

## **Business Plan: Woodentop Health Café.**

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<p>This is a product-based thesis for Haaga-Helia Bachelor's degree in International Sales and Marketing. The objective is to create a business plan for the author's business idea, Woodentop Health Café. The process of writing a business plan is used to serve as a learning tool to discover the validity of the business idea. The Business Model Canvas by Osterwalder and Pigneur is applied to write the business plan. The research questions are based around the business idea and concentrate on finding the value of the idea, the target market, strategies to demonstrate the value and reach the target audience and financial aspects.</p> <p>The thesis consists of five chapters. The introduction introduces the business idea, the author, the thesis objectives, the research questions and the processes used to meet the objectives and answer the research questions. The second chapter concentrates on the theoretical aspects of writing a business plan and the processes to do so. The third chapter focuses on the business environment of the business idea, the necessary information required to start a restaurant or café business in Finland and includes the quantitative research methods to discover the validity of the business idea. The fourth chapter applies the Business Model Canvas to create a business plan for the business idea and the final chapter concludes the thesis and includes recommendations for further studies.</p>	
<b>Keywords</b> Business plan, business model canvas, entrepreneurship, health and fitness, café	

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# 1 Introduction

This thesis is done to equip the author with the knowledge to develop a business idea and formulate a business plan. Every year there are likely thousands of good business ideas being planned, but only a handful of those make it past the planning stage successfully. The initial assumption is that the planning stage wasn't executed sufficiently. Therefore, this thesis will aid myself to successfully negotiate the many pitfalls encountered by many aspiring entrepreneurs when planning a business venture.

To introduce myself and to explain my angle for approaching business in today's world, I believe in finding opportunities as they transpire and being in the right place at the right time. I am a believer that everything happens for a reason, both in life and professionally. With that said, the uncertainty today's world at the time of writing is creating with the outbreak of the coronavirus, Covid-19, is a cause for concern, especially for small businesses. I do, however, see this as an opportunity for when the virus passes and normality resumes. I see opportunities for entrepreneurs to fill gaps left over from the economic fallout the virus will, and already has caused. Consequently, I believe now is a good time to start planning a new business venture with the gaps in the market in mind.

To give a short introduction into the business idea itself, Woodentop Health Café will operate in the Health and Fitness sector and food industry, providing customers with health and fitness orientated drinks and snacks. The menu and products on offer will be catered towards people living an active lifestyle, offering them healthy and nutrient dense drinks and snacks to consume whilst out and about in the hustle and bustle of Helsinki's city centre. The products and services will be marketed towards sports enthusiasts and gym goers as it is believed this is a huge market which doesn't have any eateries specifically catered towards them. One of the unique selling points is the ability for the customer to customise the products on offer in order to meet their dietary needs. The name derives from the interior design of the café, using sustainable and climate friendly materials and wooden tops on all the surfaces.

The primary objective of the thesis is to gather the information and knowledge required to validate the Woodentop Health Café business idea and create a business plan by applying the Business Model Canvas. The business plan will enable me to set create a clear vision and pathway to starting the business, resulting in clearer goals as well as a more realistic approach to tackling any obstacles along the way. Furthermore, the business plan will increase the value of the business idea when considering future investment or potential business partners.

The research questions for this thesis are the following:

- What value does the business bring to the market?
- Who are the target customers?
- What strategies will be used to reach the target audience?
- What business operations will be concentrated on in order to create value?
- What are the costs and investment requirements?

In order to answer these questions, this thesis concentrates on exploring the business environment in Finland, analysing whether there is a sufficient target market for the business idea and using the Business Model Canvas to discover the validity of the business idea.

## **1.1 Processes**

The thesis consists of five chapters (Figure 1). The first chapter introduces the thesis topic, the business idea and the author, the processes and the research methodology.

The second chapter introduces business planning and what a conventional business plan should include.

The third chapter concentrates on the business environment of the business idea including laws and regulations, potential customer markets, buyer personas and a competitor analysis. Numerical data used to validate the business idea is found in this chapter with results coming from quantitative research.

The fourth chapter provides information on the Woodentop Health Café business idea and includes a business plan by applying the Business Model Canvas. Here, the products and value proposition, target customers, marketing plan, key resources, key partners and costs and revenue streams are discussed.

The final chapter discusses the results of the research and provides answers to the research questions. The thesis is concluded with a summary of the outcomes and recommendations for further studies.

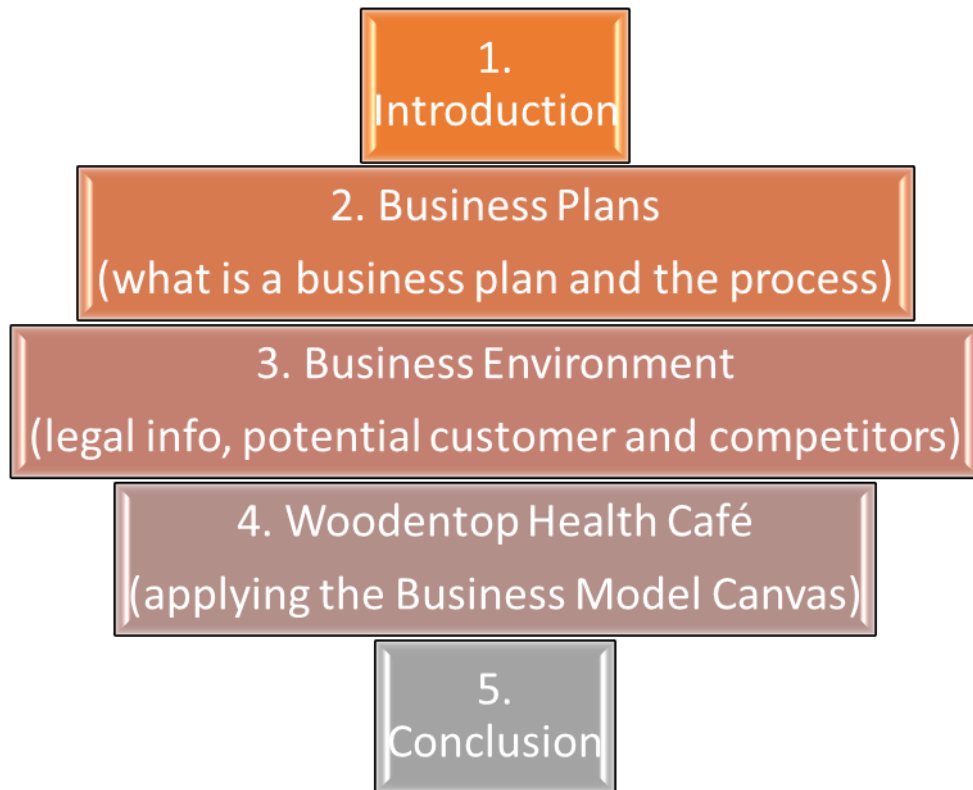


Figure 1. Thesis structure

The research methodology is summarised in the figure below:

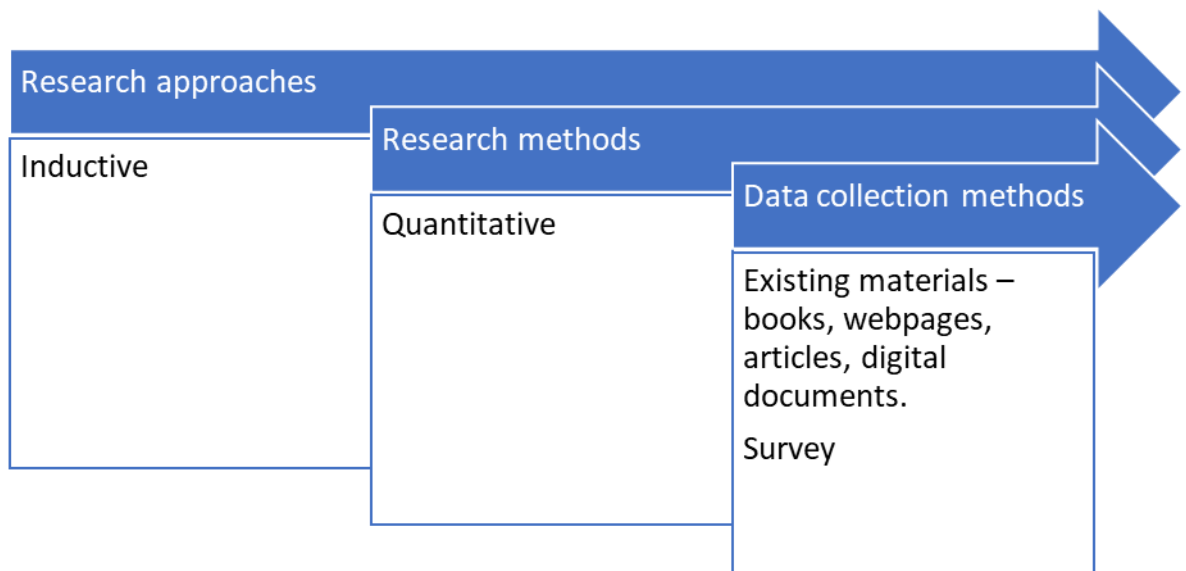


Figure 2. Research methodology

There are two main types of research approaches, namely inductive and deductive. The inductive approach sees the researcher collecting and analysing data to formulate a theory based on the information gathered. In the deductive research approach, the researcher has a theory and hypotheses which is gets tested by implementing research strategies.

(Saunders et al 2009, 129). The thesis concentrates on building a business plan for a business idea the researcher theorises will be successful. There is no current theory and hypotheses available, despite the researcher having a gut feeling the business will succeed. As such, research is carried out to collect and analyse data to work out the possibility for success, therefore the thesis uses an inductive research approach.

In terms of research methods, the two most common are qualitative and quantitative. The main differences between the two are qualitative research generates data through text, so non-numerical, whilst quantitative produces numerical data. Qualitative research can be used to discover a more in depth understanding of a problem or project by gathering thoughts, opinions and trends. Some examples for qualitative research methods include interviews, focus groups and observations. Quantitative research can be used to quantify opinions and behaviours by gathering data in the form of numbers and figures. Examples of quantitative research methods include surveys and questionnaires. (Farnsworth 2019). A survey is used to gather numerical data to support the thesis outcome, therefore the thesis uses quantitative methods to attain answers to the research questions.

Data collection for the thesis consists of existing materials such as books, webpages, articles and digital documents as well as a survey for the research questions.

## 2 Creating a business plan

A business plan is a document which acts as a guide for the owner(s) to reference when making business related decisions to make sure the future of the business is as secure as possible. It acts as a plan to be followed and if done correctly should make sure large mistakes aren't made when the business joins the market. Not only will a business plan say what is expected to happen, but how these things will occur as well. (Khedair and Anderson 2009, 8). Ultimately, the business plan should act as a roadmap or guide to profitability. Profitability is the end goal for any business and is seen as the most important goal according to Balanko-Dickson (2007, 7).

Berry (n.d.) provides an interesting thought on business plans. The process is often seen as daunting, and whilst a comprehensive business plan will take a lot of hours, getting started isn't that difficult. Directly quoting Berry, he says "If you've ever jotted down a business idea on a napkin with a few tasks you need to accomplish, you've written a business plan—or at least the very basic components of one". Berry also talks of "lean business plans", which are documents with a few bullet points focusing on strategy, tactics, goals and milestones and basic financial projections including cash flow, budget and expenses. This shows that a business plan doesn't necessarily have to be a comprehensive document outlining every small detail about a business, but as long as key points are highlighted the plan should be substantial enough.

A final definition to include as to not confuse the reader with different points of view, McKeever (2011, 6) says that a business plan is a written document that analyses a business and can be used to create projections for the future. This definition emphasises the importance of the future, as a business plan is crucial to be able to realistically predict what lies ahead. Without some sort of plan, it will be very hard for a business owner to predict the future of a business. Of course, an owner can have goals they would like to achieve, but a business plan should detail whether these goals will be attainable and when.

Business plans may be for external or internal reference. Many business plans are created in an effort to attract investment and will be used as proof that the business is likely to be profitable. Typically, this type of business plan will have in-depth information about the organisation and the people within it with details about how the business will achieve the goals set. This type of business plan will also be used for new businesses looking to find their place in the market and researching to find whether the plan shows any problems which may have gone unforeseen. (Stroh 2014, 5).

Business plans created for internal purposes are used to target goals within a business in order to reach external goals. These can be, for example, a plan for a new product or the development of a new service or even adding a new working department to the business. (Evans, 2020). For the sake of this thesis, internal business plans will be ignored as the purpose is not developing business already in operation.

## **2.1 The process**

There are generally accepted guidelines to creating a business plan and deviating too far from them will likely cause unnecessary confusion for the reader when they are presented with the plan. (Entrepreneur Europe). When external professionals, such as investors, read a business plan they are expecting some key points to be included and the layout to be familiar with what they have worked with before. Because of this, it is advisable to follow general guidelines.

### **2.1.1 Title Page and Contents**

A business plan should be treated like any other formal document, so it is necessary to include a title page along with the contents of the document telling the reader what information is on what page. The title page doesn't have to express much but should list the following things: name of the business, name(s) of owner(s), contact information including an address, telephone number, email address and the date the plan was finalised. (Entrepreneur Europe).

### **2.1.2 Executive Summary**

Ward (2019) says that the executive summary acts as an overview, with the purpose of summarising the key points of the business plan to the reader. It should be clear and concise, and also needs to be written in a way that attracts and entices the reader to want to know more. After all, one of the reasons to write a business plan is to attract investors, so the executive summary should be able to tell them enough about the business to want to find out more.

Entrepreneur Europe says the executive summary should tell the reader what the writer of the plan wants and why. They also agree with Ward and say that it needs to be short and clear, stating a maximum of half a page in length. Ward (2019) says the executive summary is often thought to be the most important part of the business plan, as it is regularly

the first thing the reader will look for and will be the deciding factor in whether they continue reading.

### **2.1.3 Business description**

Although quite self-explanatory, the business description needs to include a few key points which someone writing a business plan may forget. To start with, there should be a short description of the industry the business will be joining. This should include the current state of the industry and what is expected to happen in the future. Will there be growth in the industry or is there a downturn forecasted? An industry that is predicted to get smaller in the future isn't necessarily a negative, especially if an entrepreneur believes they can be a forerunner in the industry still. New products and/or developments in the industry could be included with reference to how it affects our business idea. Potential investors want a real and honest account of what the industry is doing, being truthful now will have a positive impact in the future. It's key to be open and honest throughout all stages of a business plan. (Entrepreneur Europe).

Then a description of the business itself should be included, which sector it will enter and whether it's a new business venture or already established. The type of ownership the business has needs to be included (sole proprietorship or partnership for example) along with who the owners are. Finally, the target market should be specified – who the customers are and how big the market is – and how the products or service will be distributed. (Entrepreneur Europe).

### **2.1.4 Product or service description**

The description of the product or service should be written in a way that the reader will get a clear idea of what is being explained. A simple description of how people use the product or service and what makes your product or service unique to anything else on the market currently. The more specific the uniqueness the better, as this is what will separate your business idea from competitors and will in turn convince the readers as well. (Entrepreneur Europe).

As well as the competitive edge, it's advisable to include why exactly you feel the business will be profitable as a competitive advantage isn't necessarily going to mean profit. Describe the factors that will make the business successful, and also include key people or partners here. Investors will want to know who the business will be working with, which

suppliers are being used and whether any experts have given their opinions on the business idea. (Entrepreneur Europe).

### **2.1.5 Market Analysis**

Gregory (2019) says the market analysis should follow the product or service description and should include an overview of the industry the product or service will be sold in. Generally, the market analysis concentrates on the target audience, competitors and your intentions for placing your product or service within the industry. Statistical information is very much welcomed in this section, with the main points within the market analysis and any extensive data being put in the business plan's appendices. The market can be analysed by defining it in terms of size, demographics, potential for growth, current trends (and future trends if possible) and the potential the market has for sales. After covering this information, the market will be sufficiently analysed.

How the product or service is priced is perhaps the most important marketing decision, according to Entrepreneur Europe. It can also be one of the toughest decisions for small businesses as, according to Entrepreneur Europe, there is no formula for it. Positioning your prices wisely is something that you may not get right straight away, but there are a few strategies which offer guidance:

- Cost pricing is used to ensure all costs are covered and the desired profit is achieved. This is mostly used by manufacturers.
- Demand pricing is used by businesses that sell products through different platforms or sources, and the price is based on the demand in each different area.
- Competitive pricing is used by businesses that are entering a market where the prices are already established.
- Markup pricing is a strategy usually used by retailers and is calculated based off the profit they want from a product compared to the cost of the product. (Entrepreneur Europe).

Distribution channels also need to be examined and determined when carrying out a market analysis. How moving products from a manufacturer or a factory to the end user needs to be worked out. It's a good idea to analyse how competitor's do this to decide whether using the same way is the best way forward or whether an advantage can be made by doing it another way. (Entrepreneur Europe).

The last step of completing the market analysis is to establish the promotional strategy. This includes ways in which advertising will be carried out, how packaging will be de-

signed where appropriate, public relations and promotional material distribution. (Gregory, 2019).

### **2.1.6 Competitor Analysis**

Becker (2020) says that a competitor analysis is research that businesses carry out to collect and review information from businesses that are providing a similar product or service. Becker claims that it is essential to carry out a competitor analysis to discover what any competitors are doing and what threats they bring, but also to find ways to create an advantage for your business over those competitors.

Specifically, the competitor analysis should be used to determine the strengths and weaknesses of the competition, strategies that will give your business an advantage, ways that can prevent competition from coming into the market and taking your customers and finally any weaknesses in the market that can be exploited. (Entrepreneur Europe).

To start a competitor analysis both indirect and direct competitors to the business need to be identified. After the competitors have been identified, they should be analysed in terms of how they strategize their marketing which will help find their strengths and weaknesses, as well as determining your business's advantages. (Williams 2012, 51).

For anyone reading the business plan, it needs to be clear what the target market, where the niche is, how the business is different or stands out compared to competitors and why the business will be successful. (Entrepreneur Europe).

### **2.1.7 Operations and Management**

This section of the business plan highlights how the business will operate on a continuous basis. The responsibilities of the management team, the tasks within each part of the company need to be highlighted as well as the expenses of all these operations. (Entrepreneur Europe).

### **2.1.8 Finances**

The financial part of a business plan is quite possibly the most important. Any wrongdoing here could lead to catastrophic consequences for a business. The financial part of a business plan includes projections for costs, sales, profits and losses. (Gumpert 2002, 79).

According to Entrepreneur Europe, there are three different financial statements that will create the backbone for a business plan, they are: the income statement, the cash-flow statement and the balance sheet.

The income statement is rather straight forward and concentrates on the ability a business has to generate money. Therefore, the income statement will include such things as predicted sales revenue, expenses, depreciation and cost of goods. Using the figures from these items, the income statement will reveal how much a business makes or loses by subtracting the total of the costs of goods and expenses from the revenue generated which will equal a net result, showing either profit or loss. (McKeever 2011, 105). In addition to the income statement, it is good practice to include a short summary or conclusion in the business plan to explain the figures (Entrepreneur Europe).

The cash-flow statement shows how much cash a business needs to meet obligations, and also shows when the amount is required and how a business generates this money. Therefore, it is a critical piece of information for the whole business plan, not only the financial section. (Entrepreneur Europe). According to McKeever (2011, 125), the cash-flow statement will show the profit or loss at the end of each month and year, and a properly set out cash-flow statement carries over profits and losses to the next month so show the cumulative effects. If the cash-flow statement is showing a loss, this should be seen as a huge concern as it means that the business is not generating enough money to pay for itself, meaning it's likely surviving off loans or outside money. Of course, a loss in one month doesn't necessarily mean the business is doomed, as the next few months could return profits, but consistently keeping a cash-flow in the red will see the business dying sooner rather than later. Entrepreneur Europe says that the cash-flow statement should be done every month during the first year of operations, on a quarterly basis in the second year and annually from the third year onwards.

Finally, the last financial statement needed for a business plan is the balance sheet. The balance sheet should be made annually and should be a summary of all the previous financial statement, separated into three sections: assets, liability and equity. (McKeever 2011, 129).

According to Kennon (2019) assets, liabilities and equity have the following definitions:

- Assets: anything that has value. Assets can include large items such as properties, land, buildings and manufacturing equipment as well as other tangible items such as office equipment like chairs and desks. Some assets can also be intangible, for example patents or goodwill.

- Liabilities: debts and obligations owed by the business. Including such things as rent, bills owed, credit debt and loans.
- Equity: The figure calculated after subtracting all the liabilities from the assets.

A summary of the balance sheet should be included and kept short to cover key points (Entrepreneur Europe).

### **2.1.9 Supporting Documents**

Finally, to conclude the business plan document, some supporting documents which may be of interest to the reader should be attached. Things such as the owner's resume, contracts, relevant documentation, a copy of the lease, legal documents, tax returns from previous years if applicable and any other relevant documents to the business plan. (Entrepreneur Europe).

### **3 Business environment**

A crucial aspect of business planning is to analyse the business environment where operations will take place. The best idea could fail if the market isn't ready or in need of it. The analysis may comprise of identifying environmental factors, assessing the impact of them and then developing a strategy to avoid problems or take advantage of certain circumstances. (O'Farrell n.d.).

O'Farrell says there are frameworks which help to carry out the environment analysis, however none of them are essential. They are simply tools in which a business owner can use to gain a better understanding of the business environment and although they may be beneficial, they are by no means necessary. An example of a framework would be the SWOT analysis, where a business is analysed based on its strengths, weaknesses, opportunities and threats. With the information gathered from doing a SWOT analysis, a business should get a good idea of where they are in their business environment.

O'Farrell also says there are more relevant factors that need to be concentrated on and given further analysis. For example, certain laws will affect a business but won't need as much analysis compared to a competitor's threat.

#### **3.1 Legal environment**

Rules, regulations and laws are essential to follow and abide by when starting a new business. In Finland, the laws are clear for restaurant and café like businesses. The premises for the business must be approved for using it as a restaurant or café (City of Helsinki 2012). In most cases, a restaurant or café will rent an already fit for purpose premises that meets the regulations. A contract will be made between the business renting and the owner of the premises which must outline that the place can be used to complete a restaurant's business operations in. It is the restaurant owner's duty to make sure the premises comply with the regulations. (NewCo Helsinki, 2018).

The City of Helsinki (2012) says to check the following things to make sure a premises is suitable for operating a restaurant from:

- The local detailing plan allows it to be used as a business premises and is fit for purpose to be a food premises
- The accessibility of the premises for staff and customers
- The fire safety requirements need to be met
- No disturbing noise is likely to occur

- Are the water, sewage and air-conditioning suitable for a café or restaurant?

By choosing to ignore some or all of the listed points, it may be necessary to do complicated modifications to a premises to make it fit for purpose.

The 2011 Rescue Act says that a restaurant owner needs to prepare for dangerous situations and be aware of what to do in case of an accident or emergency. In the case that a restaurant has over 50 seats, it is required to have an emergency plan. The emergency plan should include provisions for fire compartments, fire extinguishers and blankets and the number of exits which depends on the maximum occupancy of the restaurant. All the fire equipment and doorways need to be routinely checked and maintained and fire exits need to be kept clear at all times. The owner should know the flammability of the materials and furniture of the restaurant and have the correct fire extinguishers available. The storing and usage of hazardous chemicals such as gas need to be in accordance with the Chemicals Safety Act. (NewCo Helsinki 2018).

Many restaurants and cafés will want to use audio to enhance the customer's experience and create the desired atmosphere. Music should be used with caution as a license may be needed to play some songs in public spaces. As well as this, business owners need to make sure the volume levels aren't causing noise pollution to any neighbouring buildings or people passing by. There are noise restrictions late at night so it's necessary to keep noise levels to a minimum where possible. The local authority ultimately decides whether there is too much noise pollution, so it's best to keep the neighbourhood happy by keeping noise levels down to not cause any reasons for complaint. (NewCo Helsinki 2018).

Hygiene is taken very seriously for restaurant and cafés. It is essential that all employees attain the hygiene pass in order to work in the restaurant or café. Good hygiene practices also need to be seen in the kitchen where there must be separate spaces for food prep, dirty equipment handling and waste storage. Food preparation areas need to have ventilation hoods as well and employees working in the kitchen should have separate toilets and hand washing facilities. In a conventional restaurant kitchen, there should be three separated areas – preparation, heating and distributing/serving. The layout depends on the type of restaurant or café, though. (NewCo Helsinki 2018).

### **3.1.1 Food and health safety**

The European Parliament regulates the health and food safety in Finland. The business owner of a restaurant or a café needs to notify the local authority's Environmental Services to aware them of the food establishment prior to the commencement of operations.

Inspections will be carried out by the health and safety authorities to make sure the premises and functionalities of the premises are fit for purpose. (NewCo Helsinki 2018). The inspection will result in a grade in accordance to the Oiva system. The Oiva system is a publicly available system for reviews of food establishments in Finland co-ordinated by the Finnish Food Safety Authority Evira. The Oiva system assesses a food establishment grades the food safety, such as the food hygiene product safety. After the assessment, the food establishment is given an overall grade (excellent, good, to be corrected or poor) and shown as smiley faces which is presented next to the establishment's front door. (City of Helsinki n.d.).

Since there are no plans to serve alcohol in Woodentop Health Café, the permits and laws are not relevant. However, for future reference it needs to be noted there are licences that need to be acquired and rules, laws and regulations that need to be followed in order to serve alcohol as well.

### **3.1.2 Operational and personnel regulations**

Employee rights and wellbeing at work need to be considered and monitored to make sure the workplace is appropriate for their physical and mental health. There is a collective agreement within the hospitality industry which includes working conditions, duties and basic salaries amongst other things which should be included in the contract between the employer and employees. The employer also takes responsibility for providing occupational healthcare for employees. (NewCo Helsinki 2018).

## **3.2 Potential customer analysis**

Research was carried out to gather data on potential customers of Woodentop Health Café to see if the initial thoughts of there being a need for such a business in Helsinki is true. A survey (Appendix 1) was created and sent out through Facebook groups which gathered 62 responses. The Facebook groups included groups for students as well as other general groups focused for people living in Helsinki. The survey was also created to act as a tool to identify possible target markets based on the answers received. The participants of the survey were people who reside in Helsinki, Finland. Results of the survey are summarised below.

## Age

62 responses

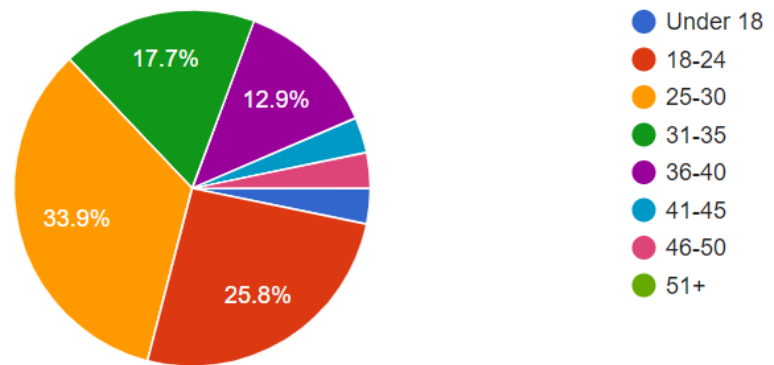


Figure 3. Age of survey respondents

The first question determined the age range of the participants. Most of the respondents were aged between 18 to 35, which was to be expected since the survey was posted to a few student groups. It could also show that people that fall within this age range are more likely to respond to surveys. Incidentally, there wasn't a person over the age of 50 that responded.

## Gender

62 responses

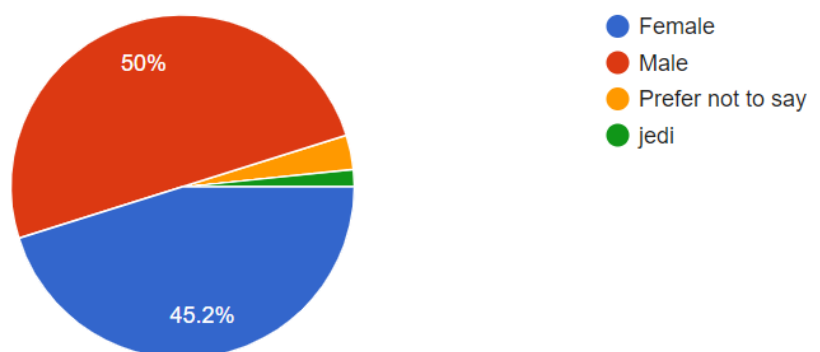


Figure 4. Gender of survey respondents

The gender of the survey participants is a nice split of male and female, with exactly 50% males and 45.2% female. 3.2% preferred not to say and one of the respondents identified

as a Jedi. For research purposes, the even split of gender is useful for determining whether the business idea appeals to both genders.

How often do you partake in physical activity (sports, gym, running, cycling, exercising in general)?

62 responses

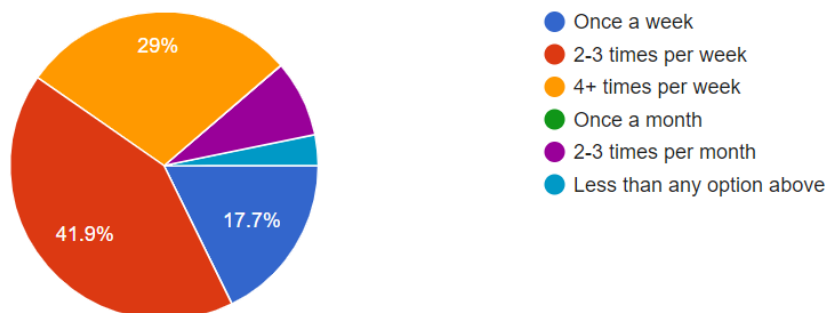


Figure 5. Survey respondent's physical activity levels

An important factor for the business idea was appealing to those that are physically active and catering food and drinks to their nutritional needs. For this to work, it was essential the people within the desired location live active and preferably sporty lifestyles. The survey results show promising numbers, with 41.9% of respondents saying they participate in exercise 2-3 times per week. The second most popular answer shows that 29% of respondents are physically active over 4 times per week. This means the majority of respondents to the survey can be considered as physically active and suit the requirements of the business idea.

Part of the business idea and value proposition is to provide customers with the customization possibilities to cater to their nutritional needs. For this to be workable and successful value proposition, there needs to be a need for this type of service.

Do you monitor your food intake (calories, proteins, carbs, fats, etc)?

62 responses

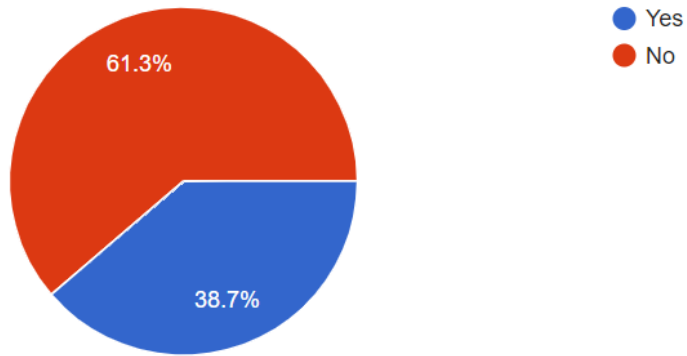


Figure 6. Survey participants and whether they monitor their food intake

61.3% of respondents said they don't monitor their food intake in any way. However, the results of this question on the survey suggest that there may be a need for the type of service Woodentop Health Café would provide. 38.7% of respondents said they do monitor their food intake, which shows that many people will be looking for foods, meals and drinks that fit their nutritional needs.

If yes, what exactly do you monitor (calories, protein, carbs, fats, etc)? Please list with a comma after each answer or LEAVE BLANK if you don't monitor anything.



19 responses

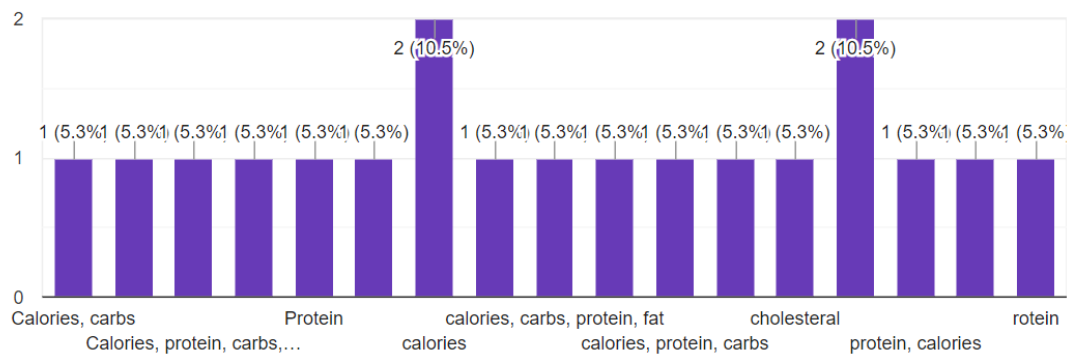


Figure 7. What macronutrients the survey respondents monitor

The respondents were asked to provide more detail and say what exactly they monitor, however the answers were hard to understand as the survey wasn't set up correctly as shown in Figure 7.

Do you feel there are enough healthy places to eat in Helsinki?

62 responses

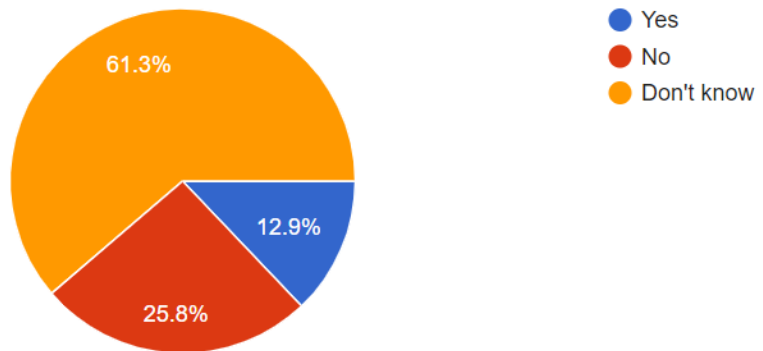


Figure 8. Survey respondent's opinion on healthy eateries in Helsinki

A new business idea should always evaluate the current market and competition they may encounter. Somewhat surprisingly, there were mixed answers when respondents to the survey were asked whether they think there are enough healthy places to eat in Helsinki. 61.3% of people said they don't know which could mean a few things. It's possible they're unsure of all the places available which means a number of restaurants or cafés offering healthy alternatives need to market their businesses more effectively. Another reason could be they may not feel strongly about whether there are enough options available or it's possible they don't particularly care. On a definitely positive note, 25.8% of people believe there aren't enough healthy places to eat, which shows there should be room for Woodentop Health Café within the current market. However, 12.9% of people believe there are enough places to eat, so the results at this stage are still a bit ambiguous and need further research.

## Do you look for the healthiest option when choosing food?

62 responses

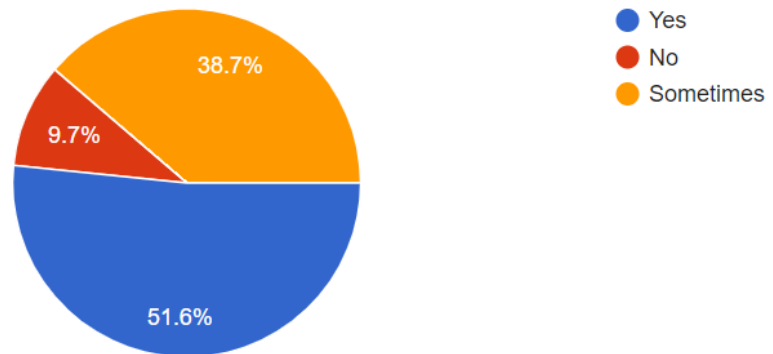


Figure 9. Survey respondent's food preferences

Since the value proposition of Woodentop Health Café is to offer customers healthy food and drink options, it is important to assess the buying habits of people in Helsinki to determine whether there are potential buyers in the market. The survey results show that 51.6% look for the healthiest option when buying food and 38.7% do so sometimes. This shows an overwhelming majority of people that will regularly or occasionally look to buy healthy food alternatives. 9.7% of respondents said they don't look for the healthiest options when buying food.

## During what time of day are you most likely to purchase a meal or drink from a restaurant /café?

62 responses

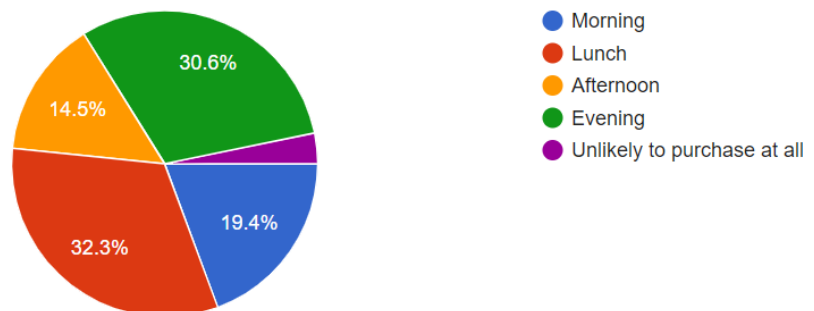


Figure 10. The time of day respondents eat out

When gathering information on people's food buying habits, from a business perspective it is important to see when they're most likely to buy from a restaurant or café to be able to tailor your services to them. Here, Figure 10 shows that people are most likely to buy from

food establishments during lunch time and in the evening. This can be accounted to people going out to eat on their lunch breaks and eating with friends and family in evenings. 19.4% of people said they're most likely to buy in the morning which can be assumed as people buying their morning coffees, drinks and breakfasts. 14.5% chose the afternoon option, which could show people working irregular hours or getting food and drink after their hobbies.

How often do you purchase protein drinks?

62 responses

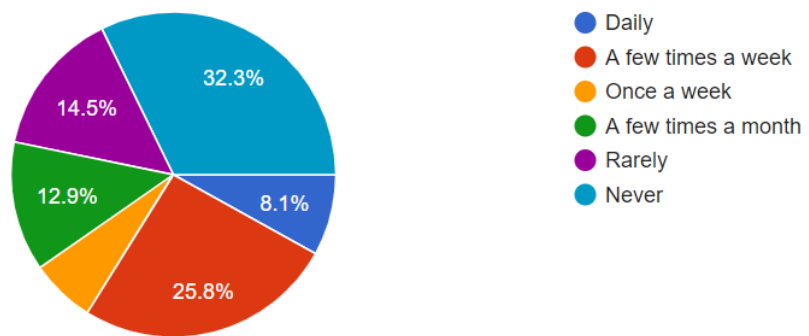


Figure 11. How often survey respondents buy protein drinks

Shahbandeh (2020) says the protein market is a strong growth opportunity in the food industry. This trend can be seen in Finland with the number of products sold using “protein” on the packaging or marketing materials. As a business it’s necessary to keep up with current trends, as protein products are trending in the food industry it would be wise of Woodentop Health Café to follow this. To make sure there is a target market for protein products in Helsinki, the survey respondents were asked how often they buy a particular type of protein product – protein drinks as this is one of the products Woodentop Health Café is planning on selling. 32.3% of respondents said they never buy protein drinks which was the most popular answer. However, the second most popular answer shows 25.8% of respondents buy protein drinks a few times a week and a total of 53.3% of respondents buy protein drinks relatively frequently (a few times a month minimum). 14.5% of respondents say they rarely buy protein drinks.

### How often do you purchase fruit smoothies?

62 responses

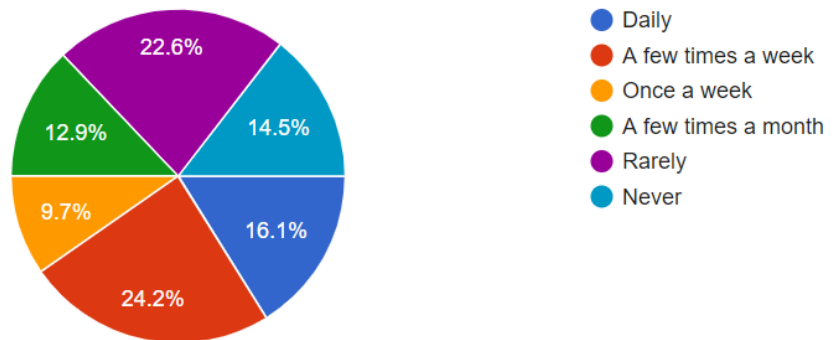


Figure 12. How often survey respondents buy fruit smoothies

Fruit smoothies are also one of the products Woodentop Health Café would sell, so the question was posed to respondents to see how often they buy these products. The results show a wide spread of answers, with the most popular answer showing 24.2% of people purchasing a few times a week and, conversely, 22.6% saying they rarely buy them. 16.1% said they buy fruit smoothies daily and, conversely again, 14.5% said they never do. The answers show there to be a large scope of potential buyers of fruit smoothies despite a lot of respondents saying they rarely or never buy them.

The final three questions, as seen in Figures 13, 14 and 15, all relate to the Woodentop Health Café offering locally sourced food and bearing sustainability in mind as well for packaging, sources of raw food, materials used within the store etc. For this, the prices of the products offered would have to be sold at a premium in order to still get profit.

### How important are locally sourced products to you when considering what to eat?

62 responses

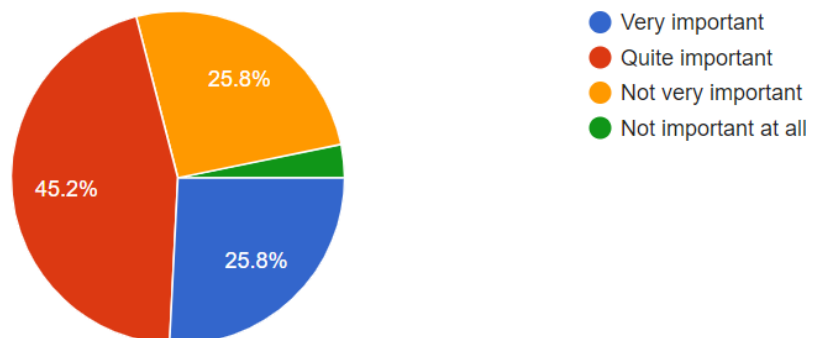


Figure 13. Importance of locally sourced products

The survey respondents were firstly asked how important locally sourced produce is to them when buying food. 45.2% said it's quite important whilst "very important" and "not very important" both received 25.8% of responses. Two people said it's not important at all.

How important is sustainability to you when buying food?

62 responses

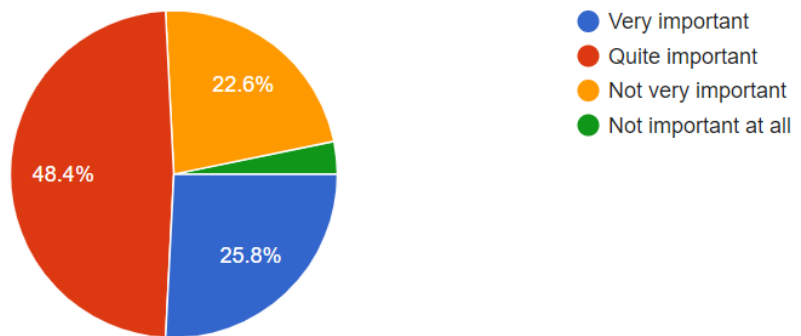


Figure 14. Importance of sustainable foods

A similar story is seen when respondents were asked how important sustainability is to them when buying food. Again, the most popular answer was "quite important" with 48.4%, whilst "very important" and "not very important" had 25.8% and 22.6% respectively. Two people responded saying it's not important at all.

Would the price of food override the importance of either of the two previous questions?

62 responses

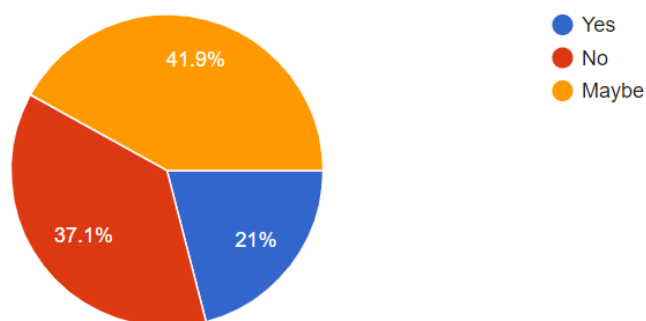


Figure 15. Price vs locally sourced foods and sustainability

Finally, the survey respondents were asked if the price of food would override the importance of locally sourced or sustainable products. This was asked to work out if people

were willing to pay a premium for locally sourced and sustainable products and if a low price would make them forget about any moral issues. 41.9% answered “maybe” which could show that people were mostly answering the previous two questions based on what they think is right, not based on what they really think. A further 21% said that the price would override the importance of locally sourced and sustainable products which further shows this evaluation. However, 37.1% of people answered saying that the price doesn’t matter and they wouldn’t mind a higher price, but the overall answers to this question seem to say that people may not care about locally sourced and sustainable products as much as the previous two questions may show.

### 3.3 Buyer personas

Based on the answers gathered from the survey, some buyer personas can be created to further understand the target audience. Kusinitz (2018) describes a buyer persona as “a semi-fictional representation of your ideal customer based on market research”. A buyer persona should include as much information about the customer as possible, including their demographics, behaviour patterns, motivations and goals amongst other things. The more detailed a buyer persona is the more accurate it will be.

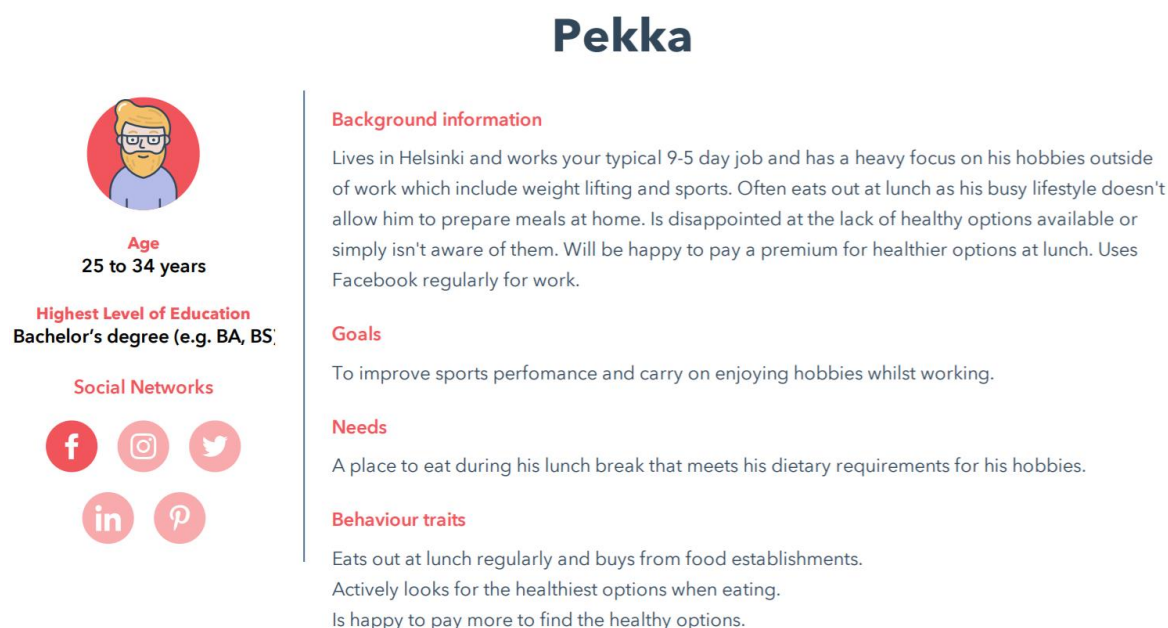


Figure 16. Buying persona: Pekka

One of the buying personas created is “Pekka”. Pekka was created using the research from the survey and fits what is believed to be some of Woodentop Health Cafe’s target customers. Pekka has a keen interest in health and fitness and wants a place to eat during his lunch breaks that can offer him the food he needs which the research shows as

a popular time people will buy from restaurants and cafes. Pekka actively looks for the healthiest options when choosing what to eat and is happy to pay more when he finds it. He is what Woodentop Health Cafe would consider their ideal customer.

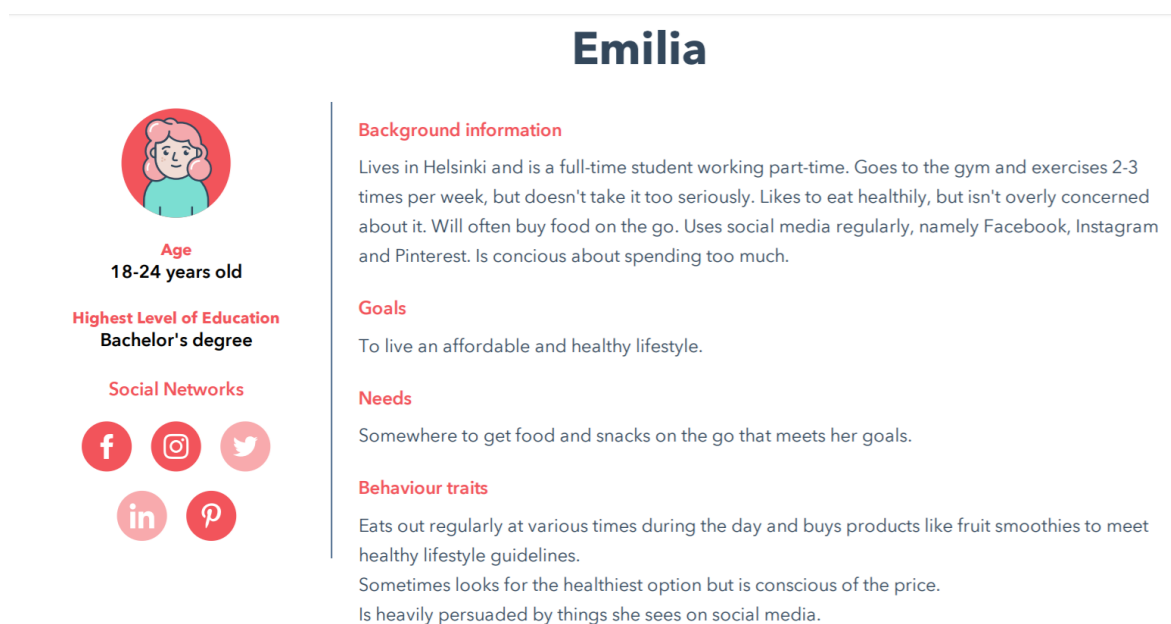


Figure 17. Buying persona: Emilia

”Emilia” is the second buyer persona created from the research findings. Unlike Pekka, she isn't the perfect customer, however the research findings have shown Emilia is likely to be one of Woodentop Health Cafe's target customers. Emilia will most likely be more interested in purchasing healthy snacks on the go as she doesn't commit her whole life to eating a strictly health diet. She doesn't want to spend too much money on meals so is often buying fruit smoothies from shops as a way to consume something healthy during the day. She is a regular social media user and responds well to social media marketing.

### 3.4 Competitor analysis

A competitor analysis is completed in order to gain an understanding of the current market where Woodentop Health Café will operate. In order to do this, the strengths and weaknesses of the identified competitors are listed and analysed. Doing this creates a path for the business to find its place in the market and possibly exploit any gaps that are found within it. It is also good practice to not only analyse businesses that are doing well. It's common for entrepreneurs to try to see what successful companies are doing right and these are often big companies with large investment backing. It's also good to analyse smaller businesses to see how they fit into the market, especially as Woodentop Health Café will start as a small, one off enterprise. (Entrepreneur Europe 2006).

For this thesis, three competitors were identified and analysed. The competitors are two businesses that have multiple franchises across Finland and Helsinki and one smaller business that has one place of business in Helsinki. They have been named “Business A”, “Business B” and “Business C”.

To evaluate each business in an efficient and viewable manner, a table has been created (Figure 18) listing the company’s market, their biggest audience, the unique selling point (USP), social media strategy and finally their strengths and weaknesses. The listed components give a good overview of what the businesses are doing well, how they’re doing it and their weaknesses. (Meg 2020).

Market	USP	Social Media Strategy	Strengths	Weaknesses
Finland (nationwide) and Stockholm, Sweden Business A Selling fruit smoothies	Various flavours, healthy	FB: seasonal and holiday posts, product promotions, good vibes, vibrant pictures with people and animals. Instagram: same content as FB	Strong position in the market, well known brand, strong customer base and loyalty, good social media presence, not a lot of competition for their products.	Limited scope for growth in terms of product type, only one kind of product being sold (fruit smoothies), products are easy to copy and sell for less.
Helsinki, Finland Business B Selling salads	Healthy living	FB: product promotions, partnerships with other businesses or influencers. Instagram: Sports, wellbeing, product promotions	Well positioned in the market, good cooperation with other businesses and influencers.	A lot of competition for their product type, unique selling point isn't so unique.
Helsinki, Finland Business C Selling vegan meals	Vegan, healthy living	FB: product promotions	Clear and identified target market, strong location.	A lot of competition (vegan foods trending now), poor social media presence

Figure 18. Competitor analysis table

When comparing the three competitors, one can find a recipe for success in this industry. Business “A” has a clear market, a specific product to meet their market’s needs and a strong marketing strategy. They are market leaders as they specialise in one particular product and are able to market themselves to a specific audience and offer them specific products that they want. Business “B” has six different venues spread over Helsinki in prime locations but has a less defined product compared to Business “A”. They do however make good use of social media marketing by cooperating with other businesses and influencers which could be one of their reasons for success. Their actual products aren’t unique as seen with Business “A”, so having strong marketing is essential for them. Finally, Business “C” has just one venue in central Helsinki. They are the smallest business of the three and most in line with the size Woodentop Health Café would be. They have a clear and identified target market as they offer vegan meals, however the vegan trend is big now, so they have a lot of competition. They also have a poor social media presence and their marketing seems very ordinary – they just post about their food and nothing else.

All three of the businesses offer a similar selling point to Woodentop Health Café and are located in the same area. They are also some of the first businesses to appear when searching for “healthy places to eat in Helsinki”. When completing the competitor analysis, it was found that there are no places offering exactly what Woodentop Health Café would offer. A lot of businesses offer health related food and drink, but none market themselves specifically to sports and gym enthusiasts. It is believed that there is a place in the market for Woodentop Health Café despite there being a substantial amount of healthy style eateries in Helsinki. Learning from Business “A” in the competitor analysis, the findings show placing the business in a specific area of a saturated industry where there aren’t many direct competitors can be advantageous. This along with a strong marketing plan should return strong results for Woodentop Health Café.

## **4 Woodentop Health Café**

Woodentop Health Café is a sit in or takeaway food establishment offering nutrient dense and healthy snacks and drinks catering to the physically active demographic in Helsinki. All meals have macronutrients and getting a balanced intake of each throughout the day as well as staying within an advisable calorie limit is vital for the human body to perform at its best. Sometimes people struggle to create balanced meals or their lifestyles or activities during the day don't allow them to eat as they would like. That's what Woodentop Health Café aims to provide customers – a café which offers customers balanced food and drink options to meet their macronutrient and calorie requirements.

By using locally sourced produce and organic ingredients, the food and drink on offer at Woodentop Health Café will meet consumer's high expectations when considering eating at a healthy alternative to other offerings in Helsinki. The interior decoration inside the café will also incorporate elements of sustainability, with a wooden theme throughout. High grade Finnish grown wood will be used for the interior decoration. According to woodfromfinland.fi, Finland is one of the best areas in the world for tree growth due to the climate. The short summers mean the trees have less of a window for growth and slow growth means the trees grow straight and symmetrical causing a hard and tough grained timber. The name "Woodentop" derives from this high-quality Finnish timber being used on all counter tops within the café.

In the following sub-sections the Business Model Canvas by Osterwalder and Pigneur will be applied for Woodentop Health Café based on the business idea and the findings from the market and customer research. The business model canvas is a tool for analysing, describing and designing business models. The canvas is used to clearly demonstrate what business model a business will use so readers can understand clearly. The business model canvas is essentially a concept that helps describe various parts of a business in an easy to read and concise manner. It will help describe the business model of an organisation, the competitors and other enterprises. The business model canvas has been implemented successfully in global companies such as IBM, Ericsson, Deloitte, the Government of Canada and many more. (Osterwalder and Pigneur 2009, 15).

### **4.1 Products, services and value proposition**

From the research carried out and the knowledge gained from it, the direction of Woodentop Health Café has changed since its conception. Originally, the products and services were thought to consist of large meals for lunches and dinners as well as drinks and

snacks. However, the research showed there are many other restaurants or cafés that offer these types of meals. The competitor analysis showed that being able to offer a specific product could generate more success than trying to offer many different products. So, with that in mind, Woodentop Health Café would offer only drinks and snacks to be able to concentrate on specific products and separate the business from its competitors. It was found there are no businesses in Helsinki offering drinks and snacks that concentrate on offering high protein products. Specifically, Woodentop Health Café would sell protein shakes, fruit smoothies with high protein content and high protein snacks such as protein bars, protein pancakes and flavoured protein balls. By concentrating solely on the protein trend, Woodentop Health Café would establish itself in the health, fitness and food industry as the go to place for protein drinks and snacks as no other business in Helsinki is offering the value.

Another thing which differentiates Woodentop Health Café from other establishments is the information provided on the menu and the customisation available for customers. It is understood everyone has different nutritional needs, so each drink can be modified to fit the customer's criteria. There will be a set menu for the drinks, however if a customer wants a smoothie with extra carbohydrates by way of oats and an extra scoop of protein powder it can be done. Each drink option details the total calories of each food item in the meal, so customers can include or exclude options as they please. The snacks are prepared beforehand and cannot be customised.

People that actively monitor their food intake can struggle when finding somewhere to eat when out and about which is one of the pains Woodentop Health Café aims to alleviate. The market research showed that many people don't know about other healthy food places to eat or they don't think there are enough of them. The value for the customer is the feeling of control they have when eating at the café as opposed to other competitors. The customer needs somewhere they can go and eat without feeling like they may have over or under eaten. There can also be problems for gym enthusiasts looking for a quick snack to eat when on the go which has a high protein content and with Woodentop offering protein shakes on the go this solves their conundrum.

Woodentop Health Café offers newness, performance and customisation as value propositions. From research, no cafés, restaurants or food kiosks offer the same type of service which means customers will find newness in the business. However, there are of course many other businesses that cater for health-conscious consumers, so as well as offering something new, Woodentop Health Café also offers improved performance over competitors. Finally, the customisation aspect is part of Woodentop Health Café's value proposi-

tion as customers are welcome to pick and choose which items from the menu they want as opposed to eating a fixed meal as in other cafés or restaurants.

## **4.2 Target customers**

The target market for Woodentop Health Cafe is essentially people that live active and healthy lifestyle and most likely have an active participation in sports. This will be far from a mass market approach though, as the marketing channels and content will be mostly aimed at a certain demographic. The Business Model Canvas says that although it's possible to have many different target customers, it's essential to concentrate on as few as possible so that they can be targeted more directly (Osterwalder and Pigneur 2009, 20).

Section 2.2 shows the survey results for the customer analysis and the buyer personas in section 2.3 were created from the results. The survey showed promising signs for Woodentop Health Café and it is believed there is a large customer market for the products and services being sold. An even split of males and females show a need for a food establishment that offers protein rich snacks and drinks. Although the results were difficult to read, the graph in Figure 7 shows that many people are conscious of and monitor their protein intake. As well as this, as seen in section 2.2, the demand for protein drinks is high in Helsinki.

The research in section 2.2 has also shown that people living in Helsinki exercise and workout regularly, and the correlation between exercising and requiring protein in the diet has been well documented. A study in 2007 carried out by Campbell et al shows that a diet consisting of between 1.0-2.0g of protein per kg of bodyweight is highly recommended for people doing any sort of regular endurance or resistance training (Campbell et al 2007). The need for protein is thought to be well known now within sporting communities and by people that are physically active, so as the survey shows the activity levels of people in Helsinki are high the products sold by Woodentop Health Café should have a large customer base.

Woodentop Health Café will operate in a niche market due to the specific products on offer that separates it from other establishments customers could potentially spend their money in.

In terms of demographics, the following criteria has been established when considering the target customers for Woodentop Health Café based on the research results. If the

business starts to operate, these will likely change when data about customers is gathered and analysed.

- Age – 18-35
- Gender – male and female
- Buying habits – in store, regularly buying fruit smoothies, protein products and looking for the healthiest options available. Often buying from cafés during breakfast time, lunch time and in the evenings.
- Geographic location – Helsinki, Finland
- Hobbies and interests – sports, gym, exercise, healthy living.

With these demographics and the buyer personas in section 2.3, communication and marketing can be tailored to the target customers more specifically.

### **4.3 Communication and marketing**

According to Osterwalder and Pigneur (2009, 27) there are 5 phases to communicating with customers through the chosen channels. These are awareness, evaluation, purchase, delivery and after sales. Since Woodentop Health Café is a new business venture, the business model for it will be based around the awareness stage. That is, making potential customers within the target customer range aware of the product and services on offer. The strategy behind the awareness stage will be run in tandem with creating a customer acquisition relationship with customers in order to hopefully convert the awareness into purchases.

Both the awareness and customer acquisition goals will be run using the same marketing channels. The identified target group are very active on social media platforms as shown in the graph below.

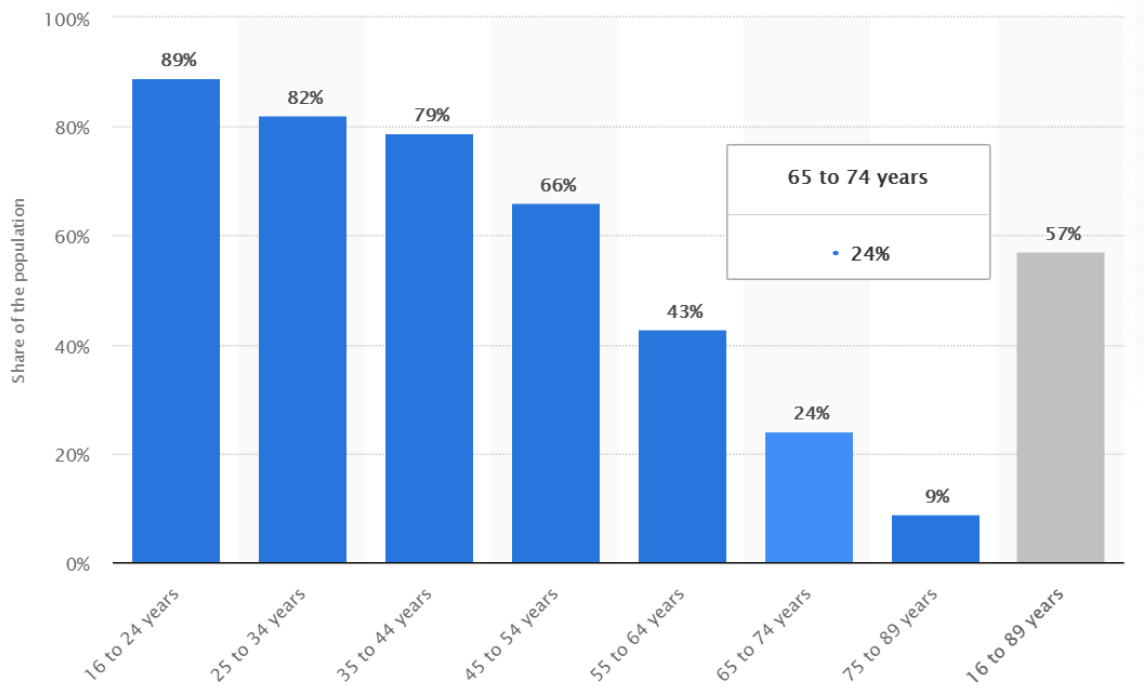


Figure 19. Share of people, who followed social media at least weekly in Finland in 2018, by age group. (Statista 2020)

The graph shows that over 80% of the targeted age group are active on social media. Therefore, social media platforms are the selected channel to promote awareness of Woodentop Health Café. To go further in depth, below is a table showing what social media platforms are the most used in Finland.

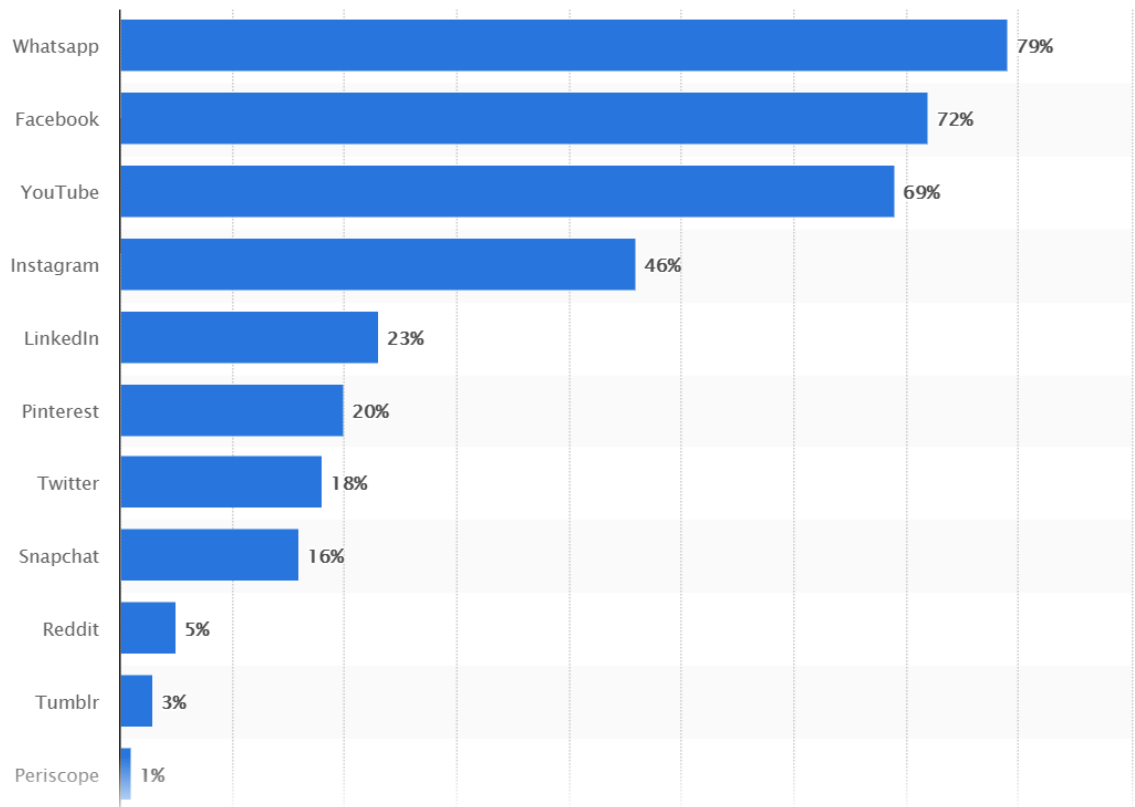


Figure 20. What social media platforms do you use? (Statista 2020)

WhatsApp marketing is developing all the time, but the most successful campaigns have come from big name brands. A large number of WhatsApp users find marketing messages being sent to them as intrusive since the users are on WhatsApp to have private or group conversations with friends. (Mazereeuw 2018). From these assertions, it's believed to not be beneficial for Woodentop Health Café to use WhatsApp as a marketing channel despite it being the most used social app in Finland.

With these findings, the channels Woodentop Health Café will use are Facebook, Instagram and YouTube. There is a large number of active users on all these user channels from the identified target group, and social media marketing is one of the best marketing channels small businesses can take advantage of. (Moriuchi 2016, 16).

The lessons from the market research are also clear. It was found cooperating with other businesses and social media influencers had a strong effect on the business. A restaurant serving ordinary salads has been able to open six franchises in prime locations through a strong marketing plan. By working with other sports brands, Woodentop Health Café would gain more exposure and more customers with the target group would become aware.

Influencer marketing was another strategy implemented as seen in the competitor analysis. A study by Annalect.fi in 2017 showed that 1 in 3 people in Finland have been affected by influencer marketing and have made purchases based on influencer marketing. Since Finland is a country with a relatively small population, influencers are more easily found by social media users and their followers tend to be more targeted. (Somppi 2017). For Woodentop Health Café, using influencers that have a largely sports and exercise-based following will see the products being exposed to the target audience which during the awareness stage is crucial.

Review websites and pages such as TripAdvisor, Google, Yelp and Facebook are also crucial to the success of businesses. It's been shown that 91% of people regularly read online reviews and 84% of people trust them as much as personal recommendations. Having good online reviews helps to build credibility for the business and could make potential new customers decide whether to use the business or not. (Dobson 2018). Woodentop Health Café will ask customers to give reviews online on their Facebook page. Further research will need to be carried out to decide whether setting up TripAdvisor and Yelp pages would be worth it.

The pricing of the products and services are a key determining marketing factor. It was initially theorised that using locally sourced and sustainable raw materials with a higher selling price would be a good structure to use. However, upon carrying out the research and analysing it, it has been found to be questionable whether people value these things enough to make it a crucial part of the pricing. Despite this, the research does show that there are people that value both locally sourced and sustainable products, so they will be used as much as possible. With these factors in mind, cost pricing and competitive pricing will be used in Woodentop Health Café's business model. Cost pricing is used to ensure all costs are covered and the desired profit is achieved, and competitive pricing is used by businesses that are entering a market where the prices are already established (Entrepreneur Europe).

Since the snacks and drinks on offer are of a premium, high-quality, locally sourced and organic type, naturally the retail price will be on the higher side due to the initial cost of buying the raw products from suppliers being higher than average. The price still, however, needs to remain competitive in the market. Despite the research showing questionable results, it is thought that there was a high enough percentage of people that value locally sourced and sustainable products, but the analysis shows that the price shouldn't so much as to turn them off. Similarly, a profit still needs to be made so cost pricing is essential in this industry.

#### **4.4 Key resources and needs**

As with any business offering customers food and drink, Woodentop Health Café will need an abundance of key resources. In terms of physical key resources, a café will naturally have many machinery type equipment. In terms of physical resources, according to the Osterwalder and Pigneur (2009, 35), these resources will include everything needed to make the food and drink, so all the cooking machinery. These physical resources include, but are not limited to, cooking appliances such as ovens, grills, hobs, smoothie makers, refrigerators and freezers. Aside from the food preparation, there are also other integral physical resources that are needed to make the business work. These include tills and other such hardware like card readers to carry out purchasing transactions.

Away from the physical store itself there will also be some physical resources required to upkeep the running of the business. Internet access and a laptop will be absolutely crucial to maintain data and relevant paperwork as well as running advertisements, campaigns and postings on the chosen marketing channels.

Human resources will also be crucial for the operations of the business. Humans will be the forefront of the store, dealing with customers, making, preparing and cooking the food and managing the business behind the scenes. The figure below shows Woodentop Health Café's organisational chart:



Figure 21. Organisational chart

There will also be some intellectual resources needed for the successful business operations of Woodentop Health Café. The fixed menu for the foods and drinks will be an intellectual resource for the business as the recipes are needed to differentiate the café from other businesses as well as providing unique tastes in the meals. These resources will be exclusive to Woodentop Health Café.

#### 4.5 Key partners

For Woodentop Health Café to operate successfully, there will always need to be a number of key partners to enable the business to be fully functional. Mostly the partnerships will be with suppliers, although it could be possible for some alliances to be made as well. Alliances are made strategically between non-competitive businesses for advantageous purposes (Osterwalder and Pigneur 2009, 38).

A partnership between Woodentop Health Café and suppliers is absolutely paramount for the long-term success of the business. Without strong partnerships here, the supply chain will be at best interrupted and far from optimal from an economic viewpoint. Most critically, suppliers will be needed for all the food and drink produce being sold. With the wide variety of products being sold, a number of different suppliers will be needed for different parts. Locally sourced and organic produce is part of Woodentop Health Café's values, so sup-

pliers which meet these criteria need to be found. If locally sourced isn't an option as will be the case for fruits for example, finding fair trade suppliers will be the next viable option.

Various protein shakes and snacks will be on sale, so a deal will have to be made with brands to be able to sell their protein powders and bars. This could be defined as an alliance as per the Business Model Canvas (Osterwalder and Pigneur 2009, 38). The alliance forms between two businesses that have the same target market, but whose operations are mainly non-competitive. A protein powder supplier is not a direct competitor to Woodentop Health Café and vice-versa so a good and profitable working partnership for both should be attainable.

#### **4.6 Costs and revenue streams**

As with any operational business, Woodentop Health Café will incur costs, but as per the Business Model Canvas it is a good idea to choose the cost structure for the business model. With the information gathered already about the business idea, the business will use a value driven cost structure. When a business decides they want to offer their customers a higher quality product and have a premium value proposition, their cost structures will be value driven. Woodentop Health Café is offering premium products and would therefore benefit from focusing on providing value over saving on costs. (Osterwalder and Pigneur 2009, 41).

A table (Appendix 2) has been created showing all the projected costs and income for the first three years of operation. There will be an initial investment needed of €60,000 which can be sourced from investors or a bank loan. As for the rest of the figures, these are all rough estimates and as the business plan further develops in the future they are likely to change, however for the sake of this thesis all the figures remain relevant and realistic according to the author's knowledge. The revenue streams, or the income, come from the food and drink sold.

In terms of fixed costs, the café will have rent, salaries, utilities, marketing and insurance costs. After researching possible venues for the business, there are a number of possible commercial properties available for rent that would be suitable. The average rent for a suitable property is around €1,400 per month, and the average utilities on these properties is around €320 per month. These properties come with all the necessary fixtures and fittings needed to start operating right away, so no further investment in a property would be required. The estimated number of staff required to run the business is 3 full time staff members with the opening hours of the café initially starting from Mon-Fri 10am-6pm.

Each staff member will earn €2,000 per month, totalling €6,000. On top of their salary will be some employer contributions which include insurance, pension contributions, unemployment insurance payments amongst other costs (Ilmarinen 2020). These contributions will roughly total an extra €640 on top of each employee's base pay of €2,000, meaning the total of having 3 full time employees with the added contributions is now €7,920 per month. The marketing sum will start off higher in the first year as the business looks to establish itself and an onslaught into generating awareness begins, then as customers become more aware and the target audience becomes more defined, the marketing can be more targeted and precise so therefore lowering the yearly cost.

The variable costs include the cost of buying the produce to sell on, dishes and cutlery, cleaning and maintenance costs, discounts and promotional campaigns and finally miscellaneous costs.

## 5 Conclusion

The aim of the thesis was to gather information to validate the business idea of Woodentop Health Café and create a business plan by applying the Business Model Canvas. Over the course of writing the thesis and carrying out research, the business idea changed as the business environment and customer analysis became clearer. The idea started as a café which would serve large meals for lunches and dinners as well as drinks and snacks. As the quantitative research data was analysed, the products were narrowed down to fit the target audience better and to find a place in the market with more definition. Eventually, the business idea developed to concentrate on the ever-growing protein market by selling protein shakes, fruit smoothies with added protein content and protein snacks. This shows that the business idea advanced over time and the research was worthwhile.

The first research question was to find what value the business brings to the market. The research carried out showed that consumers aren't aware of healthy places to eat in Helsinki or they believe there aren't enough places to eat. The research also showed that people are actively monitoring their protein intake and are commonly searching for healthy food options. There are also no known places in Helsinki that offer ready prepared protein snacks and on demand protein drinks and fruit smoothies, so Woodentop Health Café found its place within the market through the need of consumers and the lack of direct competition.

The second research question was to find the target customers. The data from the research was able to identify a target market within Helsinki and some buyer personas were created. The target customers are males and females aged between 18 and 35 who are active gym goers and participants in sports. These customers are targeted as they are most aware of need for protein in the diet and showed the most positive responses in the survey.

The third research question was to find strategies to reach the target audience. These were found during the competitor analysis when comparing the strategies of other similar businesses. It was also important to consider the target audience when finding strategies to reach them. Social media marketing was chosen as the strategy. Within social media marketing, influencer marketing and cooperating with other businesses to create ads and marketing campaigns will be used as a strategy to increase awareness of Woodentop Health Café and reach the target audience.

The fourth research question was to find what business operations will be concentrated on which was discovered when carrying out the customer analysis. It was found concentrating on protein products, specifically drinks and snacks, would give Woodentop Health Café separation from a densely populated health sector market.

Finally, the last research question was to find the costs of the business and the investment requirements. The table shown in Appendix 2 shows a profit and loss statement which highlights the key costs, profits and investments needed. By working on the profit and loss projections, costs and investment requirements were discovered and show a positive projection for the business idea. With an initial loan or investment of €60,000, it is thought the business will be able to start operating and generating a small profit of €1,616 in the first year. The projections show this will increase to €2,024 in the second year and increase further to €46,596 in the third year. It is expected the business will be profitable after three years of operation with the initial €60,000 investment.

Section 4 concentrates on Woodentop Health Café and creates a business plan by applying the Business Model Canvas by Osterwalder and Pigneur. The initial assumption upon starting the thesis was that a business plan could be made using just the Business Model Canvas, however there are many key points missing, and thus it was discovered that the canvas would be good for completing a business model alone, but not a whole business plan. Business plans are set out differently to the business model canvas, and one of the main learnings behind the thesis was the crucial yet subtle difference between a business model and a business plan. Both should be combined with each other to make a comprehensive plan but applying the Business Model Canvas alone to a business idea would not be enough to take to potential investors or business partners. However, completing a business model is a large part of completing a business plan, so the initial goal of creating a plan has still become a far more realistic and easier task than before.

The business idea itself could be considered a success and has high potential to be a viable business if the author chooses to pursue starting it. The uniqueness of the idea, the results from the research and the clearly defined target customers are key indicators of this as there is a clear market for the business idea. As well as this, the financial forecast seems promising.

Despite the positives from this research, it remains an uncertain time for business owners at the time of writing. The Covid-19 coronavirus has had a profound impact on not only the economy, but also consumer behaviour, especially in the food industry. It is yet to be known the long-term effects of these changes, and in these times of uncertainty it is ques-

tionable whether starting a business within the food industry would be a wise decision. The doubt does however open a window of opportunity. The sad fact is a lot of businesses have ceased operations due to the impact of the virus and as a result many commercial properties, especially those fit for café purposes, are becoming available for rent at cheaper than usual prices. Part of being a successful entrepreneur is spotting an opportunity and being quick and brave enough to act on it, so the opportunity may yet still overcome the doubt. This thesis has helped develop the entrepreneurial mindset of the author whilst convincing them that the business idea has the potential to succeed.

### **5.1 Recommendations for future studies**

The primary goal of the thesis was to create a business plan for the Woodentop Health Café business idea. With further work and research, it is believed a solid business plan can be created using the Business Model Canvas from this thesis as the spine which will make the task far easier. To be able to go to potential investors a full and comprehensive business plan is required, so it is recommended for the author to write a document as per the process layout in section 2.1 in order to advance with the business idea preparations. Also, further customer research should be carried out to increase the validation of the findings of the thesis as some of the data was ambiguous.

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## Appendices

### Appendix 1. Survey

1. Age

- Under 18
- 18-24
- 25-30
- 31-35
- 36-40
- 41-45
- 46-50
- 51+

2. Gender

- Female
- Male
- Prefer not to say
- Other: \_\_\_\_\_

3. How often do you partake in physical activity (sports, gym, running, cycling, exercising in general)?

- Once a week
- 2-3 times per week
- 4+ times per week
- 2-3 times per month
- Once a month
- Less than any of the above options

4. Do you monitor your food intake?

- Yes
- No

5. If yes, what exactly do you monitor (calories, protein, carbs, fats, etc)? Please list with a comma after each answer or LEAVE BLANK if you don't monitor anything.

- \_\_\_\_\_

6. Do you feel there are enough healthy places to eat in Helsinki?

- Yes
- No
- Don't know

7. Do you look for the healthiest option when choosing food?

- Yes

- No
  - Sometimes
8. During what time of day are you most likely to purchase a meal or drink from a restaurant /café?
- Morning
  - Lunch
  - Afternoon
  - Evening
  - Unlikely to purchase at all
9. How often do you purchase protein drinks?
- Daily
  - A few times a week
  - Once a week
  - A few times a month
  - Rarely
  - Never
10. How often do you purchase fruit smoothies?
- Daily
  - A few times a week
  - Once a week
  - A few times a month
  - Rarely
  - Never
11. How important are locally sourced products to you when considering what to eat?
- Very important
  - Quite important
  - Not very important
  - Not important at all
12. How important is sustainability to you when buying food?
- Very important
  - Quite important
  - Not very important
  - Not important at all
13. Would the price of food override the importance of either of the two previous questions?
- Yes
  - No
  - Maybe

## Appendix 2. Profit/Loss Statement

	Year 1	Year 2	Year 3
<b>Sales revenue</b>			
Food	€ 145,000.00	€ 209,000.00	€ 301,000.00
Drinks	€ 52,000.00	€ 67,000.00	€ 74,000.00
Other	€ 10,000.00	€ 12,000.00	€ 14,000.00
<b>Gross revenue</b>	<b>€ 207,000.00</b>	<b>€ 288,000.00</b>	<b>€ 389,000.00</b>
<b>Fixed costs</b>			
Wages and salaries	€ 125,040.00	€ 125,040.00	€ 125,040.00
Rent	€ 16,800.00	€ 16,800.00	€ 16,800.00
Utilities	€ 3,840.00	€ 3,840.00	€ 3,840.00
Marketing	€ 15,000.00	€ 12,000.00	€ 12,000.00
<b>Total Fixed Costs</b>	<b>€ 160,680.00</b>	<b>€ 157,680.00</b>	<b>€ 157,680.00</b>
<b>Variable costs</b>			
Raw produce	€ 100,000.00	€ 130,000.00	€ 150,000.00
Dishes and cutlery	€ 500.00	-	€ 300.00
Cleaning supplies	€ 300.00	€ 350.00	€ 375.00
Maintanance	€ 1,000.00	€ 1,000.00	€ 1,000.00
Discounts/promotions	€ 1,000.00	€ 500.00	€ 400.00
Misc	€ 1,500.00	€ 1,000.00	€ 1,000.00
<b>Total Variable Costs</b>	<b>€ 104,300.00</b>	<b>€ 132,850.00</b>	<b>€ 153,075.00</b>
<b>Total Profit Minus Loss</b>	<b>-€ 57,980.00</b>	<b>-€ 2,530.00</b>	<b>€ 78,245.00</b>
<b>Liabilities</b>			
Loan income	€ 60,000.00		
Loan repayment	-	-	€ 20,000.00
<b>Total final costs</b>	<b>€ 264,980.00</b>	<b>€ 290,530.00</b>	<b>€ 310,755.00</b>
Profit before tax	€ 2,020.00	€ 2,530.00	€ 58,245.00
Income tax (20%)	€ 404.00	€ 506.00	€ 11,649.00
<b>Net profit</b>	<b>€ 1,616.00</b>	<b>€ 2,024.00</b>	<b>€ 46,596.00</b>