses used for occurring payment such as monthly rent, salary, insurance fee, etc. Variable cost are

what spent for business as a whole, for instance, coffee beans, paper cups, straws, napkins. This cost is fluctuating depending on how well the business is performing.

- Initial cost: cost for starting up a coffee shop, such as equipment, might seem high. Yet, it should be taken into consideration that the revenue generated time again from the initial investment. Setting up a business involves a lot more matters that require budgeting. Looking into what costs associated with opening a coffee shop, this one-time cost can be, for example, building permit, health department inspection. In the city of Helsinki, this cost is within the range of 800-1000EUR and additional revision on approval or inspection can cost hundreds of euros extra. Not only the paperwork and equipment need investment, but also furniture, design and modeling need budget. The following table shows the estimated cost for each named factor.

Name of item	Amount (EUR)
Equipment (coffee machine, kitchen utensils, glasses, mugs, etc.)	5000
Document (company registration, health inspection and approval)	800-1500
Furniture (tables, chairs, shelves, etc.)	7000
Decorations (paintings, pictures, candles, trees, plants, etc.)	1000
Branding costs (loyalty card, business cards, membership cards)	500
Logo design	300
Exterior signage	500
Coffee bar	15 000
	Total: 30 800

Table 1. Initial investment cost

- Fixed cost : monthly expenses for the business should be included in the fixed cost.

Name of stuff that spent monthly	Amount (EUR)
Location rental	2000-2500

Labor costs (for 2-3 part-time staff)	3000
	Total: 5500

Table 2. Fixed cost estimation

- Variable costs: the author was unable to estimate variable cost as it may vary based on how well the business is performing. These costs are electricity, water usage and so on.

Revenue Stream

The coffee shop's income is generated mostly from beverages and coffee products sale. Apart from that, as the event-organizing model is being considered, if taken into use, a reasonable rental fee for this function will add to the revenue stream of the store.

6.5 Recommendations for further research

After setting up the coffee shop and getting it into operation, the next step is to follow the Build-Measure-Learn feedback loop to acquire validations from the market and making decisions on pivoting or persevering.

Due to the research restriction, further investigation is suggested to be taken into use. Because of the small scale of the target group of interviewees and customers, research on a bigger group is always recommended in order to ensure the chance of success when business plan is applied. Moreover, doing more researches will help the owner to understand customers.

7 Conclusion

During the process of writing this thesis, the author was given the opportunity to learn more about the chosen coffee market and examine the business plan in detail and its feasibility. A clearer picture on how the coffee shop looks like, how it will operate and which direction or strategy should be applied has been drawn out. Based on that, the author is able to turn the initial idea to practice with the support of market research carried out previously. As the consequence, this business plan has become the fundamental boost for the author to tackle with difficulties and challenges when establishing a new business in Finland.

There is no perfect planned business, but it can be modified and improved as the business is developed. Giving an overall perspective, this business plan is considered a success due to the fact that it helps anticipate the future and its result did help the author before starting up her

coffee shop. It also plays a key role in motivating and inspiring the author to step up by giving the positive possibility to develop the new coffee house.

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Appendix 1. Customer purchasing habit survey

8. What are your gender?

Male

Female

9. How old are you?

20-30

31-40

Above 40

10. What is your favourite coffee drink?

Caffe Mocha

Cappuccino

Latte

Espresso

11. Is the price right?

Yes, it is reasonable

No, too expensive for me

12. Do you find “member benefit”, “free drink offer” attracting?

Yes, I care about offers and benefits

No, I am not interested

13. Do you think good location is important for a coffee shop?

Yes, I prefer a centrally located coffee shop

No, location is not important

14. Are you attracted by a nice packaging coffee cup?

Yes, packaging is important

No, a good drink is more important

Appendix 2. Interview questions for coffee shop What problem were you facing when setting up your coffee shop?

1. What solutions did you manage to figure out in response of the challenges you face?
2. What make your shop different from the existing coffee houses?
3. Who are your customers?
4. How do you measure the business performances?
5. What methods do you use to keep in touch with customers?