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SMALL BUSINESS FINANCING FOR BUSINESS

Research work at Mindi cake and drinks store in Oulu

Thesis

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ABSTRACT

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Currently, the food service industry is strong in many countries around the world, and in Finland the food service industry is accounting for a fairly large percentage. However, many small establishments are closed down not because of unsatisfactory products but because there is not enough funding to maintain them for a certain period. Raising the budget has become a strategy that young businesses aim for. Receiving more financing from investors is not only beneficial for businesses to build and develop the company according to the set direction but also helps investors use their own money to make profits in successful financing injections.

Small business financing will affect the development and capacity improvement and expand the development scale of the business. Most businesses today use small business financing to invest and do business, and after a while, they have affirmed their capacity and reputation. Because not all businesses have enough financing and fixed financing ready for business operations small business financing is extremely necessary, and it determines the scale of expansion of business operations. This is also evident when the economy is growing and improving.

In addition, small business financing not only helps businesses increase their competitiveness but also demonstrates their economic potential and reputation. The quick, abundant, and timely small business financing shows the potential and reputation of the enterprise. And when there is small business financing, on the contrary, it helps businesses feel secure to invest in production and business, expand the market, and improve their reputation. Small business financing also determines the solvency of the business. Liquidity helps ensure the reputation of the business, contributes to the expansion of business activities, conducts competitive activities, and enhances the reputation of the enterprise in the market.

Key words

Small business financing, business plan for small businesses, business model canvas, development strategy

ABSTRACT

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1 INTRODUCTION

Based on the current market situation and forecast of the beverage industry (Industry reports and organized research 2020) this thesis presents Mindi's plans and projects for two years 2023 and 2024. The following thesis outlines the foundation of MINDI, growth opportunities in the food and beverage service industry, projected plans and budget expenditures for the future, as well as a summary of the store's current budget. Through such information, investors can easily recognize the development potential of the company and decide whether to invest or not.

Finland is a land of natural, pure, and safe delicious food. That's why investors finance based on product quality here. Products are made from natural, selected, and fresh ingredients, in addition, products are carefully selected from several foreign suppliers. That is the strength and will be the premise for the company's sustainable development. Starting with a new strategic plan to open more Mindi Bars chains, the store owner decided to raise financing from outside to increase the feasibility of this project, after meeting with investors. Outside investors have asked Mindi to produce an investment plan outlining the current state of Mindi's store, financial information on current operations, and financial position for the Mindi bar chain plan, and finally the store's plan and direction for the next two years.

The theme "Small business financing for business" is the first main task when assigned to manage Mindi store's business, which is to synthesize, research, and draw from market knowledge and what Mindi does. It is built up in the process of formation, starting with the success of the original company MINNHOUSE and the recognition of the Kempele government for young businessman Tran Ngoc Vi Minh. This is a great motivation for the author to write this thesis the trust entrusted by the shop owner is an honor as well as a big challenge leave out. This is a passionate plan, partly proving the ability to work for the business owner, and partly helping the business owner have a high ability to receive financing from outside.

This thesis is written based on the actual research method of the store operation process. It consists of three main parts, which are first the overview of Mindi company and the general opportunity of the food and beverage service industry through which investors will see the overall potential of the industry and of the store. Secondly there is the company's financial budget since its establishment and the company's budget are needed so that investors can grasp the actual financial situation in the store's operations. Finally, according to the investor's request of the short-term plan and planning in two years that investors want to see at Mindi store.

2 SMALL BUSINESS FINANCING

To optimize the financial situation of the business, the project is arranged to raise financing from outside the business (Harroch 2020). There are three stages of raising financing from outside. The first is the stage when businesses need a financial budget to build products and target customers; The second is a business that needs financing to develop actual projects; And the third is the stage when the project has come into operation and needs financing to promote development. Besides that, some notes before small business needs financing (Harroch 2020), (Kearl 2022).

First, businesses that raise financing need to have a specific and feasible business plan to attract investors. As well as providing sufficient detailed information to satisfy investors' questions about the ability to accomplish the set goals.

Second, attached to the business plan are financial statements and related data that will prove your business has enough capacity to grow and expand. Through this thesis report, investors will know the financial position of the company and there predict future profits, making decisions about whether to invest or not.

Third, is the backup plan. Businesses should a reasonable calculation of possible problems so as not to fall into a pile of debt. This is done proposing contingency plans, and optimal solutions. This will demonstrate your business ability and flexible adaptability in any situation and investors will trust you more.

2.1 Business plan for small businesses

The business plan details the goals of the business, and how to achieve those goals, and it is based on three aspects that are marketing, finance, and operations (Hayes 2023). Every company needs a clear business plan not only to help the business express its vision and strategy according to the core values that the business has identified but also rely on it to help the company build its reputation and get trust and cooperation from external partners and investors (Small business administration 2023). When making a business plan, businesses need to monitor and control that process to promptly go in the right direction or change accordingly, but the core value is always the center. Some types of business plans

are called startup business plans; Internal business plans; Strategic business plans; Feasible business plans. Investors rely on a business plan to gauge the viability of a business before funding, which is why business plans to stick with decide often business financing Businesses always need a specific business plan with the necessary elements that will be presented in the next section.

Regarding the executive summary of the company, businesses need to give full information including the company's business field, goals and vision of the business, products and differences of products that businesses use to complete, where the target market is located, marketing strategies, and plans to reach customers, revenue from the business and projected future revenue as well as financial expectations that the business wants to achieve, then who are involved in the process of ensuring their responsibilities and obligations (Small business administration 2023).

In the company description, outline your company structure, business and industry model, vision, mission and value proposition, history, and background information revolving around short-term and long-term business goals, in addition to key personnel that needs to be introduced.

Market analysis is crucial to the success of a business strategy, especially paying attention to the niche market because it has a very tough competitive advantage. At this stage, it is necessary to analyze the estimated size of the market, the position of the company in the market, and present overview of the current competitive market landscape. Based on customer data and trends in the coming years to effectively forecast and analyze the market to deliver realistic results.

The competitive analysis aims to identify the competitors in the market of the business, from which to devise tactics to attract the attention and support of customers to capture a large market share. Differentiate costs to optimize profits to offer competitive prices suitable for each customer segment. Next is the highlight of the product/service that the business provides, which can be creativity, utility, or aesthetics. Finally, specific customer segments, instead of attracting many business objects, should be divided into applicable segments to create a large market.

Management and organization are about the roles of employees and the management team involved in the process of achieving the desired goals of the business. They can be represented by diagrams of the company's internal structure.

The marketing plan is an important part of the business, it brings the brand, products/services, and vision of the business to the customers. However, it is necessary to know how to distribute the strategy so that it is suitable for each customer object (Hayes 2023).

Logistics planning is important, it helps businesses understand the supply chain and contingency plans. It is a series of processes from the supplier, manufacturing the product to performing the production, purchasing and transporting goods, warehousing, and equipment necessary to serve the job. shipping and delivery to consumers, and inventory management.

The financial plan should be presented reasonably and clearly to show the feasibility of the business plan. One possible plan is to target certain demographic groups or invest a certain amount of money to execute the plan. The income statement, balance sheet, and cash flow statement are the three most commonly cited elements outlined in this section in addition to financial projections.

2.2 Small business financing

Budget is understood as the value that brings surplus value. In common sense, the budget is the total materials value that an enterprise invests to conduct production and business activities. Business financing is understood as the activity of receiving assets from different owners to create financing for business activities in the form of loans, securities offerings, joint ventures, associates, and affiliates domestically and internationally (Marker 2022).

Financing is the activity of providing an organization's physical and financial resources for independent activity in exchange for the benefits the organization expects to receive from the activities themselves. Funding activities today happen more often and aim to create benefits for both parties and are not just limited to one person. With a new business started by a few founders, the business idea may not require originality or a unique idea, or social issues. When starting up, depending on the financing source of the business owner, the business owner often must call for funding from many different sources to develop the business and when the business understands the market demand, it will use the budget to develop a viable product, service or technology.

To respond to the financing needs for business activities, a business must have a financing strategy or in other words a strategy in organization financing business financing.

2.3 Business model canvas

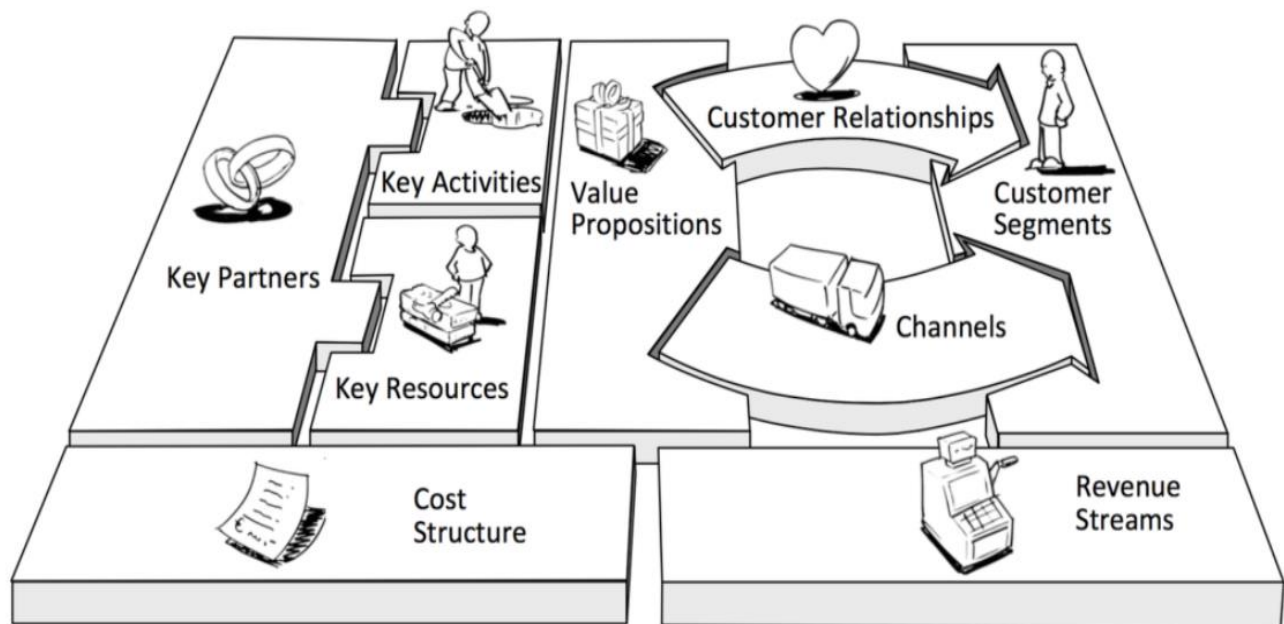


FIGURE 1. Model canvas

The Canvas is a business strategy design tool used to create a summary of the basic elements of a business model designed by Alexander Osterwalder and Yves Pigneur (Tull 2021), (PICTURE 1). The Canvas model helps businesses better understand their business model and key factors such as customers, resources, competitors, and marketing channels. The Business Canvas model fosters understanding, discussion, creativity, and measurement. It systematically reflects the business model with the problem posed in 9 boxes, helping people compare several variations and new ideas for the sales model, thereby making effective decisions (TABLE 1). The aspects mentioned below will show the benefits of using canvas model mentioned in (Tull 2021).

Visual thinking will help businesses better understand how to link different elements of their business model to drive and optimize their business. Build an effective marketing strategy provides information about customers and marketing channels from which businesses identify ways to reach target customers. Resource and cost optimization to businesses can identify the resources needed to deploy their business model and find ways to optimize costs. Adjust and improve the business model helps businesses evaluate the effectiveness of their current business model and find ways to adjust and improve the business model to suit the market. Simple circulation is the ideal business strategy design

tool for startups, helping them create a complete and detailed business model, it is very convenient for businesses to access and share information anytime, anywhere.

The canvas business model is very popular today. Famous brands such as Apple, Uber, and BMW are also applying and are very successful when applied in business. The product/service has to go through many tests and refresh many versions to produce the most perfect final product. This Canvas business model seamlessly combines pillar elements to leverage its signature result solutions. The unique sales model for long-term success, many of the most prominent examples globally show the success of applying the Canvas model in strategic and business management. Business can completely apply their knowledge to fully apply the 9 elements in this model to establish a company (Nef digital 2023).

TABLE 1. 9 value system in the canvas model (Tull 2021)

9 VALUE SYSTEM IN THE CANVAS MODEL

1	Customer segment: This segment is near the end of the business cycle but is in the first value bracket to analyze. Business today revolves around customer segmentation, selling what customers need instead of selling what the business has. With defining factors are Segment Dimensions, Segment Composition, Gains & Pains.
2	Value Propositions: The proposal made must be based on the needs and problems of the customer segment (selling what customers need).
3	Channels: Channels include marketing, sales and after-sales services. It is a way to bring products and services to customer segments.
4	Customer Relationships: We need to meet and realize 03 goals Establish a customer relationship (Get) Grow customer relationships (Grow) Maintain customer relationships (Keep)
5	Revenue stream: This is a function that needs to be detailed and clear. And the administrator needs to optimize each thread and maximize the value of each thread. But must be based on the proposed value as well as the life cycles.
6	Key Resources: Also known as resources that businesses need and the most important assets.
7	Key Partnerships: Depending on the size of the business build a network of key partners. They are understood as people/organizations that will help us in a certain value frame.

Continues

8	Key activities: The activities of developing and producing as well as providing services to customer segments.
9	Cost structure: Starting from the main activities of the business, the cost structure includes limits, plans and processes to help ensure the safety of the business activities.

However, the Canvas model may be limited by the user's capabilities, as it is no substitute for more detailed business research and analysis. Additionally, the Canvas model may not be a perfect fit for every new product type or business model. Besides the benefits that the Canvas model brings, there are still three limitations when using the Canvas model.

Canvas lists quite fully the factors inside the business without mentioning the factors outside the business. Meanwhile, factors of the external environment often have a great impact on the existence and development of enterprises, especially factors related to competition. Therefore, when applying it, businesses need to pay attention to using more analytical models for factors outside the business. This model has not mentioned the vision, mission, and strategic goals of a company that focuses on providing value to customers, focusing only on revenue, cost structure, and profit. Therefore, this model has limitations in its application to non-governmental organizations and government organizations.

The model has not mentioned the human factor and the interaction between group members. This is one of the key factors that create value for customers. This limitation can lead to incomplete and inaccurate identification of customer value creation factors.

Next chapter introduces a theoretical overview of business loans, a complete and detailed overview of the small business plan and financial resources for that business, in addition to a Model Canvas with 9 elements. Businesses that rely on it can figure out how to effectively model their business. The next chapter is part 3 with the implementation of the above theories into the reality of Mindi enterprises, in this chapter 3 will introduce an overview of this newly established enterprise, and give theories and directions. There is evidence of the market opportunity that this business is aiming for, the plan that the business is aiming for in 2023 and 2024 with the financial budget that Mindi arranged and planned has been and is on the right track. Besides that, the canvas Model that Mindi has set up is based on the main model canvas structure created to suit the company itself. With the ultimate purpose of borrowing financing for business, Mindi has shown itself, the plans it has reaped, and the opportunities that businesses seize for investors to rely on to make final decisions.

In short, to get small business financing from an investor, it is necessary to have a business plan and be based on a certain foundation, which has a clear effect on the business to create a solid basis for the goal that the business is aiming for, as well as trust and see the prospects of the business for investors to give decide to lend (Harroch 2020).

3 SMALL BUSINESS FINANCING FOR MINDI OY

Mindi is a start-up, currently in the testing phase to implement the planned business model. During this process, the business owner contacts investors to raise financing for the business. On the other hand, investors who are looking for promising businesses to finance have asked Mindi to submit a report on the business including the plan for the next two years and the development direction the company will develop. The company is moving forward so this chapter 3 will dive into the Mindi enterprise entity with an overview of the business, revenue and business expenses of the business, in addition to the 2023 and 2024 plans based on market analysis the business is aiming for. This is not only the orientation but also shows the ability of the business, vision and human capacity. Thanks to that, investors can grasp and have the right view in investment decisions.

3.1 General introduction of Mindi company

The premise of the company MINDI is MINNHOUSE oy, a homemade bakery founded by Tran Ngoc VI Minh. At a young age, she has her own experience in savory and sweet cakes, with a passion for food, her talent was evident when she was trained in baking at school. She has been making her products since 2021. Quality products and attentive customer service make customers trust and support the MINNHOUSE brand. In December, she was honored to become the sole entrepreneur of the year voted by Kempele after more than 1 year of effort (PICTURE 2).



PICTURE 1. Vuoden yksinyrittäjä 2022



PICTURE 2. Magazine Forum 24

Mindi was established in December 2022 with an existing and potential customer base aiming to be one of the growing brands in the future (PICTURE 3), Kaleva newspaper has an article on establishing a Mindi company (Hentilä 2023, 20). In general, the density of orders for cakes and drinks is 60-40 percent so to easily reach target customers, Mindi has built a specialized store strategy. The plan will be implemented in the 2023 and 2024 planning sections.

The company was established in the form of a joint stock company with three owners. It is currently run by the CEO and the largest equity owner - Tran Ngoc Vi Minh. She is also the creator of the company's soul, the current business product (cake) is the core product that the current business company is focusing on improving and producing delicious cakes suitable to the company's focus group targeted but cakes retains its idiosyncrasies. Besides, the remaining 40% of the company focuses on beverages with the desire to bring customers an interesting experience between the combination of cakes and drinks.

The company have planned and promoted MINDI, divided into three main models. Firstly, the MIDI Drinks & Cake model is still a solid foundation, which will be the development premise of the company. The second is MINDI Bars, this is a model specializing in milk tea and beverages and the third is a model specializing in cakes of all kinds, eat on the spot, take away, and leave out orders for MINDI Cakes.

3.2 Global bubble tea and cake consumption market

The pastry industry, which is still known as one of the stable and high-growth industries, is the most competitive segment in the consumer goods industry in Finland (Fortune business insights 2023). With the advantage of being a country with a thriving farming industry providing residents with a lot of fresh berries and vegetables, most Finns live in rural towns. Finland is considered one of the potential pastry markets in the region, one of the strengths is that these products are mainly consumed in all regions, not only by young people but even the elderly by prefer bakery products whether they are new products or traditional products.

Finns respect traditions and attach great importance to domestic products, with the goal of economic development by implementing the policy that Finns use Finnish goods (Business Finland 2020). That is why they always use ingredients available in the country and create traditional dishes that have been

spread for a long time, cereal foods (barley) taken from the field, fish are caught in the sea (especially), and tons of berries (cowberry, strawberry, cloudberry) are harvested seasonally. These crops and materials have brought to the land a rich cuisine and diversity in this country. The dishes in general and cakes that are made from the above ingredients, in particular, are strongly supported by the people in the country. Although always focusing on tradition, they do not deny the introduction of modern and multicultural cuisine (Market analysis report 2020).



FIGURE 2. Pacific bubble tea market size, 2021

About the market and potential opportunities of the bubble milk tea industry (Facts and factors 2022), along with the rapid development of the Asian milk tea industry, Europe has also caught up with the trend and launched market expansion campaigns in this industry, not only helping to bring in revenue but also helping the industry grow and spread throughout the region. Although European countries do not focus on tea production and must depend on supplies from other regions, the growth of the milk tea industry also has certain limitations, but most European countries are interested in drinks from tea production and focus on the taste of tea. With a solid understanding of tea and coffee along with the introduction and mixing of cultures today, they are interested in new drinks made from tea and coffee, one thing is for sure that the milk tea market will be a promising drink in the coming years (PICTURE 4).

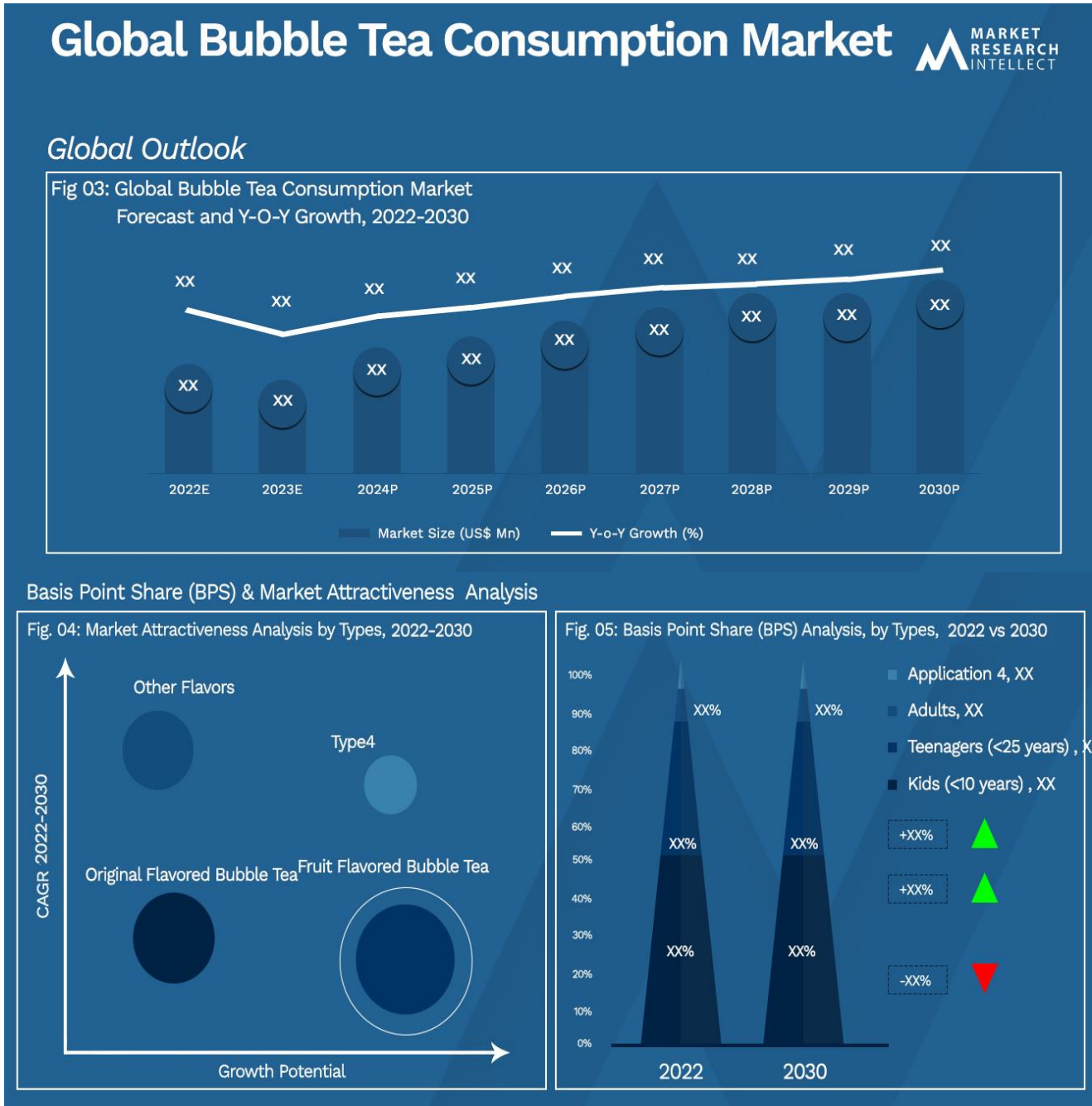


FIGURE 3. Global bubble tea consumption market (Market research intellect 2022).

According to the Research intelligence of the Market, from 2022 onwards, the F&B industry, in general, tends to develop until 2030, and the sales of the milk tea industry will be a significant number (Market research intellect 2022). In particular, the group of potential customers focuses on children and adolescents (under 25 years old) with the four most influential milk tea groups being fruit-flavored bubble milk tea (PICTURE 5). A comprehensive assessment of the milk tea market in the period 2022-2030 shows that different customer segments have different consumption levels and perceptions of

drinks. In addition, it also predicts revenue for this period, estimated based on the results of indepth research and expert judgments (Market research intellect 2022).

3.3 Mindi's business plan

Mindi's plans are an important part of the company's future development strategy, it is divided into two phases are the store open planning phase and the store construction phase. Based on the company's short-term plan and planned budget details, the pilot phase is in 2023 and the shaping and development phase is in 2024 based on the budget that the business has planned this section will show us the reality of implementing a business model.

3.3.1 Timeline – plan for the open branch



FIGURE 4. Timeline of Mindi 2023 – 2024

In January 2023 the plan was to be maintaining the operation of the branch, the first store will pay itself back in 1 year until the end of 2023, up to now, costs are being recovere gradually and starting to be profitable. In June 2023, the first store of the Mindi bars model will be born, marking a new step forward for MINDI in general (Oulu). In December 2023 with the MINDI CAKE model established and after MINDI BAR is stable for 8 months, there will be a solid basis for the MINDI CAKE branch to be set up (Kempele). In June 2024, at this time, in general, and expected most of the three branches have been put into operation and are in the process of gradually becoming profitable (MINDI BARs in Kempele; MINDI CAKE in Oulu). In September 2024 Kempele is now a place within reach of the store, based on the fall 2024 plan, the MINDI Drinks & Cake branch will be expanded to two branches. In December 2022, the first store of MINDI was born, which is a combination of 60% of

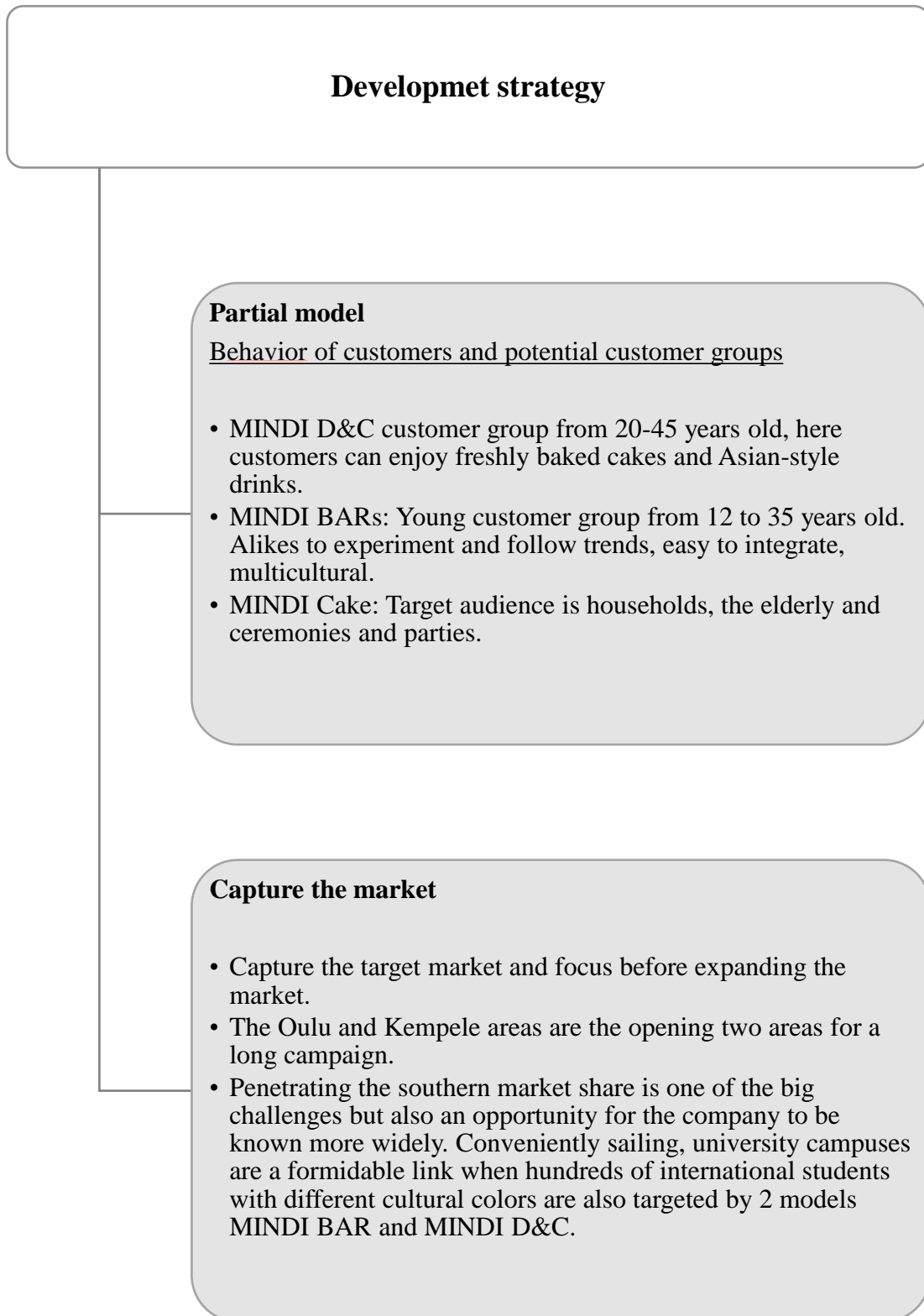
cakes directly distributed by Minnhouse and 40% of drinks including milk tea, fruit tea, and Vietnamese coffee. From then until the end of 2023, this branch will operate independently in Oulu. According to the estimated costs mentioned in the next part, the average cost per month is close to 15 000 euros. The expected profit-sharing ratio on each product is 50% including drinks and cake. The average revenue per week is 3750 euros, which means that the store operates about 50 orders per day, and the total revenue is about 500 e/day, which is the maximum to maintain the store. This number has fluctuated in the three weeks since the start and the company has plans to maintain the branch and put it into long-term operation until early 2024. In June 2023 MINDI BAR a store will be opened in the shopping mall in Oulu. (Negotiations with the rent place are ongoing). The estimated cost of opening this shop does not include the initial amount preliminarily calculated by the owner of 25 500 e. Store operation expenses mentioned in table 6 cost running 2 is 9 602 e. At the end of 2023, the second branch of this model will be opened as expected MINDI Cake will follow in the footsteps of MINDI Bars after this model stands firmly in Oulu. The focus will be on different customer groups building the base of three different model groups.

This model has the same construction cost as the BARs model, so the difference is not large. It can be seen that the development trend of this model is very large. Provide fresh cakes at affiliated stores, take away, and receive cake orders for parties and holidays the current MINNHOUSE's strong activity proves it.

3.3.2 Development strategy

Mindi has established a strong product development strategy that can support business viability with profitable products and then modify it to stay competitive in the market, step by step, and implement the adjustments based on previous experience (Coleman 2023). They tailor information by understanding consumer psychology and processes and find innovative business-appropriate solutions that keep them on track (Max 2022). Development strategy based on two factors are Partial model and capture of the market (TABLE 3).

TABLE 2. Development strategy



3.4 Financial budget of Mindi

Currently, the store's sales of both main products, cakes and drinks up to this point are as shown in the following chart (FIGURE 1).

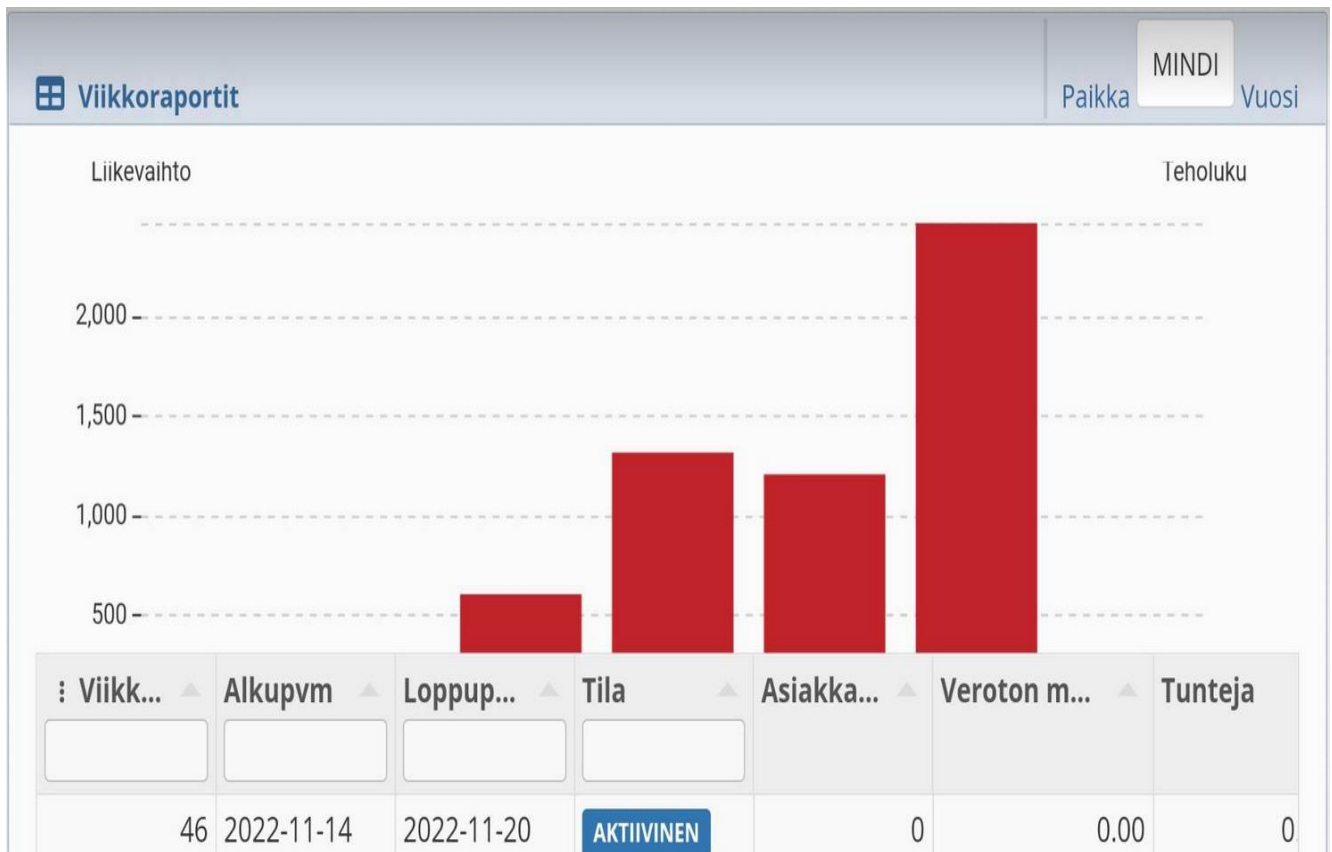
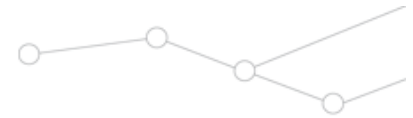


FIGURE 5. Weekly report

Based on the revenue chart above, we can see that the first week's revenue is quite low partly because the company is not stable and has not perfected its products to bring customers the most complete experience what the above indicator has shown us. This number is even more than double that of the previous weeks. It is currently in orbit, has a fixed customer base, and revenue is already within the previously predicted threshold (according to expected revenue).

The expected profit-sharing ratio on each product is 50% including drinks and cake. The average revenue per week is 3750 euros, which means that the store operates about 50 orders per day, and the total revenue is about 500 e/day. That is the level to maintain the store.



MINDI Oy		Budjetti tilikaudelle €
Bubble tea stall		
Myyntituotot		
Yleiset myyntitilit		240000
Muu liikevaihto		0
Liikevaihto	240,000 €	
Varastojen muutos, valmiit ja keskeneräiset	-3,000 €	
Materiaalit ja palvelut		
Ostot tilikauden aikana		-48000
Ulkopuoliset palvelut		-5568
Materiaalit ja palvelut	-53,568 €	
Henkilöstökulut		
Palkat ja palkkiot		-30000
Henkilösivukulut		-1200
Henkilöstökulut	-31,200 €	
Poistot ja arvonalentumiset		
Suunnitelman mukaiset poistot		-1800
Poistot ja arvonalentumiset	-1,800 €	
Liiketoiminnan muut kulut		
Toimitilakulut		-42000
Ajoneuvokulut		-6000
Tietotekniikka- ja -ohjelmistokulut		-1440
Muut kone- ja kalustokulut		-600
Myynti- ja markkinointikulut		-1800
Tutkimus- ja kehityskulut		-3000
Hallintopalvelut		-1800
Muut hallintokulut		-600
Liiketoiminnan muut kulut	-57,240 €	
Liikevoitto (- tappio)	93,192 €	
Käyttökate	94,992 €	
Liikevoitto (- tappio) %	38.8 %	
Käyttökate %	39.6 %	

FIGURE 6. Budget for a bubble tea stall

Figure 3 presents is the financial budget that Mindi has planned and is based on to be able to see the change, as well as control and adjust to suit reality (Turits 202). In addition, this budgeting helps the

company understand the company's finances, what can be spent, and fees not necessarily used, prioritizing certain goals of the project (Marker 2022).

3.4.1 The owner's initial costs including the model Mindi Drinks & Cake

To open a store and keep it running until it is profitable, here is a breakdown of MINDI's spending. From Table 4 budget 1 and costs running 1, we can see that with the total initial budget, the company owner spent to open the store, including internal objects (equipment, raw materials) and foreign objects (website, shipping fees and such) and other fixed costs and expenses for the operation of a store under this business model (TABLE 3-4).

TABLE 3. Budget 1

BUDGET		INVENTORY
	Website	574 €
	Machine	30 000 €
	Material (Can, lid, etc)	4 000 € 2 month
	Equipment	15 000 €
	Shipping	600 €
	Repair cost	3 500 €
INGREDIENT		
	Ingredient for drinks	10 000 € 6 month
	Ingredient for cake	3 000 € 1,5 month
TOTAL		66 674 €

TABLE 4. Cost running 1

COST		
HR	Salary	5,500 € /Month
Outsourced accounting	Acc	250 € /Month
The infrastructure	Electric	600 € /Month
	Water	200 € /Month
	Place	2,030 € /Month
IT and software costs	Net	40 € /Month
	Phone	10 € /Month
	Cashier machine	79 € /Month
	Marketing	150 € /Month
	Shipping	90 € /Month
	Service costs	35 € /Month
	Material	2,000 € /Month
	Ingredient	3,700 € /Month
	Other	300 € /Month
Total		14,984 € /Month

According to the cake and water model, the initial financing amount is nearly 67 000 euros and the average monthly cost is about 15 000 euros for the Mindi Drinks & Cake model. This number is actually declared through the operation of the current store.

3.4.2 Operating cost with the model a MINDI BARS/CAKE store

Mindi Bar/Cake is planned and is in the process of being completed, but is not yet an operational facility, this scale is expected to be started in June 2023. The lease agreement is being negotiated. A detailed short-term plan has been developed detailed below for investment budget and operating costs (TABLE 5-6).

TABLE 5. Budget 2

BUDGET		INVENTORY	
	Machine	8 000 €	
	Material (Can, lid, etc)	3 000 €	
	Equipment	7 000 €	
	Shipping	500 €	
	Repair cost	2 000 €	
INGREDIENT			
	Ingredient for drinks	5 000 €	3 month
TOTAL		25 500 €	

TABLE 6. Cost running 2

COST		
HR	Salary	2,500 € /Month
Outsourced accounting	Acc	250 € /Month
The infrastructure	Electric	200 € /Month
	Water	100 € /Month
	Place	3,500 € /Month
IT and software costs	Net	40 € /Month
	Phone	10 € /Month
	Cashier machine	79 € /Month
	Marketing	100 € /Month
	Shipping	35 € /Month
	Service costs	35 € /Month
	Material	1,000 € /Month
	Ingredient	1,600 € /Month
	Other	160 € /Month
Total		9,609 € /Month

Since this is only a tentative model, the investment cost budget and operations cost are also prepared based on the plan and following Mindi Drinks & Cake scale of operation. According to the budget, we can easily see that the initial financing cost will be less than half compared to the big model Mindi

Drinks & Cake because there is practical experience so we can cut expenses and other costs. With this small model, the company only need to spend half of the initial financing and operating costs to open a store. Specifically, 25 000 euros for initial financing and about 10 000 euros for cost running.

3.5 Model canvas in Mindi

With Mindi's first startup, they didn't bring their first idea to market right away. Instead, the product/service had to go through a lot of testing and modification to come to an end. To avoid mistakes, lower the risk, and be more sustainable, they considered many business models before deciding to use a particular model, so they come up with a business model based on these 9 factors (Johnson 2020).

TABLE 7. 9 value system in the MINDI's canvas model

MODEL CANVAS OF MINDI OY

THINGS THAT COST MONEY	1. Key partners	The main supplier of equipment and machinery for the store is ggm (A commercial site that provides a full range of equipment, facilities, etc.); The partner to supply food ingredients is KasvisHovi oy.
	2. Key activities	Direct selling will be the main activity of the company with 2 main product groups: cakes and drinks.
	3. Key resources	The company has analyzed and arranged the main resources to operate the store and the company had to arrange a fixed cost.
	4. Cost structure	Fixed costs, variable costs and other costs have been updated and calculated by Mindi based on the financing and expense table in section 3.4.
THE MISSION	5. Value proposition	Quantitative value: Mindi emphasizes products that go hand in hand with quality and is highly appreciated by customers for quality in accordance with price.

Continues

THINGS THAT MAKE MONEY

<p>6. Customer relations</p>	<p>The company directly interacts with customers through staff who specialize in supporting customers from pre-purchase, during purchase and after purchase. They will advise and suggest side products that best suit the needs and purposes of customers.</p>
<p>7. Channel</p>	<p>Mindi directly sells at the store. Besides that, Mindi also sells products on FB, WhatsApp, Instagram and the main website. They order through the above channels' websites or call the store directly.</p>
<p>8. Market & Customer segments</p>	<p>Consumption markets are concentrated in densely populated areas and culturally diverse regions. Mindi focuses on niche markets, diversified markets and segmented markets; the target group on young people, besides, segmenting customers by segmenting product groups. Traditional products are often chosen by elderly (middle-aged) customers; trending products are warmly received by teenage customers; Seasonal and popular products are well received by customers in the 25-38-year-old segment.</p>
<p>9. Revenue streams & Pricing Model</p>	<p>The company relies on direct sales, providing products to consumers as its main source of revenue. Drinks have affordable prices: from 1.5 euros to 6.5 euros /drink. Cakes at the store cost from 1.5 euros to 12 euros, in addition, cakes are ordered to calculate by price kg (based on customer requirements and the actual price of raw materials to determine the final product cost). Other products (soup, salad, spring rolls, etc) are also in the affordable price range.</p>

4 CONCLUSIONS

The Food and Beverage Service industry is a growing sector in the Finnish market. Currently, there are thousands of new businesses springing up every day and many businesses need to raise financing from outside, this is also evident when the economy is growing and improving. The lack of investment financing for some reason makes the business unable to rotate financing on its own, so it must call for financing from outside. Small businesses contribute to the ongoing promotion of the local economy. However, many small establishments closed down not because of unsatisfactory products but because there is not enough funding to maintain them for a certain period. This will be a great opportunity for one of the first companies in this field to capture this potential market share. If everything goes according to plan, it is expected that it will take from 7 months to 1 year to recover the financing spent on each of the first models, then each branch will go into order and start to become profitable, return on Sales (ROS) is 50% and it increases by 10% in next 4 months at that time and return on common equity (ROE) is 80%.

After each stage of the activity, Mindi will summarize and send real-time reports to investors and difficulties and problems will be raised, and then the company make the report to summarize the achieved results and shortcomings, state the solutions, overcome them, and propose and change plans if necessary. Besides, Mindi's aim at the common goal of holding market share and building a brand, not only in three years from 2022 but a long-term construction plan with any form and development campaign. All plans and strategies are for the common benefit of the whole enterprise.

Currently, investors are still in the process of checking, comparing, and contrasting the information and reports provided by Mindi to be able to make an investment decision or not. However, with the meetings and exchanges of Mindi and investors, the company's ability to successfully raise financing is very large. The information that Mindi provides is completely transparent, accurate, and clear.

Under the overall assessment of the project's performance as well as potential risks that Mindi businesses will encounter, the evidence that Midi gives is factual and has been recorded by investors. The investor determines that this will be a potential business field in the coming years, although this is not the most perfect business field to invest in, the direction and timing are suitable for the Oulu area, a growing city. Mindi has grasped that key point and is one of the stores with two types of Bubble Milk Tea Stalls and Drinks and Cake shop that will pioneer this field in the newly developed market.

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