

Establishing A Business Plan for Dog Coffee&Tea Helsinki

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<p>The author of this thesis is a dog lover and owner. After reading about pet coffee in Japan and recognizing the potential of opening a dog café in Helsinki, where there is a drastic increase in dog ownership in recent years, the author decided to plan business in this form.</p> <p>The objective of this thesis is to establish a feasible business plan for opening Dog Coffee&Tea shop in Helsinki. Dog Coffee&Tea is a dog-themed café where customers can bring their own dogs as well as spend time playing with lovely dogs while enjoying beverages. Dog Coffee&Tea serves different kinds of coffee, tea, and other drinks as well as desserts, sandwiches, and other delights. The cafe is expected to open in Helsinki's central area with a capacity of 50 to 70 seats. The estimated total area for the premise is approximately 80 square meters.</p> <p>This product-based thesis is divided into theoretical and empirical parts. The theoretical section discusses the literature framework on business plan development, along with other studies related to the process of developing Dog Coffee&Tea's business plan. The theoretical part is structured based on five leading theories: Business Plan, Entrepreneurship, Strategy, Sales and Marketing, and Relationship between humans and dogs.</p> <p>In order to create a complete business plan, the author recognizes the need to understand the principles of the business plan as well as its essential components. Additionally, to ensure a solid foundation for this plan, the author also studies the strategy as the guide direction for the business. The theory of marketing and sales is also used to attract customers and increase sales so that businesses achieve the best results. As a foreigner, entrepreneurship knowledge and the rules to set up a business in Finland are essential. Eventually, all these studies will boost an entrepreneur's knowledge foundation on doing business in Finland and helps to create a business plan.</p> <p>The empirical part of the thesis is the production of Dog Coffee&Tea business plan and is that the outcome of the entire work. The purpose of the empirical part is to convert existing literature in paper to reality by using them in creating a feasible business plan for Dog Coffee&Tea. An in-depth business plan with an outline of a step-by-step process is presented as an appendix of the thesis.</p>	
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1 Introduction

According to Statistics Finland, there is around 35 percent of households own a pet, in which the overwhelming majority are dogs and cats (Statistics Finland 2016). Suomen kennelliitto reported that there are 50,000 dogs registered yearly (Kennelliitto 2020). As can be seen, there is a drastic increase in dog ownership in Helsinki in recent years. Many people will want to take their dog around the city and meeting friends in common indoor places like a cafe. However, most places do not allow dogs or have limited space for dog owners.

The author of this thesis is a dog lover and owner. From a young age, she was passionate about raising pets in the house, such as turtles, hamsters, dogs, cats. Moreover, dogs are the animals that she pets the most. The author owns a two-year-old French bulldog who is exceptionally active, friendly, and affectionate. The author and her dog enjoy going to the local dog park to socialize and make friends with other dog owners and their dogs. However, because of the weather, going to the dog park in colder months is not a good option. After reading an article about pet coffee in Japan, the author decided to plan a business in this form.

The trend of opening pet cafes is booming around the world. The Pet cafes trend quickly gained momentum after Neko No Mise Cat Cafe opened in Tokyo in 2005 (Clancy 2018). The reason this form of business thrives in Japan is that there are many regulations prohibiting pet ownership in many small apartments and that Japan is a somewhat stressful society, so people are looking for a place to treat. Being around animals will make people happier, they can easily share with them even if they do not own them. Dogs are not just purely a household pet, but they also are regarded as human closet companions for centuries that no other animal can match. They are lovely, loyal creatures who always beside their owner, sharing all joys and sorrows.

As people become busier in life, the ownership of dogs will become difficult. Taking care of dogs means added responsibility and time, which many people do not have enough. Therefore, Dog Coffee&Tea will be a paradise for people who love dogs but do not own ones. They can enjoy as much time with a cute and affectionate dog as needed without the responsibility of taking care of them. The aim of Dog Coffee&tea is to create connections between people and dogs with the enjoyment of refreshing drinks. Dog Coffee&Tea opened as a place where dog owners and their dogs can meet and socialize. This will also be the place where people with similar interests about the dog will get acquainted and

make friends with each other. Guests to Dog Coffee&Tea are not only young people who love animals but also older people and children. People can come here to enjoy drinks and play with gentle dogs.

The objective of this thesis is to establish a feasible business plan for opening Dog Coffee&Tea shop in Helsinki. An in-depth business plan with an outline of a step-by-step process is presented as an appendix of the thesis.

This product-based thesis is divided into theoretical and empirical parts. The theoretical section discusses the literature framework on business plan development, along with other studies related to the process of developing Dog Coffee&Tea's business plan. The theoretical part is structured based on five leading theories: Business Plan, Entrepreneurship, Strategy, Sales and Marketing, and Relationship between humans and dogs. In order to create a complete business plan, the author recognizes the need to understand the principles of the business plan as well as its essential components. Additionally, to ensure a solid foundation for this plan, the author also studies the strategy as the guide direction for the business. The theory of marketing and sales is also used to attract customers and increase sales so that businesses achieve the best results. As a foreigner, entrepreneurship knowledge and the rules to set up a business in Finland are essential. Eventually, all these studies will boost an entrepreneur's knowledge foundation on doing business in Finland and helps to create a business plan.

The empirical part of the thesis is the production of Dog Coffee&Tea business plan and is that the outcome of the entire work. The purpose of the empirical part is to convert existing literature in paper to reality by using them in creating a feasible business plan for Dog Coffee&Tea. All the small print of the business plan that concern with the particular startup cafe is presented within the empirical part.

2 Applied theories in business plan development

In this section, the author will describe the knowledge foundation necessary for the development of Dog Coffee&Tea's business plan. Entrepreneurship, Strategy, Sales and Marketing, and Human and dog relationships are to be discussed.

2.1 Entrepreneurship

Entrepreneurship definition

The lengthy process of human development has witnessed a lot of changes in the economy, politics, and society in the world. Economies integrated, innovations continuously took place, many new types of economy form. In that constantly changing world, Entrepreneurs play an important role. Innovative business models, products with the potential to change, challenge old models are all built by Entrepreneurial mindset people.

The concept of Entrepreneurship appeared in the 1800s by the French economist Jean-Baptiste Say, "entreprendre" in French means "start doing, taking responsibility" (Beattie 2019). From that time until now, economists and philosophers have continuously supplemented and shaped the definition of Entrepreneur and Entrepreneurship. In "Teaching the Entrepreneurial Mindset to Engineers" author Lisa Bosman and colleagues summarized us the definition of Entrepreneurship over time:

Table 1 Entrepreneurship definitions over time (Bosman & Fernhaber 2018.)

Entrepreneurship Definition	Main point	Source
Entrepreneur translates economic resources to improve productivity and output	Create value	Jean Baptiste Say (1800s)
Entrepreneur's job is to reform or revolutionize the production model by exploiting invention, or generalization: Using new technology to produce new goods or producing old goods in new ways; Open new supply of raw materials or new product portfolio; Reorganizing industry.	Creative Destruction	Joseph Schumpeter (1942)
Entrepreneurship is a journey to pursue opportunities beyond resources that can be controlled	Human resourcefulness and social uncertainty	Howard Stevenson (1983)
An entrepreneur is always looking for changes, feedbacks and exploits them as an opportunity	Opportunity	Peter Drucker (1985)
Entrepreneurship is the process of seeking, evaluating and exploiting opportunities	Entrepreneurship is a process	Shane and Venkataraman (2000)
Entrepreneurial thinking is different from management thinking or strategic thinking	Effective thinking Effectuation	Saras Sarasvathy (2005)

The definition of "Entrepreneurship" of Howard Stevenson is widely recognized and became the official definition to this day: Entrepreneurship is the individual pursuit process of opportunity beyond resources controlled. In which the phrase: "Pursuit" is a startup's attitude, belief, and actions. "Opportunity" is a new opportunity, a newer, better, cheaper, more efficient business model, or new customer base. "Beyond resources controlled" means the entrepreneur must overcome the external constraints that affect the startup process by managing risks to access and take advantage of existing resources. (Stevenson & Jarillo 1990.)

According to Peter Drucker: entrepreneurs are people who seek change, feedback, and exploit them as opportunities, and that process is always risky. The idea creation stage is usually at the highest risk and will require the commitment of the entrepreneur at a high level. (Drucker 2014.)

The bottom line is: Entrepreneurs are value creators, problem solvers that generate ideas and business opportunities, and responder to the risks of that ideas or solutions.

Starting a business in Finland

Trade registration in Finland

After a business plan has been made, an entrepreneur should realize the registration process of business at the Finnish Registration office. An applicant should be filled in papers for the method of getting a business identification. The name of the business should not match the other registered companies in Finland. (Enterprise Agency Finland 2019.)

It is vital to settle on an exact name. Besides, the name must not match with another business name that is registered in Finland. Once the business name is registered, the proper business exclusively goes to the business. There are certain abbreviations related to different enterprises. A personal enterprise can use "TMI" or "toiminimi" which is not mandatory. Whereas limited partnerships can use "KY", companies can use "OY", and public companies should use "OYJ". Similarly, a general partnership may be identified by "avoin yhtiö" (AY), cooperative may be classified with the term "osuuskunta". In keeping with the Finnish trade register, registration of all business should be made in Finnish trade register to urge permit/ license. Registration of business requires a particular charge. (Enterprise Agency Finland 2019.)

Act of safety

Food business entrepreneurs should be ensured of their products with systematic checks or in-house control. It is the responsibility of a food business entrepreneur for food safety. Monitoring the business area is performed by Finnish authorities, and their aim behind this is often to make sure the food is safe for consumption. Therefore, an entrepreneur should operate their own check-in system or in-house control plan. The acts for Food premises must include contact information, for example, name, Business ID of the entrepreneur, address and also the name of the food installment, in-house control plan information, estimated commencement of the operator. Finnish authority may additionally raise other clarification for the most effective handling of notification. (Enterprise Agency Finland 2019.)

In order to ensure food safety in food production, the Finnish Hygiene pass is developed. Knowledge of food hygiene is essential to people who are working within the food industry. The hygiene card is required to people who are involved in handle unpackaged food at work and work on food premises as a cafe, institutional kitchens, food shops, restaurants, and factories producing foodstuffs. (Evira 2019.)

Value-added tax (VAT)

The value-added taxes are imposed only on the sale of taxable goods and services and imports. VAT taxes differ on a variety of commodities and services. The different rates of tax are 8 percent and 22 percent. All the vendors who sell goods or services in their business are considered to pay value-added tax in Finland only if the annual sell turnover for his or her business exceeds 10,000 euro annual (Vero 2019).

The adoption of VAT is required for EU member countries. Since 2013, Finland has imposed 24 percentage of the ordinary rate of VAT. In this case, tax is not payable on the sale of products, but the vendor should payback for a few expenses incurred VAT on production input purchases. The rate is pointed as measured from prices before taxes. (Ministry of Finance 2019.)

2.2 Strategy

Strategy definition

The term "strategy" originated from the Greek word "stratiyeia," comprising of two words: "Stratos" meaning army, and "ago" meaning guiding, moving, and leading. The strategy was first used in the military to point out large, long-term plans that were based on analyzing what the opponent could do and what the opponent could not do. (The National Herald 2016.)

Typically, a strategy is applied to the overall planning and conduct of large-scale campaigns. In that sense, in business, a business strategy is a future outline that includes the goals that the business must achieve as well as the means necessary to accomplish those goals. (Info Entrepreneurs 2018.)

In Chandler's opinion (1962), "Strategy is the identification of goals, long-term basic goals of the business and the application of a series of actions as well as the allocation of resources needed to implement show this target."

In the 1980s, Quinn came up with a more general definition "Strategy is a model or plan to integrate key objectives, policies, and action sequences into a comprehensive structure" (Quinn 1980).

After that, Johnson and Scholes redefined the strategy in the context of rapidly changing environmental conditions: "Strategy is the direction and scope of an organization over the

long-term: which achieves advantage for the enterprise through its configuration of resources within a challenging environment, to satisfy the needs of markets and to fulfill stakeholder expectations" (Johnson, Scholes & Whittington 2008).

As such, it can be concluded that strategy is a methodical direction for the company from the present to the future, where the organization must gain a competitive advantage through a combination of resources in a challenging environment, to best satisfy market needs and to meet the wishes of the organization's stakeholders (Chandler 1962; Quinn 1980; Johnson & al. 2008). These orientations help the company shape its path, gradually accumulating resources and optimally using those resources.

Strategy at Different Levels of a Business

Within an organization, strategic management can be conducted at three basic levels: Corporate level, Business level, and Operation/Functional level. The process of strategic management at each level has the same format, including the primary stages: environmental analysis, task and goal identification, strategic analysis and selection, implementation organization, and testing. These three basic strategy levels are not independent but closely related to each other, the superior strategy is the premise for the subordinate strategy, and the subordinate strategy must be adapted to the superior strategy. That way, implementing a new strategy is likely to be successful and productive. (Whittington, Regnér, Angwin, Johnson & Schole 2020.)



Figure 1 Three levels of Strategy (Whittington & al. 2020.)

Corporate-level strategy

The corporate-level strategy defines the long term direction of the organization in order to accomplish its mission and achieve its growth goals. In an enterprise, it usually answers the question of what businesses it operates in? How will businesses allocate their resources to those businesses? Accordingly, in the future, enterprises may develop based on current business activities, expand new business activities, or may have to narrow. (Whittington & al. 2020.)

Business-level strategy

The business unit-level strategy focuses on improving the competitive position of enterprise's products and services in the business sector or as a combination of market products that the business participates in. The business unit-level strategy covers the competitive theme the business chooses to emphasize, the ways it sets itself into the market to gain a competitive advantage, and the various positioning strategies that can be used in the different contexts of each industry. (Whittington & al. 2020.)

Operational/Functional Strategy

Functional strategies are marketing, finance, production, logistics, and human resources strategies. The strategy focuses on managing and using the resources of the business and each member unit effectively. Functional strategies are developed to successfully implement the business-level strategy and thereby successfully implement the Corporate-level strategy. (Whittington & al. 2020.)

Strategic Analysing Tools

In the process of developing strategies, the feasibility of a strategy depends heavily on the process of analyzing the external environment, inside the business, and the strategic choice of that business leader. Commonly used strategic analyzing tools include PEST Analysis, Porter's Five Forces Model, SWOT analysis, and TOWS matrix.

PEST analysis

PEST analysis is a method of studying factors in the macro-environment, including Political, Economic, Social, and Technological factors. These are the four factors that directly affect the economy in general and each business in particular. Businesses are subject to these external factors in an objective manner. Therefore, PEST analysis helps to come up with strategies and policies suitable for the development of the business. (Keyser 2018.)

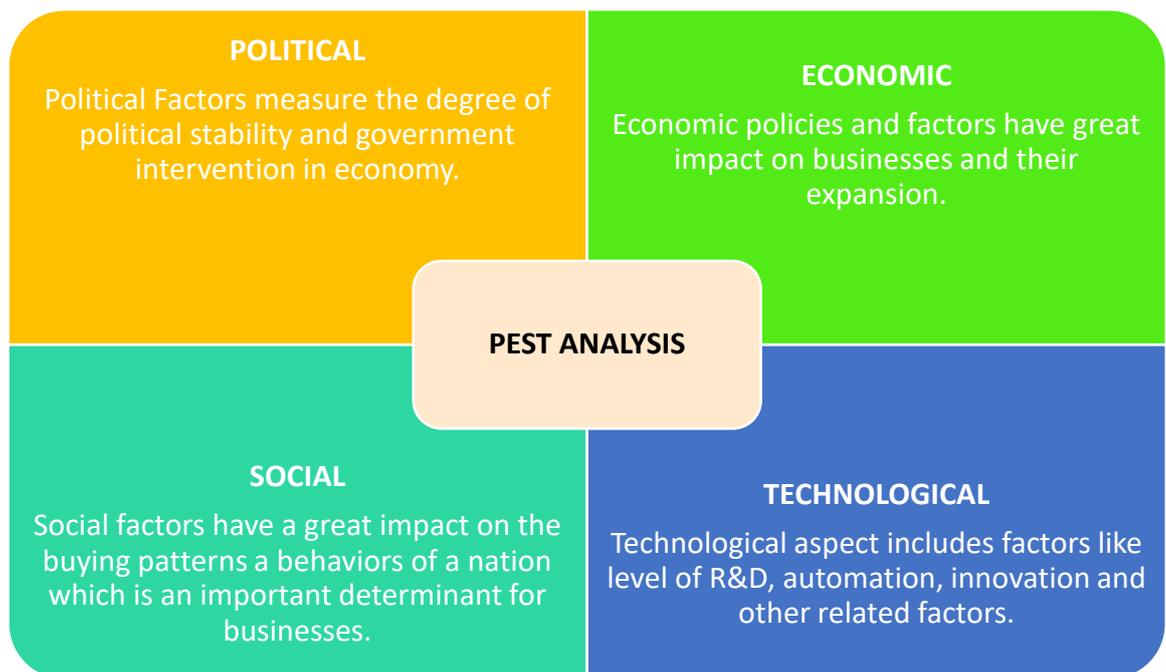


Figure 2 PEST Analysis (Keyser 2018.)

Political factors

Political factors affect all businesses in an area. These factors include Institutional and legal factors that can affect the viability and development of any industry. The following aspects of the political and legal environment are considered Political factors:

- Political stability
- National socio-economic development strategies / policies and sectors / fields / regions / localities.
- Perspectives and policies on economic integration, opening, and international trade policies.
- Policy of tax
- Laws related to business
- Level of law enforcement
- Bureaucracy and corruption
- Quality of public services.

Economic factors

Businesses need to pay attention to economic factors both in the short term, long term, and the Government's intervention in the economy. Typically, businesses will base on the analysis of the following economic factors to decide to invest in the following sectors and areas:

- The state of the economy, the current period of the business cycle
- Factors affecting the economy, such as interest rates, inflation rates.
- Economic policies of the Government
- Labor supply, labor costs, unemployment.

Social factors

Each country or territory has its own cultural values and social factors, and these factors are the characteristics of consumers in those areas. Changes in population, geography, culture, and society have an important impact on virtually all products, services, markets, and consumers.

Technological factors

Technical progress can have a profound impact on products, services, markets, suppliers, distributors, competitors, customers, manufacturing processes, marketing practices, and advantage positions of organizations. This factor can be analyzed based on the following criteria:

- Investment by the Government and enterprises in research and development
- Technology speed, cycle, backward technology rate
- The impact of information technology, internet on business activities, reducing communication costs and increasing the rate of remote working
- Influence of emerging technology
- Influence of technology transfer.

Porter's Five forces model

Porter's Five Competitive Forces model is a model that identifies and analyzes five competitive forces in all industries and helps identify industry weaknesses and strengths (Chappelow 2019). Often used to define the structure of an industry to determine a company's strategy, Porter's model can be applied to any segment of the economy for profitability and attractiveness.

Michael Porter's five forces competition model assesses the competitiveness and position of an organization in its operating environment. This model is based on the assumption that there are five sectoral environmental forces that will determine the level of competition and attractiveness of an industry or sector. The model raises understandings of the organization's current competitive position and the position it wants to achieve in the future. (Porter 1979.)

According to Porter, strategic managers need to analyze five forces and develop a program that influences these forces in order to find an area that is particularly appealing and dedicated to the organization (Porter 1979).

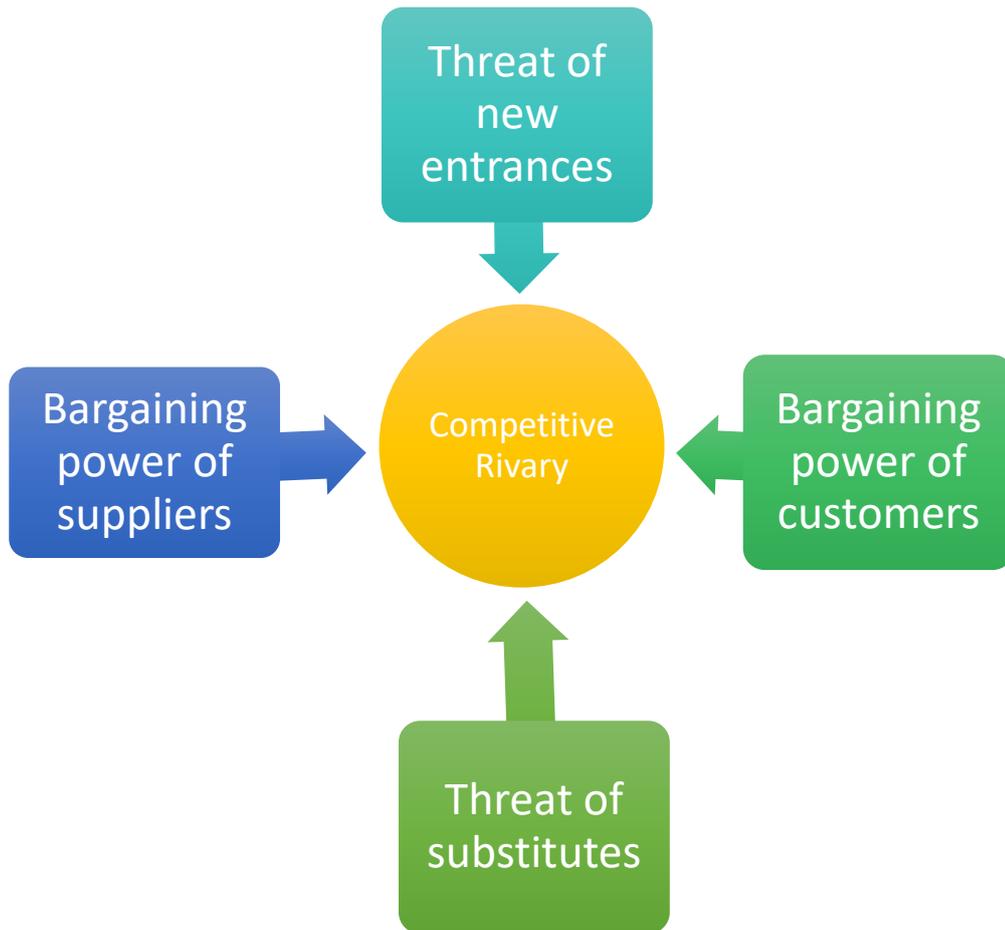


Figure 3 Porter's Five Forces Model (Porter 1979.)

Bargaining power of the supplier's inputs to the organization is judged by how easily suppliers can "squeeze" prices. Many factors determine the bargaining power of suppliers. These factors are the number of suppliers, the distinctness of the products or services, the size and strength of the supplier, the cost of transferring from one supplier to another. (Porter 1979.)

Bargaining power of customers is assessed by how easy the customer is able to pressure the organization to discount the products/services that the organization offers. Bargaining power of customers is determined by the number of customers, the importance of each customer to the organization, and the cost for a customer to transfer from one organization to another. (Porter 1979.)

The fierce competition between competitors in the same industry or field (competitive rivalry) in many ways will be a leading force determining the level of competition in that industry. The critical determinant is the number and capacity of competitors. If there are

many competitors in the same industry offering the same products or services, the attractiveness of that industry or field will decrease. (Porter 1979.)

The threat of substitute products and services can be a significant force in the competition (Porter 1979).

Threat from new entrants is always a concern. The competition balance can sometimes be changed entirely when new "heavy" competitors appear. An attractive industry will attract many potential competitors, requiring organizations to have substantial barriers to entry, such as economies of scale, patents, or large capital requirements. (Porter 1979.)

SWOT analysis

The SWOT analysis can be identified as one of the essential strategic planning tools that can be used to assess a company's micro and macro environment. "SWOT analysis capitalizes on the company's resources, aims squarely at capturing the company's best opportunities, and defends against the threats to its well-being." SWOTs are strengths, weaknesses, opportunities, and threats. (Thompson, Strickland & Gamble 2009.)

Strengths include areas where the company benefits. Identifying these areas will be useful when planning a company's development. Weaknesses include areas that the company needs to improve, such as lack of advanced technology features or inefficiencies in the labor force. Threats include environmental factors that have negative impacts on the organization, for example, threats of competitors, threats of surrogates, power of customer negotiation, bargaining power of suppliers, threats of newcomers. Opportunities are benefits gained through external environmental factors such as business expansion opportunities or government regulations. (Thompson & al. 2009.)

After analyzing these factors, managers can plan to achieve the company's strengths and opportunities while minimizing risks from external threats and internal weaknesses.

TOWS Matrix

A TOWS analysis is considered as an extension of SWOT analysis. The main difference between SWOT and TOWS analysis is the order in which managers are concerned about the strengths, weaknesses, threats, and opportunities in strategic decision making. In TOWS analysis, the initial focus is on threats and opportunities, which can lead to

effective management discussions about what happens in the external environment rather than considering the Strengths and Weaknesses of the company. (Whittington & al. 2020.)

		Internal factors	
		Strengths	Weaknesses
External factors	Opportunities	SO Strategic options Generate options here that use strengths to take advantage of opportunities	WO Strategic options Generate options here that take advantage of opportunities by overcoming weaknesses
	Threats	ST Strategic options Generate options here that use strengths to avoid threats	WT Strategic options Generate options here that minimize weaknesses and avoid threats

Figure 4 The TOWS matrix (Whittington & al. 2020.)

The TOWS matrix is also built by flexibly combining two elements of the SWOT analysis. This is an advanced technique to establish the foundation to eliminate obstacles and stimulate beneficial points.

- SO (maxi-maxi) aims to take full advantage of the opportunity to create opportunities
- WO (mini-maxi) wants to overcome weaknesses to promote strengths
- ST (maxi-mini) uses strengths to eliminate risks
- WT (mini-mini) addresses all negative assumptions and focuses on minimizing adverse effects.

2.3 Sales and Marketing

Sales and Marketing are two essential, integral parts of any business. Sales and Marketing is a strong bridge between the business and the target customers. So that the product is well received in the market, and the social impact of the business through the product is spread. Further, Sale and Marketing help recover capital to continue the rotation for the business of upkeep and development.

Definition of Sales

Selling is a process in which the seller learns, explores, elicits, and responds to the needs of the buyer so that both parties receive satisfactory benefits. According to the classical concept: "Sales are the activities of exchanging products or services of sellers to transfer to buyers to receive back money from buyers, items or exchanged value as agreed" (Twin 2020).

The Sales concept states that if businesses and consumers are isolated, consumers will not buy the company's products. This concept can be applied wisely, in the case of goods not being searched for, for example, goods that the customer is not thinking of. Therefore, consumers want to be encouraged to buy products through positive sales and advertising techniques such as advertising, personal sales, and promotions. The essence of a sales concept is selling what the company produces, convincing, deceiving, seducing, or persuading the buyer, not the customer's wishes. The concept focuses on making a profit by maximizing revenue. (Twin 2020.)

Classification of sales

Some conventional sales methods, businesses, and companies often use to meet customers' needs are:

- Direct sales: direct sellers meet customers for exchange
- Retail: Products are sold to consumers through distribution channels: Supermarkets, shops.
- Agency selling: A representative on behalf of a manufacturer who sells to consumers,
- Telesales: Products and services sold through telephone sales advice, no face-to-face meetings
- Door to Door selling - Door-to-door sales: employees come to the door to consult products/services and direct sales.
- Business to business (B2B) selling: This business sells to other businesses.
- Business to government selling: Business that provides solutions and sales to the Government and the state.
- Online Selling: Selling directly on the internet.

In most cases, the purpose of the business is to make a profit. Businesses or organizations make a profit by researching, developing, manufacturing, and delivering products or services to consumers. Whether a business is successful or not depends on its ability to satisfy customers when providing products and services. The real needs of both the buyer and the seller have to be considered. The goal of the business is not to try to convince customers to buy products they do not need, and then throw them away and forget. (Twin 2020.)

The difference between marketing and sales

The main differences are: Sales take place when a product or service is ready for consumption or use. This includes retailer awareness, confidence in the product, and fostering customer support for the manufacturer of the product or service. Marketing, on the other hand, has a much broader scope and precedes the sales process for a long time. Marketing covers everything about the market, consumers, and brands. (Schwager & Meyver 2007.)

Definition of Marketing

Marketing is the process of understanding and satisfying the needs of the market. We can also understand that marketing is the economic and social mechanisms that organizations and individuals use to satisfy their needs and desires through the process of exchanging products in the market. (Houston & Gassenheimer 1987.)

According to Philip Kotler's marketing definition: "Marketing is a form of human activity that satisfies their needs and desires through communication. Marketing is a social management process whereby different individuals and groups of people get what they need and want through creating, delivering, and exchanging valuable products with others" (Kotler & Armstrong 2010).

Marketing imposes strong beliefs on consumers' beliefs and lifestyles. Therefore, businesses find ways to satisfy the needs of consumers, creating products and services at prices that consumers can afford. (Kotler & Armstrong 2010.)

Marketing Mix

Marketing Mix is considered as the most popular tool to help Marketers find the right channel of advertising distribution and marketing in the market. Marketing mix is a collection of marketing tools used by businesses to achieve marketing goals in the market (Borden 1984). The term was first used in 1953 by Neil Borden, president of the American Marketing Association, who took the recipe idea one step further and coined the term Marketing. A famous marketer, E. Jerome McCarthy, proposed classification according to 4P in 1960, which is now widely used.

Marketing mix is classified according to the 4P model includes Product, Price, Place, and Promotion used in marketing goods. Over time, this model evolved into 7Ps according to the complexity and improvements of modern marketing. Marketing experts have come up with three other additions: Process, People, and Physical Evidence to strengthen marketing activities when the product is no longer stopped at the store tangible goods but also invisible services. (McCarthy 1964.)



Figure 5 7Ps Marketing Mix model (The Marketing Mix 2019.)

Product

Product is one of the components of the first marketing mix in the 4P chain. It could be a tangible product or an invisible service.

Price

The price of a product or the cost of a customer to own/use a product or service, including market share, competition, raw material costs, product identification, and emotional value to customers. The pricing in today's fiercely competitive environment becomes extremely important and challenging. If the product price is set too low, businesses will have to focus on selling in larger quantities to make a profit. If the price is too high, customers will gradually turn to competitors. The main factors included in the pricing strategy include the initial price point, listing price, discount, and payment period.

Place (Distribution)

Distribution channels are representative of the place where a product can be traded, displayed, introduced. Distribution stores may be resellers or e-commerce shops on the internet. Owning a distribution system is an essential factor in bringing products to customers. If businesses do not invest and develop a proper distribution channel, they can waste their efforts in advertising and producing products without bringing them to the market successfully.

Promotions

Sales support activities to ensure that customers are aware of businesses' products and services are considered trade promotions. From a good impression of a product or service, it will be easier for customers to make a real purchase, increasing conversion rates with potential customers. Activities at this stage include advertising, catalogs, public relations, and retail, in particular television advertising, newspaper advertising, radio advertising. With a larger budget, enterprises can sponsor television programs or radio channels that are widely watched by the public, organize programs for loyal customers to increase brand awareness with customers.

When the marketing object no longer stops at tangible products, the traditional Marketing Mix system no longer seems to fit entirely with the characteristics of intangible products and services. Therefore, the traditional marketing system with the original 4P needs to be changed to suit the specifics of the service. The Marketing Mix 7P model is an additional marketing model based on the 4P model just mentioned, and this model adds 3P: Process, People, and Physical Evidence. (The Marketing Mix 2019.)

Process

The process and system of organization and management in an enterprise that affects the marketing process of the company.

People

Employees, brand representatives of the company, people directly contact and talk with customers.

Physical evidence

Physical evidence is elements displayed in store such as the space of the store, the sign of the store, work attire of employees.

In the primary marketing strategy, marketers often use the 4P model regularly. However, depending on the industry, the marketing mix model may vary. For example, for the FMCG industry, the marketing strategy needs to add Pack-sizes (product packaging). In contrast, the service industry focuses on the People factor focusing on the professionalism of employees to bring the best experience for customers.

2.4 Human and Dog relationship

Human and Dog relationship

Clive Wynne, a dog behavioral psychologist and founding director of the Dog Science Cooperative Organization at Arizona State University, believes that human affection for dogs was reciprocated. Accordingly, dogs not only love humans, but the desire to connect with humans makes them unique. Although the human race is at risk of personalizing dogs, the acknowledgment of human love is the only way to explain why dogs are always attached and devoted to us. The dog's genetic genes make them loved, and early contact with humans or even other animals will help strengthen that connection. (Wynne 2019.)

How people adopt, name, train, nurture, treat, talk and recognize dogs as well as the fix that humans put on dogs when using accessories such as accessories, clothing, and body sprays, determine the relationship between humans and dogs (Horowitz 2019).

Humans can do better for dogs (Horowitz 2019; Wynne 2019). This could mean changing the law of dog ownership, and the way humans treat dogs, rethinking effects on purebred breeding, as well as finding ways to better to control overproduction and deal with stray pets. Besides, there should be changes to improve the lives of dogs that live in the kennel and the rate they are adopted. Humans should help dogs live better and more fulfilling lives. Dogs are suitable companions, but many have spent most of their lives alone just waiting for the return of humans. However, this has become the norm in many countries. (Wynne 2019.)

Dog benefits

Dogs are considered to be good friends of humans. There are many great things about humans and dog relationship. Not only owning a dog can improve one's physical and mental health, but a relationship with dogs is also proven to be beneficial to children, senior, or disabled people.

Interacting with dogs not only helps relieve stress, but the positive physical effects are also increased. Studies have shown that the relationship between owning a dog and health is related to each other.

A new study published in *Scientific Reports* in November 2017 found that dog ownership is linked to a lower risk of cardiovascular disease and a longer life span. The temporal analysis shows that those who live alone with an additional dog can reduce the risk of premature death by 33%, the risk of cardiovascular disease by 36%, and the risk of a heart attack 11% lower than single people without dogs. With a large family, raising a dog also provides practical health benefits even to a lesser extent. Meanwhile, the risk of premature death is reduced by 11%; deaths from cardiovascular diseases are reduced by 15%, although the risk of myocardial infarction is not reduced. (Mubanga, Byberg, Nowak, Egenvall & Fall 2017.)

People who take care of a dog are having more responsibilities, exercises, which ends up in a more active life. Dog owners have improved health thanks to regular exercise and increased conversations and social interactions when walking the animal. Dogs are also involved in therapeutic activities in hospitals and nursing homes, as they offer the patients emotional supports. After all, psychiatrists can prescribe the adoption of a pet to combat depression, inactivity, neurosis, and stress. (Human Animal Bond Research Institute 2016.)

Secondly, relationships with dogs are beneficial for children, as scientific evidence shows that children who are growing up with a dog can develop better social skills and have greater respect for living things. Dogs can teach children about life. Having a dog encourages a way of responsibility, caring, and communication, while the connection between humans and dogs instills confidence and friendship. Besides, previous studies have demonstrated the ability to reduce the risk of several health problems, such as asthma and allergies in children when growing up with dogs. (Fall, Ekberg, Lundholm, Fang & Almqvist 2018.)

Lastly, there are benefits to having dogs for the elderly or disabled people. Dog ownership is a comforting solution for the elderly living alone. There are more and more assistance dogs that help the severely disabled. Those are being trained to assist deaf people to know and react to sign. Not only assistance dogs help people live a more independent life, but they also become great companions in life.

3 Business plan

A business plan is a solid base to expand business activities. This will be a lever for business to grow in the marketplace to achieve long-term goals. This plan will indicate whether the business will succeed. Lack of planning and research is one of the most basic causes of business failures in the early years of operations. Moreover, by preparing a business plan prior to starting a business, the failure rate will be significantly reduced. Therefore, it can be seen that making a business plan is extremely important and fundamental for business. In this section of the thesis, the definition and structure of a business plan will be explained.

3.1 Business plan definition

A business plan is a written material that describes the direction of achieving the goal of a business, usually a new one. A business plan contains detailed written plans from a marketing, financial, and operational viewpoint. It covers all information, the entire strategy, and the plan of the business. A business plan outlines the business orientation of the business, in-depth analysis of the competitive market, and strategic planning. (Kenton 2019.)

Business plans are set up by business owners or executive directors, marketing directors, or other related persons. The more specific the content of the plan, the more feasible it will be. There are many different types of business plans, which are all including key issues such as resources, finance, sales, and marketing strategy, with the purpose of helping businesses prepare for certain risks, challenges, and opportunities. In other words, business plans are the goals, the steps that companies and businesses set up at the beginning of the business development process with the aim for the best results. (Kenton 2019.)

A business plan is vital to any business. On the internal side, a business plan is a measurement of the current performance of the business, and it helps identify the strengths that the business mastering, weaknesses to be revised, market opportunities to grasp, and the challenges of external factors to plan for coping. On the external side, the business plan is also an essential document for external parties (such as partners, investors, customers) to identify the operation process of the business and make decisions in the process of cooperation. (Entrepreneur Europe 2019.)

3.2 Elements of a Business Plan



Figure 6 Outline of the Business Plan (Barringer & Ireland 2010.)

According to Barringer and Ireland (2010) in the book *Entrepreneurship: To successfully launching a business plan*, there are 11 main parts.

Cover page and table of contents

Company's name, address, date, contact information, and the company's website should be included in the Cover page. The table of contents is fundamental because it helps readers find information quickly and easily.

Executive summary

The executive summary is one of the most critical parts of a business plan. An executive summary is described as a short overview of the business plan; that is presented convincingly on two pages limit. Most successful businesses have a clear and concise executive summary of compelling business content.

Company description

All information related to the business, from the type of business, history of establishment, achievements, scale, facilities should be listed briefly in this section. Key elements of the description are a mission statement, a description of product or service, and a milestone.

Industry Analysis/Market Analysis

This segment incorporates an analysis of the targeted industry and market. Component of this analysis is market segmentation, which categorizes and identifies potential customers and their needs; and competitor analysis that provides in-depth information on potential competitors.

Marketing plan

In a marketing plan, the procedure of how the company market and sell product or service is described. The marketing & sales planning section shows how the business plan to reach the target market segment, set the prices accordingly, and what kind of activities and partnerships needed. As a result, defining the target market and buyer persona beforehand is a necessary step. For a successful business, marketing is a crucial factor, helping the business project spread and reach many customers.

Management Team and Company Structure/ Operations plan

New businesspeople must understand the importance of the management and operating systems to make sure everything goes as planned. When a company takes orders, it needs the movement of all its operations. The operations plan describes how business designs and implement the management and operating system.

Product/Service Design and Development Plan

The product/service description must be included in the plan. This segment of the business plan explains the details of the product or service. Furthermore, competitive advantage, as well as technical information, are included in this Product/ Service plan.

Financial Projections

A financial plan is established when all of the other plans are determined. Since the total amount of money must be based on the financial statements and information related to each stage of the company's development from conceptualization, startup, development to saturation, and the final stage as a new initiative or downturn.

Appendix

All supporting documents should be in the appendix to make the business plan neat. The appendix has a length based on the complete details needed to support a business plan.

4 Production of Dog Coffee&Tea's business plan

After analyzing existing theories regarding the development of a business plan, the author develops the business plan for Dog Coffee&Tea in nine steps:



Figure 7 The development of Dog Coffee&Tea's business plan

The process of the Dog Coffee&Tea's business plan development begins with the café's business statement. In this part, Dog Coffee&Tea's vision, mission, and strategic objects are described. In the theoretical framework section, the author discussed previous studies on the benefits of human and dog interaction. Therefore, Dog Coffee&Tea aims to emphasize and raise awareness of the relationship between human and dog. On the other hand, to gain competitive advantages, Dog Coffee&Tea's strategic move is to focus on providing customers with high-quality products and services.

Then, the author presents the company description of Dog Coffee&Tea, which includes: the origin of Dog Coffee&Tea's idea, Company description, and the products and services that the café offered.

Afterward, the relationships between the various players in this business were examined, namely competitors, potential new competitors, customers, suppliers, partners, and other services with the same purpose. A market analysis is conducted with the use of PEST analysis and Porter's Five forces analysis. Subsequently, analyzing tools such as SWOT and TOWS matrix is applied, which assists not only in the identification of opportunities and threats, strengths, and weaknesses of Dog Coffee&Tea, but also challenges, constraints, and risks. Following that, competitors are analyzed. Potential competitors are those with similar characteristics as Dog coffee and tea shop. These similarities that are being considered are functionality, size, location, and target customer—the analysis of the competitors that are conducted by identifying their respective advantages and disadvantages.

The following step is to define Dog Coffee&Tea's marketing and sales strategy. In order to develop a sustainable sales and marketing strategy, the author locates and analyzes future customers. From there, the author applies the four P's Marketing strategy, which includes product, price, distribution, and promotion. The content of this section is based on the market analysis to achieve the expected sales of the business. The typical customer group and target customers described will now be more precisely defined. Once the approach is transparent, it is possible to specify the price, promotion, and distribution for a specific marketing and sales plan.

Furthermore, the operation plan demonstrates the preparation process of Dog Coffee&Tea and its company structure. In order to put the project into practice, it is necessary to have a clear and complete operational plan as well as a clear management structure. In

the management structure, each role and responsibilities are explained. This is also an essential part of the Dog Coffee&Tea's business plan, which helps the cafe operate well without any problems. Things to note are the general provisions of the cafe, the staff regulations, training methods, work schedules, salaries, bonus levels are detailed and clear.

Next, the business plan will be producing an economically viable financial plan with the use of Investment (Capital requirement), Profitability, and Monthly sales calculation. The author creates these calculations based on the suggestion from Yrittäjäksi Suomeen oppaat of Enterprise Agency Finland.

Estimating the cost of opening a cafe always includes predicting possible risks. Thus, section eighth of the business plan analyzed the possible risks when establishing Dog Coffee&Tea's business. A control plan is created regarding the four groups of risks: operational risks, marketing and sales risks, human resource risks, and financial risks.

After the risk analysis, the author formed an eight steps implementation plan regarding the necessary process prior to launching Dog Coffee&Tea Helsinki. The implementation process includes: establishing the plan; registering the base company; finding a suitable premise for Dog Coffee&Tea; designing the cafe; applying for permits; constructing equipping, and furnishing; recruiting and preparing and finally launching Dog Coffee&Tea in Helsinki.

The last step is to combine all the acquired information to produce a concise Executive summary for Dog Coffee&Tea's business plan. Key information mentioned in Dog Coffee&Tea's executive summary are: business's name, company type, capacity and size, location, business model, description of service, key objectives, market overview, target customers, the cafe's competence and competitive advantage and financial requirement.

5 Conclusion

In this section, the author discusses the utilization of the theoretical framework in producing Dog Coffee&Tea's business plan, the evaluation of the business plan, and proposes future studies recommendation.

5.1 Utilization of theoretical framework

The author used the Business Plan model (Barringer & Ireland 2010) as the foundation for Dog Coffee & Tea's business plan. By brainstorming ideas and collecting information according to the discussed Elements of a business plan, the author has formed the base structure for Dog Coffee & Tea's business plan. According to Barringer and Ireland in the book Entrepreneurship, 11 main parts make up a complete plan. However, the author decided to combine the relevant parts and apply different theories to create a complete business plan for Dog Coffee & Tea.

First, in the executive summary, through an understanding of the importance of the relationship between humans and dogs, Dog Coffee & Tea's mission statement emphasizes creating a mental and physical connection between customers and dogs.

Also, entrepreneurship and strategy theory are applied throughout the business plan. The author has summarized entrepreneurship concepts as well as starting a business in Finland information to write down company descriptions and financial plans. As a foreigner, in order to establish a business model in Finland, understanding of trade registration, the act of safety and tax is fundamental. Through the theory of entrepreneurship in Finland, the author has acquired the requirements needed to establish a business strategy for Dog Coffee & Tea.

In market and industry analysis, strategic analyzing tools such as PEST, Porter's Five Forces, SWOT and TOWS matrix were used for micro and macro environment analysis for Dog Coffee & Tea's business. Consumer behavior is the reaction of customers under the influence of external stimuli and the internal psychological process that takes place through the decision-making process of choosing goods and services (Kotler & Armstrong 2010). For all businesses, when operating, businesses are always affected by environmental factors, both inside and outside. Accordingly, the factors of the industry environment have a substantial impact on the operation of the business. The model of 5 competi-

tive pressures (Porter 1979) is heavily used in analyzing the business advantages of enterprises through the five competitive pressures that any industry in the market has to bear. Besides, the study also uses the SWOT matrix (Thompson & al. 2009) and TOWS matrix (Whittington & al. 2020) to identify organizational strengths, weaknesses, opportunities, and challenges.

Moreover, the author applied understandings of Strategy at Different levels of the business to the management team structure as well as the risk analysis of Dog Coffee & Tea's business.

Finally, to create a Sales and Marketing Plan, the Marketing mix model (Mccarthy 1964) was used to discuss aspects of Sales and Marketing such as Product, Price, Place, and Promotion.

5.2 Evaluation of Dog Coffee&Tea's business plan

The capital required for Dog Coffee & Tea business is 65,000 euros. In particular, 10,000 euros are personal funds and 55,000 euros for bank loans. According to the author's research, the average interest rate in bank loans in the lane is about 5% a year. The company's revenue comes from food and beverage business, and dog event services. To achieve the minimum profit, each month, Dog Coffee & Tea must achieve 26,700 euros in revenue, which means the number of customers per day is 110 people. This figure is achievable when considering the number of people traveling in the center of Helsinki. However, because there are still other factors affecting the actual operation of the cafe that this study has not covered, there may be risk factors affecting the results as well as falsifying assumptions. Therefore, when implementing the project, the author needs to control and manage to prevent risks strictly.

Furthermore, the author is aware that there will be quite a lot of requirements when putting the Dog Coffee & Tea model into operation. Knowledge of dog nurturing and training is one of the prerequisites. A dog cafe owner needs to master the nurturing knowledge of each breed because with different dog breed there is a different habitat, typical diet. In addition, a dog's disease is also a significant point because it will affect the health of others. Choosing furniture for the café is also a problem that should be noted. In particular, the problem of cleaning at the cafe must always be paid more attention.

In conclusion, although opening Dog Coffee & Tea business has unique requirements, this model has great potential:

- The need for connection between humans and dogs is increasing
- Not only can attract customers with dogs but also customers who love dogs but cannot afford to raise a pet for their own
- The cafe is capable of maintaining profit

5.3 Own findings

After studying and applying the theory to create the business plan of Dog Coffee & Tea, the author has learned a lot of useful knowledge as well as found the objectives that need to be overcome. When starting with this thesis, the author has the idea of Dog Coffee & Tea in mind and the foundation of this business plan outlined more clearly how to implement the idea.

First, the author considers between using a Business Model Canvas or a Business plan Model as the basis for Dog Coffee & Tea's plan. Business model canvas is brief, information is neatly and concisely summarized. However, the author feels Business plan model is full, detailed and more suitable for this project, because this business will be established in the near future.

In the business planning process for Dog Coffee & Tea, the financial planning part is the most time-consuming and difficult. The financial planning model from NewCo YritysHelsinki and Enterprise Agency Finland is applied. However, the author has difficulty identifying the reasonable and realistic capital source because the exact information about rent or equipment investment is not known. With the help of the Thesis supervisor, Ms. Riikka Hynninen, the author came up with a reasonable financial estimate for the Dog Coffee & Tea project.

Time management is also an important lesson after writing this thesis. This thesis starts in early February and is expected to be completed in mid-April. The author thinks that the time period set for the project is too short, because the thesis is, in fact, extended to mid-May. The lesson is that the author should manage time better as well as set more realistic time goals.

After all, the author feels that he has learned a great deal not only about business knowledge but also many useful skills for life.

5.4 Further development proposals

After the process of researching and analyzing information to create Dog Coffee&Tea's Business Plan, the author recognized that Dog Coffee&Tea business idea has many potential opportunities in growing in Helsinki's market. However, there are still researches that need to be conducted in order to proceed with the plan successfully. They are:

Market analysis

In this work, the author has pointed out the potential customers of Dog Coffee&Tea, which are: Residents that are living and working near the cafe and dog owners and dog lovers in the Helsinki area. However, further research on customers is needed to provide more information needed for the operation of Dog Coffee & Tea in the future. The author thinks that market research in general and customer research, in particular, should be conducted regularly to track the fluctuations of the market, which give timely and appropriate solutions. The method of customer research that the author targets is an online survey and personal interview. This is a less expensive and highly effective method of data collection.

Location searching

Location is always a prerequisite for the success of the cafe. Find a suitable place for Dog Coffee&Tea is one of the most important tasks. Things to consider when choosing Dog Coffee&Tea premise are neighborhood, surroundings, the number of people passing by, busy hours, parking places, and rental cost.

Knowledge of training and nurturing

Dog cafe owners need to master the nurturing knowledge of each dog breed. Dog diseases are also a significant point to pay attention to. Owners need to be aware of the pet's or guests' medicines or vaccines. With the model of a dog cafe, the care services are indispensable. In addition to designing the bar, investing in furniture or suitable items, the equipment, and machines used for the service are also important. The menu for pets should also be carefully researched about the diet and must suit the taste of each species.

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Business Plan for Opening Dog Coffee&Tea in Helsinki

Kim Tran

1 April 2020



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1 Executive summary

- Business's name: Dog Coffee&Tea
- Company type: Limited liability company (Osakeyhtiö, OY)
- Capacity and size: Estimated total area for the premise is 80 square meters with a capacity of 50 seats.
- Location: Downtown Helsinki is a convenient place for the business of the cafe. There are many residential areas, shopping centers, universities, and companies bringing many potential customers. The location of Dog Coffee&Tea will be a spacious place suitable for dogs and those who need to relax and enjoy delicious drinks.
- Business model: Dog Coffee&Tea located in the manner of service as well as the layout of a cafe. Our cafe's unique feature is the addition of cute and well-behaved dogs. This will create a strong impression on customers when entering the cafe.

- Description of service

Dog Coffee&Tea aims to become an incentive cafe for dog lovers. It is not only a place for customers to relax and have fun; dogs can enjoy attentive care but also a site for dog lovers to meet and chat together while enjoying quality food and drinks. Dog Coffee&Tea also offers a wide range of services to satisfy the needs of both customers and dogs. Our food and beverage products are sourced from reliable sources. Dog Coffee&Tea serves different kinds of coffee, tea, and other drinks as well as desserts, sandwiches, and other delights. Ingredients and raw materials provided by reputable and quality brands. We also provide shared space for customers to interact with dogs as well as many dog-related events.

- Objectives of Dog Coffee&Tea

- Dedicated service brings the most comfortable relaxing feeling to customers and dogs.
- Raise awareness about human and dog relationships by creating shared spaces for customers to interact with dogs and organize regular Dog-related event.
- Working with prestige and responsibility with suppliers to have high reliability in order to get the best products and services for customers.
- Achieving high sales in the first year of operation.

- Market overview

In recent years, the cafe industry in Finland in general and in Helsinki, in particular, entered the booming period. Many small cafes and big cafe chains have opened and

expanding their business in Helsinki. Those biggest contenders are Robert Coffee, Espresso House, Starbucks, and recently Fazer. Helsinki's cafe market is exceptionally potent, but competitive characteristics are also very fierce. Dog Coffee&Tea will be opened in Helsinki central area. Helsinki's central square is an environment where many universities, small and big companies are located. There are potential customer groups both in quantity and quality. Helsinki's residents are people with stable incomes and willing to pay to meet their needs and interests at reasonable prices.

- Target customers of Dog Coffee&Tea

- Residents that are living and working near the cafe
- Dog owners and dog lovers in the Helsinki area

- Competence and competitive advantage

- Convenient location
- New interesting concept
- Unique drinks, with additional breakfast, snacks
- As a latecomer, acquiring new things
- Learn the mistakes of predecessor and change it to strengths
- Youth, healthy and energetic to accomplish the goal
- Unique colors and decorations create a new style
- System of staff recruited, trained and professionally trained

- Financial Plan

- Capital requirement: EUR 65,000
- Capital source: Personal fund EUR 10,000; Bank loan EUR 55,000
- Total sale/invoicing requirement: EUR 25,600 monthly, EUR 307,000 annually
- The target number of daily customer: 112

2 Mission, Vission and Strategic objectives

Dog Coffee&Tea will be opened in Helsinki, the capital of Finland. Dog Coffee&Tea operates in the field of food and beverage service, with the purpose of bringing customers joy, satisfaction, and comfort through various types of soft drinks, coffee, tea, and delicious dessert. The concept of Dog Coffee&Tea is facilitating access to people with their dogs by creating a place where they can fully enjoy their free time with friends or family while allowing their pets to do the same. Dog Coffee&Tea is the perfect place to socialize, meet people who have at heart the same passions for pets, specifically dog lovers.

2.1 Vision

The company's vision is "To become the market pioneer in terms of Dog cafe service in the Helsinki and help to connect people and dogs."

2.2 Mission

Dog Coffee&Tea's first mission is to provide our customers with a comfortable, sociable space with excellent services. The creativity, dynamism, enthusiasm of the staff is the core value that creates the best service, contributing to giving Dog Coffee&Tea a position in the market.

Dog Coffee&Tea's second mission is to revolutionize dogs and human relationships by encourages the way people connect with dogs. The coffee shop offers a comfortable and fun environment for humans and dogs to connect. Dog Coffee&Tea also offer the opportunity for people unable to have pets of their own to spend quality time with furry friends without the commitment of adoption.

2.3 Strategic objectives

Quality is believed to be fundamental to the success of any business. Therefore, Dog Coffee&Tea main focus is to provide the customer with the best quality products and services. Dog Coffee&Tea's second objective is to gain popularity across the city by enhancing marketing to attract customers in the early stage of establishment.

3 Company description

3.1 Business idea

The author of this thesis is a dog lover and a dog owner. From a young age, she was passionate about raising pets in the house, such as turtles, hamsters, dogs, cats. Moreover, dogs are the animals that she "pet" the most. The author currently owns a two-year-old French bulldog who is exceptionally active, sociable, and affectionate. The author and her dog enjoy going to the local dog park to socialize and make friends with other dog owners and their dogs. However, due to the weather, going to the dog park in colder months is not a good option. After reading an article about pet coffee in Japan, the author decided to plan a business in this form.

The trend of opening pet cafes is booming around the world. The Pet cafes trend quickly gained momentum after Neko No Mise Cat Cafe opened in Tokyo in 2005 (Clancy 2018). The reason this form of business thrives in Japan is that there are many regulations prohibiting pet ownership in many small apartments and that Japan is a somewhat stressful society, so people are looking for a place to treat. Being around animals will make people happier, they can easily share with them even if they do not own them.

Many people are inspired by the Japanese cat cafe to open their own with different styles. This type of business is developing rapidly in Budapest, Hungary, France, Spain, Germany, England, Austria, and Vietnam. In recent years, there is an increasing number of pet owners and especially cat and dog owners. Different from cats, dogs have a high need for socializing and making friends. Realizing the needs and opportunities, the author formed the Dog Coffee&Tea idea.

There is a drastic increase in dog ownership in Helsinki in recent years. Many people will want to take their dog around the city and meeting friends in common indoor places like a cafe. However, many cafes do not accept customers' pets, which can make customers feel uncomfortable. Dog Coffee&Tea opened as a place where dog owners and their dogs can meet and socialize. This will also be the place where people with similar interests about the dog will get acquainted and make friends with each other. Guests to Dog Coffee&Tea are not only young people who love animals but also older people and children. People can come here to enjoy drinks and play with gentle dogs.

As people become busier in life, the ownership of dogs will become difficult. Taking care of dogs means added responsibility and time, which many people do not have enough. Therefore, Dog Coffee&Tea will be a paradise for people who love dogs but do not own

ones. They can enjoy as much time with a cute and affectionate dog as needed without the responsibility of taking care of them.

3.2 Company description

Dog Coffee&Tea's base company will be registered as a Limited Liability Company (Osakeyhtiö, OY). The cost for a limited liability company registration is 350 euros (as of the year 2020) and is included in the financial calculation. The initial capital of Dog Coffee&Tea will be 10,000 euros, which are contributed by the author of the business plan and her spouse. The cafe is expected to open in Helsinki's central area with the capacity of 50 to 70 seats. Estimated total area for the premise is approximately 80 square meters.

3.3 Product and Service description

Dog Coffee&Tea aims to become an incentive cafe for dog lovers. This is not only a place for customers to relax and have fun; dogs can enjoy attentive care but also a place for pet lovers to meet and chat together while enjoying quality food and drinks. Dog Coffee&Tea also offers a wide range of services to satisfy the needs of both customers and dogs.

Food and beverage

At Dog Coffee&Tea, customers and their canine companions are provided with a variety of food and drinks. Our uniqueness is that we are not only focusing on coffee but also tea, with great selections of tea ranging from Green tea, black tea to herbal tea. Beside, Options for Vegetarian and Vegan are also available at Dog Coffee&Tea.

Table 1 Dog Coffee&Tea Food and Beverages

Type	Selection		Details	
Coffee	Brewed Coffee		Decaffeinated, vegan option available	
	Espresso	Americano		
		Espresso		
		Cappuccino		
		Caffe latte		
		Caffe Mocha		
	Frappuccino	Dark Chocolate		
		Vanilla		
		Berry		
		Cookie&Cream		
Tea	Green Tea	Matcha	Japanese Green Tea	
		Fuji Yama		
	Oolong Tea			
	Red Tea	Bourbon Vanilla		
	Black Tea	English Breakfast		
		Earl Grey		
		Casablanca	Moroccan mint	
		Chandernagor	Spiced Black tea	
		Marco Polo	Black tea blended with fruit and flavors	
	Herbal Infusions	Chamomile		
		Peppermint		
		Ginger		
		Hibiscus		
		Rooibos		
	Food	Sandwich	Chicken/Pork/Beef/Vegan	Daily/Seasonal
Salad		Chicken/Pork/Beef/Vegan		
Sweets		Cookies		
		Cake		
		Pastry		
Dog delights	Puppuccino		Organic, grain-free	
	Homemade dog food			
	Treats			

In terms of sourcing, for coffee beans and tea, Dog Coffee & Tea tries to choose local Fair Trade certified coffee and tea companies. Auxiliary materials such as milk, syrup, matcha powder, cocoa powder are imported from the local wholesale market with clear origin. The pastries will be partially homemade or imported from bakeries in Helsinki.

Services

Dog Coffee&Tea is an ideal destination for dog meetup and socializing events. Customers also have the opportunity to learn and get acquainted with many cute, friendly dog breeds. Therefore, they can freely guide their dog to allow them to play with new friends in a warm space. The living space with other species also helps the dog to adapt and become more friendly.

Exclusive puppy meetups are organized weekly since puppies needed to socialize in the early state but not to come in contact with a bigger dog that may carry harmful diseases.

Moreover, there will be Agility activities for dogs and Dog Behavior Courses. There will be a Dog Agility group that will guide everyone to train dogs from basic to advanced exercises as well as disseminate knowledge on Dog behavior. Dog owners not only need knowledge of nutrition and training but also take the time to get the dogs out to mobilize energy. For families with small spaces, the Dog Coffee&Tea playground is an excellent choice for owners and dogs to have moments of entertainment together.

4 Market/Industry analysis

4.1 Industry overview

In recent years, the cafe industry in Finland in general and in Helsinki, in particular, entered the booming period. Many small cafes and big cafe chains have opened and expanding their business in Helsinki. Those biggest contenders are Robert Coffee, Espresso House, Starbucks, and recently Fazer. In 1891, Fazer Cafe marked its entry into the market, the opening of the first store in Helsinki. By the year of 1992, when Robert's Coffee appeared in the stage ripe with "take away coffee", cafe business began to rise in Finland. Not only the brand of Finland but also the international brands have entered this potential market, typically big companies such as Starbucks (open in 2012), Espresso House (open in 2015), followed by the awakening a series of many other small cafes.

In a nutshell, Helsinki's cafe market is exceptionally potent, but competitive characteristics are also very fierce. Therefore, without careful studies and strategies, businesses are very likely to fail in this market.

4.2 PEST analysis

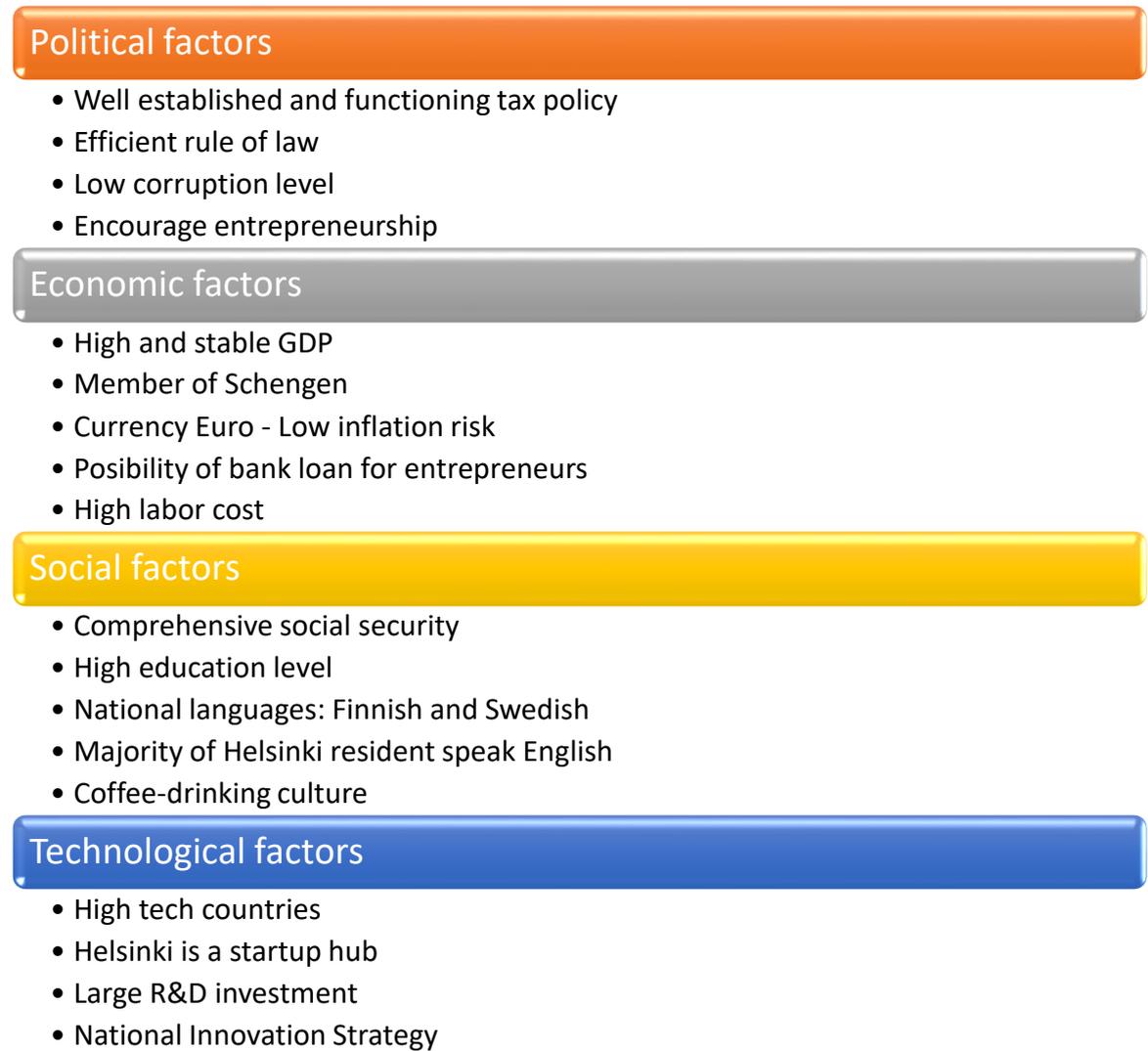


Figure 8 PEST Analysis of Helsinki, Finland

Political factors

Political stability is an essential factor in helping the business sustain. Finland ranks among the best business environments within the world (Toolbox Finland 2019). Finland is one in every of the smallest amount corrupt countries within the world, which is reflected in its career. Additionally, the Finnish government has established incentive policies to encourage the establishment of enterprises, one-stop procedures, and tax incentives, creating favorable conditions for businesses to develop. Food establishments such as restaurants, shops, kiosks, and cafes are required to file written notification to the local food control authority before the beginning of operations. (Enterprise Agency Finland 2019.)

Economic factors

Finland has a highly stable GDP on \$269,714 million in 2019 (Country Economy 2019) and low corruption level.

The currency in Finland is Euro, which is used widely in many European countries. Therefore, the inflation risk is low. Low inflation risk translates to a reduction of over a country's risk.

As an EU country, Finland is a kind of hospitable direct investment from foreigners. In general, establishing subsidiaries and acquisitions are much more accessible in Finland than within the other countries which lack trade freedom.

Three bank groups are existing in Finland; they are Nordea, Sampo, and OP bank. Besides, there are over 300 domestic banks. Either locals or foreigners have the right to borrow loans from the banks.

Moreover, Finnish high labor cost is well-known. This is one of the issues business has to face when entering the Finnish market.

Social factors

The social insurance of an entrepreneur in Finland is comprehensive. There is pension insurance for the worker, unemployment security, occupational healthcare, and sickness allowance of an entrepreneur.

The high education level in Finland is additionally well-known, which implies, the workers are highly educated in Finland, so the employee's training process will be more straightforward.

Finnish national languages are Swedish and Finnish. However, the vast majority of Helsinki residents also speak English.

Technological factors

Finland has been at the heart of the European technology industry for many years. Nokia, Rovio, Supercell, and Grand Cru are among the most well-known technology company in the world. Finland is considered as a country with high technology. Finland is also known as the startup hub with 4000 startup companies founded each year. (Business Finland 2018.)

4.3 Porter's Five Forces

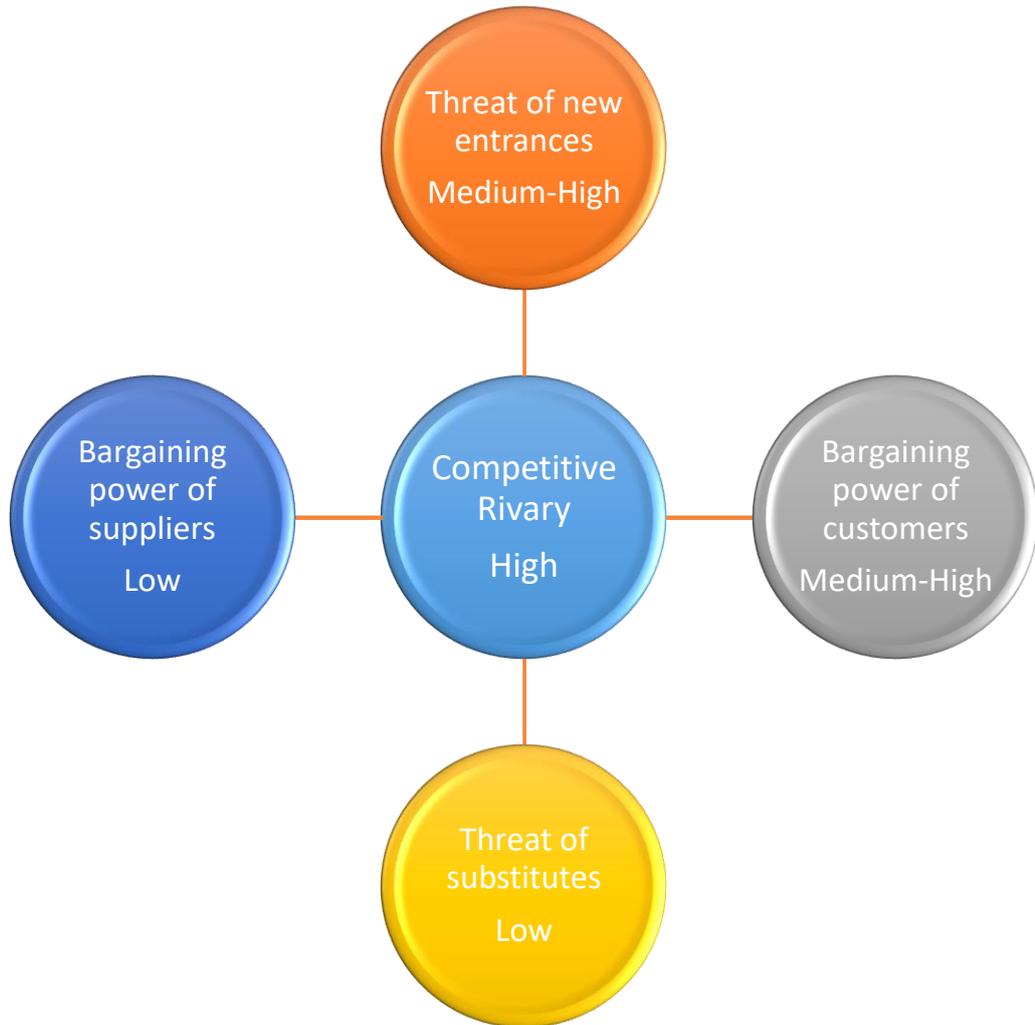


Figure 9 Dog Coffee&Tea Porter's five forces

The competitive rivalry level in Helsinki's café market considered very high. In Helsinki, there are quite many coffee shops. Big chains like Starbucks, Espresso House, Fazer, or Robert's Coffee are usually located in a big shopping center, busy street. Meanwhile, smaller cafés are scattered around the residential area or quieter street. This might be strong competitiveness for Dog Coffee&Tea.

Since Finnish people's coffee and tea need are incredibly high, the alternatives of suppliers would be significant as well. During this situation, it is safe for the supplier to draw close prices. Therefore, supplier's power is low.

As for buyer power, if customers are searching for ordinary cafe only, then buyers are powerfully visible of the very fact that there are a lot of cafe Helsinki. However, if buyers have an interest in trying specialized experience with dogs, Dog Coffee&Tea may be a

good option, because there are not many other places in Helsinki provide unique products as our offers. Overall, the power of buyers is described as a medium-high level.

The threat of substitution is set by how easily for purchasers to search out a replaceable product or service. There is only one cat café in Helsinki, which is not a considerable threat to Dog Coffee&Tea. During this case, the threat of substitution is considered low.

The threat of new entry is Medium-High. While Dog Coffee&Tea provides a great selection of tea that different from other cafes, it is easy to imitate and find some products similar as long as someone has café experience. However, the service that we offer is unique and required the owner to have a great passion for dogs as well as specific knowledge and experience in the Food and beverage industry.

4.4 SWOT analysis



Figure 10 Dog Coffee&Tea's SWOT analysis

Dog Coffee & Tea is an unprecedented model in Helsinki, so the biggest strength of the cafe is its uniqueness and less competition. The cute dogs and the central location of the cafe are also a strong point to attract customers. In addition, Dog Coffee & Tea is not only focusing on coffee but also paying attention to tea, and this is a drink that many people like to enjoy and have received much attention recently. Reasonable price and excellent service attitude are also the strong points of the cafe.

On the other hand, building Dog Coffee & Tea requires high investment costs, need significant capital. The cafe focused on customers who own dogs and love that should lose part of the customer market allergy or dislike dogs in general. Stricter regulations on Hygiene, as well as high standards for hiring and training of employees, are also tricky issues during operation. External factors can also threaten the development of the cafe, such as ignorance or carelessness of customers in handling dogs.

4.5 TOWS analysis

S-O (Strengths - Opportunities)

Promote strong points to seize opportunities such as quality products, reasonable prices, convenient trading and transportation space plus marketing capabilities, and enthusiastic and enthusiastic staff will attract the customers to come to Dog Coffee&Tea. Moreover, since Dog Coffee&Tea's idea are new in Helsinki, there is a high possibility of expanding the business.

S - T (Strengths - Threats)

With the knowledge from Hospitality management study and experiences from years working in cafe and restaurant, the owner posses the high capability of operating Dog Cof-fee&Tea business and competes with other cafes.

W - O (Weakness - Opportunity)

Business capital is limited and not yet known, promoting marketing and marketing activities will create opportunities for consistent development and opportunities for scale expansion.

W - T (Weakness - Threats)

The business environment is always vibrant; competition with other businesses is an opportunity for our business to grow and consolidate practical experience, consolidate more

business knowledge. The business path will be steep for newcomers, but with the determination and trained knowledge will help us cope with challenges and seize opportunities to set up a successful Dog cafe business.

4.6 Competitive analysis

There are many cafes appear around the city of Helsinki, and each has its own characteristics, unique flavor. Most of the cafes are usually coffee bars, garden cafés, and some cafes combine with a flower shop, tea shop, or even a clothing store. In the above places, there are some cafes with suitable management mechanism, excellent personnel is usually large ones, usually targeting somewhat to high-end customers, so these shops will not be direct competition. Next, direct competitors will be small, medium-sized cafes. The band is aimed at the average customer. The managers in these shops often do not have a quality management mechanism. They are often not professionally trained, so their forms of attracting customers will be fragile, and this is their flaw. Furthermore, it will be an opportunity for us to surpass them.

Potential rivals

Helsinki is classified as a young city compared to the whole country, so the demand for a meeting, playing, sharing knowledge of young people is very high. The beverage service is expected to be the most potential business here in Helsinki. Therefore, to meet the increasing needs of customers, business owners do not hesitate to invest in this field, especially small-scale household owners and small and medium-sized companies.

Direct competitors

Currently, in Helsinki, the number of businesses investing in the field of coffee shop development is enormous.

In the radius of 5km around Helsinki Central railway station (potential location for Dog Coffee&Tea) has over 30 large and small cafes with different sizes, can be divided into four main groups:

- Group 1: Including ordinary coffee shops, small scale, diverse customers, rather limited drinks, serving mainly for low and middle-income people. Therefore the competitive pressure from these is not high.
- Group 2: Consists of cafes meeting customers' specific tastes such as art, music, painting, photography, Hi-tech.
- Group 3: Café for young people, meeting the entertainment needs, and having some added services such as wifi, movie shows, live music to attract young people.

- Group 4: Luxury coffee is located in beautiful locations, luxurious space, professional service style, aimed at business, and high-class customers.

After spending some times at these cafes, some of their collective strengths and limitations are listed below:

Competitors' strengths:

- The location of these cafes are easy to find, the entrance is clear
- The space is relatively calm, there are many green trees
- Relatively diverse products: coffee, smoothies, soft drinks, snacks
- The number of regular visitors including many patrons
- There wifi, music
- The Toilet area is clean.

Limitations of the competitor:

- No Dog allowed
- There are almost similar spaces among the shops. Nothing is outstanding and different
- Tables and chairs do not have distinctions, standard drinking glasses
- The preparation area is located near the toilet area, difficult to find WC
- Uniforms of staff are not focused

When entering the field of Food and Beverage service, Dog Coffee&Tea's owners have to accept many competitors since this is an easy-to-do field. Additionally, the competitors have had a long relationship with customers in the region for quite a long time. Although they have such advantages, we have learned that the weaknesses of most of them are poor service and that is our opportunity. For customers to choose according to their preferences, the mood is quiet, especially the quality of soft drinks is an important factor.

5 Marketing and Sales strategy

5.1 Customer analysis

Target customers of Dog Coffee&Tea:

- Residents that are living and working near the cafe
- Dog owners and dog lovers in the Helsinki area

Target customer needs:

- Food and beverage needs
- Entertainment needs: diverse (playing sports, traveling, watching movies), they often go to cafes to meet, discuss business, chat with friends in a more suitable space, satisfying interests in music, art.
- Demand for work: The job characteristics of senior management, offices are flexible and dynamic.
- The need for socialization: exchanging, sharing experiences, solidarity helping among members of the dog community

5.2 Marketing mix strategy

Product and Price

With the strategy of product diversification, Dog Coffee&Tea will have the main drinks: coffee and tea. The shop will offer a wide variety of products with different prices for all customers from low-income to high-income people, from workers, students to entrepreneurs, employees.

The products and services of Dog Coffee&Tea will satisfy the needs of customers, creating a suitable and comfortable environment for customers to chat, relax, entertain, and work with delicious drinks. The decoration space of the cafe creates suitable places for chatting, watching movies, and entertainment.

Dog Coffee&Tea will also serve music on demand with different customers and also has wifi with reliable and stable bars to serve customers working or online entertainment smoothly.

Dog Coffee&Tea is an ideal destination for dog meetup and socializing events. Customers also have the opportunity to learn and get acquainted with many cute, friendly dog breeds. Therefore, they can freely guide their dog to allow them to play with new friends in a warm space. The living space with other species also helps the dog to adapt and become more friendly.

All drinks and breakfast will have different prices depending on the ingredients that make it and how sophisticated it is. The prices are clearly shown on the menu of the cafe. However, it is guaranteed to be reasonably priced and in line with the market landscape.

Place

Dog Coffee&Tea will be located in the Helsinki central area, where most of our target customers are located. This will provide easy access for our future customers as well as the expansion of Dog Coffee&Tea.

Promotion (Distribution)

Dog Coffee&Tea is a type of beverage bar, so we sell directly to consumers without any intermediary distribution channels.

In business, it is essential to attract customers and keep the leading position, in order to accomplish that, we have a specific strategy:

At the beginning of the opening, we will organize facebook events and distribute leaflets at the local vet and pet store to advertise and discount up to 10% on the opening day. We will also issue many 20% discount cards for the value of bill payments to first-time customers. In the first stage, our objective is to gain customers rather than profit.

Therefore, these customers gradually become loyal customers of Dog Coffee&Tea.

To increase the ability to serve as well as to correct the errors that we may encounter when operating quickly, we have a suggestion box designed to receive comments.

For regular customers will be recorded in the diary of the cafe, on birthdays or holidays, we will have a gift program for loyal customers such as free drinks, or birthday cake.

Also, in the holidays, for example, Christmas, we also offer gifts for customers. When advertising our café, we always pay attention to the message intended to convey to customers.

Recognizing that today Facebook is a very developed online community with a massive number of visits every day. Therefore, to get more people to know the newly opened cafe, we will also market on Facebook.

6 Operation plan

6.1 Preperation process

In order to put the project into practice, it is necessary to have a clear and complete operational plan. Operation plan of Dog Coffee&Tea includes the following steps:

- Build a menu for the shop
- Setting the expected price and selling price of products
- Contact and sign contracts with material suppliers
- Organization of design and decoration
- Selection of service personnel, dispensers, and maths
- Training staff and follow the criteria of the cafe.
- Organize advertising on media and image building
- Opening the shop.

6.2 Management team

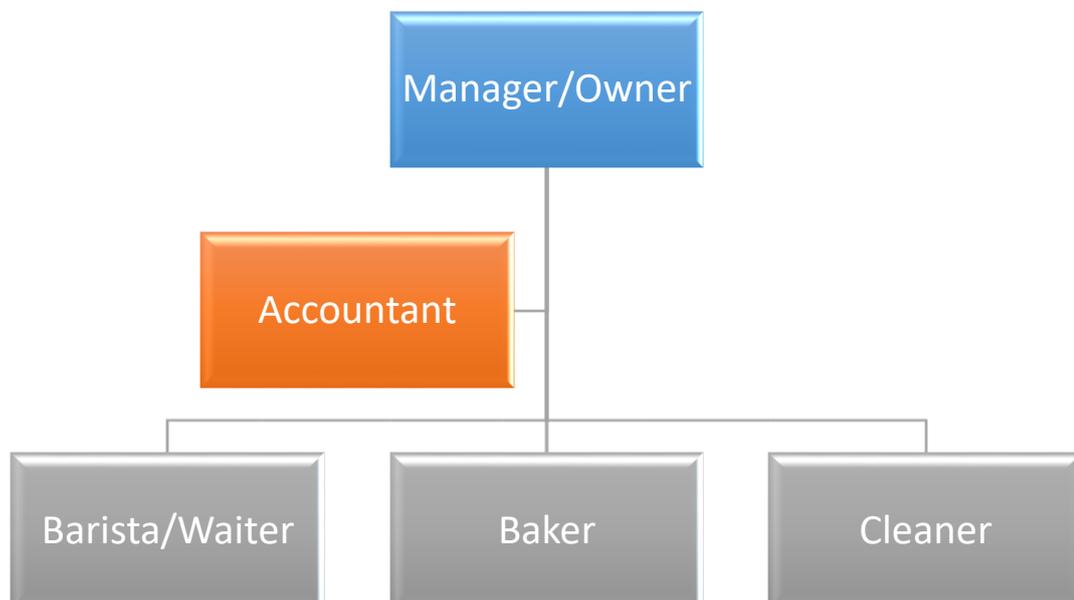


Figure 11 Dog Coffee&Tea's Management Structure

• Owner/ Manager is the person who manages and manages all activities of Dog Coffee&Tea, which is responsible for the top administration. The manager of the cafe plays a vital role in the development direction of the shop and has a significant influence on the operation of the cafe:

- Planning and forecasting personnel needs.
- Attracting and recruiting employees.
- Training and developing human resources.
- Arranging the use and management of employees.
- Motivating employees.
- Payment of labor.
- Evaluating staff performance.
- Ensuring employees' wellbeing

- Resolving personnel relationships (labor relations such as reward, discipline, dismissal, labor disputes)
- Maintaining a good relationship with suppliers as well as customers.

• Accountant is responsible for the cashier and payment of the shop's money, sums up the costs, and determines the revenue and profit of the tax reporting shop. Since Dog Coffee&Tea is rather a small operation, our accountant will be outsourced.

• Barista/Waiter is responsible for the preparation of drinks for customers. The barista needs expertise in mixing all kinds of coffee, tea, smoothies, fruit juice. It is necessary to have a nice image, always wear the correct uniform, polite, and must have a gentle attitude, dedicated, and thoughtful to guests:

- Bring food and drink to guests
- Follow the assignment of management
- Create a good impression on customers and can work under pressure.
- Having a progressive spirit and constantly learning
- Preparation of drinks upon the request of guests
- Clean the working area when shifting and shifting
- Report daily input and output of raw materials
- Be hard-working, diligent, and sociable with colleagues and customers.

• Baker carries out the task to prepare small delicacy for the guests. This task's requirements and duties are:

- 2-3 years of experience.
- Clean the working area when shifting
- Daily report on import and export of food materials
- There is a spirit of progressive, diligent, industrious at work
- Neat and clean manners

• Cleaner's task is to clean the cafe before and after its opening and closing. Dog Coffee&Tea's employee is to be responsible for this role.

7 Financial plan

7.1 Investment calculation

The calculation below demonstrates Dog Coffee&Tea's capital requirement. Included in the funding calculation are the costs of Investment cost (immaterial assets, maximum estimation for machines and equipment), and the working capital for approximately three months as well as the required Sales and Financial assets.

As calculated, the total capital requirements for Dog Coffee&Tea is EUR 64,200. Sources of capital comprise EUR 10,000 of personal funding and EUR 55,000 in bank loans. The entrepreneurs will pay off the loan of EUR 55,000 to the bank over the period of 5 years, with the bank charging a total of 5% of the borrowed sum in interest and expenses.

Table 2 Dog Coffee&Tea's Capital requirement

	CAPITAL REQUIRED		EUR
INVESTMENT	Immaterial asset	Registration costs	380
	Machinery and equipment	IT	500
		Production equipment acquirements	10000
		Furniture	10000
		Telephone/internet installation	200
		Installation of machine and equipment	1000
		Renovation of business premises	2000
		TOTAL INVESTMENT	
WORKING CAPITAL 3 MONTHS	Marketing	Initial advertising/brochures	1000
	Costs of the premise	Rent and rent deposit	8000
	Salaries	Personel costs	12000
	Inventory		6000
	Entrepreneur's personal living costs		10500
		TOTAL WORKING CAPITAL (3 MONTHS)	
SALES AND FINANCIAL ASSETS		Initial inventory	2000
		Working capital reservation	620
		TOTAL SALES AND FINANCIAL ASSETS	2620
	TOTAL CAPITAL REQUIREMENTS		64200

7.2 Profitability calculation

The Dog Coffee&Tea's profitability calculation begins with a result target at EUR 10 per month, the business expected to make a small profit since this is the start of the business. Initially, from the estimated calculation, we determined the minimum sales that Dog Coffee&Tea must achieved in order to cover the operating costs.

In this calculation, Dog Coffee&Tea cafe has 50 seats, and it is open six days a week from 9 a.m to 5 p.m. Thus, Dog Coffee&Tea will be open for 8 hours daily for 26 days per month. The cafe pays 14% VAT on sales of food and non-alcoholic beverages. Theoretically, Dog Coffee&Tea is closed for two weeks per year, which means it will be opened for 11.5 months per year. On average, our cafe is open 26 days a month. The daily turnover must be at least EUR 1026 in the daily account in order for Dog Coffee&Tea to cover its costs.

Table 3 Dog Coffee&Tea's Profitability calculation

Profitability calculation	Month	Year(12mths)
Result target (net)	10	120
Instalment of loans (loan period 5 yrs. Amount 55,000 EUR)	917	11000
INCOME AFTER TAXES	927	11120
community tax 20%	232	2780
Capital requirements	1158	13900
Interest on loans (5%)	229	2750
A. OPERATING MARGIN (required)	1388	16650
Fixed costs (VAT 0%)		
other insurance policies	200	2400
Salaries	4000	48000
Salary related costs 50%	2000	24000
Entrepreneur's own salary	3500	42000
Salary related costs for the entrepreneur 3 %	105	1260
Cost of business premises	1500	18000
Leasing payments	200	2400
Communication costs (phone, internet)	100	1200
Accounting, tax declaration	200	2400
Office costs	50	600
Travel and car expenses, daily allowances	200	2400
Marketing costs	200	2400
Fixing and maintenance	150	1800
Unemployment fund (premiums)	28	336
Other costs (MaRa, uniform, cleaning)	200	2400
B. FIXED EXPENSES IN TOTAL	12633	151596
REQUIRED SALES MARGIN (A+B)	14021	168246
Purchases (materials and supplies) VAT 0% margin 60%	8412	100948
REQUIRED TURNOVER	22433	269194
Other net income		
VAT 14%	3141	37687
TOTAL SALES/ INVOICING REQUIREMENTS	25573	306881
Monthly invoicing target 11.5 mths		26685
Daily invoicing target 26 days		1026
Hourly invoicing target 8h		128

7.3 Monthly Sales calculation

The estimated average price of Dog Coffee&Tea's food and beverage are entered in the product category units. For instance, the estimated average price for food is EUR 8, and the beverage is EUR 5.

As calculated in the profitability calculation, in order to maintain the business, we must achieve the daily sales of EUR 1026 and monthly total sales of approximate EUR 27,000. Additionally, our target percentage of the difference between the required sales margin and the real sale margin is smaller than 80%. Therefore, in order to maintain a successful business, we need to achieve the daily target customer of 110 people, daily sales margin of EUR 724, and monthly sales margin of EUR 18820. If the figure were negative, the Dog Coffee&Tea would have to raise its prices, cut costs, or sell more in order to achieve a positive result.

Table 4 Dog Coffee&Tea's Monthly Sales estimation

PRODUCT	Food average 8 EUR	Beverage average 5 EUR
Unit price (VAT 14%)	6,88	4,2
Cost	2,5	2
Margin	4,38	2,2
	Day	Month
Number of customer	110	2860
Sales margin total	724	18819
Product sales total	1219	31689
REQUIRED SALES MARGIN	Month	Year
Turnover (VAT 0%)	31689	364421
Total cost	-12870	-148005
Sales margin total	18819	216416
Required sales margin in the profitability calculation 11.5mths	14630	168246
Difference	4189	48170
Difference % (Target is to obtain difference smaller than 80%)	78 %	78 %

7.4 Three years sales forecast

Table 5 Dog Coffee&Tea's 3 years sales forecast

ANNUAL GROWTH PERCENTAGE		Year 2	Year 3	
Income		15 %	10 %	
Expenses		10 %	5 %	
3 YEARS PROFIT PLAN		Year 1	Year2	Year 3
	Sales revenue	423746	487307	536038
	VAT	59324	68223	75045
	Turnover	364421	419084	460993
	Materials and supplies	148005	162806	170946
	Personnel expenses	115260	126786	133125
	Rent	18000	19800	20790
	Marketing	2400	2640	2772
	Other business-related expenses	13200	14520	15246
	Operating Margin	67556	92533	118114
	Financing expenses	2750	2200	1650
	Taxes	13900	15000	21351
	Gross ordinary surplus	50906	75333	95113
	Depreciations	7636	5568	4045
	Result	43270	69765	91068

The 3-year financial plan of the project shows good results showing that the project is worth investing in. The project's financial index is mainly affected by the growth factor of monthly sales volume. The growth rate must be equal to or greater than the initial estimate before the project can invest. This factor can be improved by various marketing strategies. Thus, the results of financial analysis show that the project is feasible and worth the investment.

However, finance forecasting does not guarantee 100 percentage accuracy because there are still other factors influencing consumer demand that this study has not covered, the fact that there may be risk factors affecting results as well as falsifying assumptions. Therefore, when implementing a project, the owner needs strict control and management to prevent risks.

8 Risk analysis

8.1 Possible risks

Since Dog Coffee&Tea is a start from scratch business, we have anticipated many possible risks when operating our cafe. These risks are categorized into four groups: Operational risks, Marketing and Sales risks, Human resource risks, and Financial risks (Lim-bong, Syah & Anindita 2019.)

Firstly, Dog Coffee&Tea's operational risks concern human resources, assets, technology, and natural events. They are:

- The injury risks of human resources caused by work accident events
- The risk of interruption during operation caused by damage or improper equipment
- The technology risks caused by damaged hardware or software
- Unpredicted natural phenomena might harm the property or human resources.

The other possible risk is marketing and sales risk. These risks include:

- The risk of low brand awareness
- The risk of losing loyal customers
- The lack of activeness in marketing products and services.

The third is the human resource risk which is affected by:

- The lack of professionalism of the employee
- The inappropriate number of employees
- The shortage of human resource costs

The last is financial risk. There are risk of income leakag and risk of false cash calculation and management.

8.2 Risk management

After identifying the potential risks, it is necessary to assess each risk based on the probability of the event of the risk and the potential loss associated with it. Not all risks are the same. Some risk events are more likely to occur than others and the cost of risk can vary greatly. We have develop a risk mitigation table below to reduce the impact of an unexpected event that may occur in the future.

Table 5 Dog Coffee&Tea's Risk control

Type of risk	Risk	Cause	Control
Operational risks	Injury risk	-Work accident -Natural event	-First aid kits availability -Insurance -Emergency practice
	Interruption in the operational process	-Damage or improper equipment -Damage hardware or software	-Frequent maintenance -Insurance -Extra equipment availability
Marketing and Sales risks	Low brand awareness and Unattractive products or services	-Lack of marketing -Ineffective marketing strategy	-Target social media marketing -Introducing new product/service
	Insufficient sales	-Unable to meet customers' needs	-Upgrade equipment -Complaint management -Evaluation of customer satisfaction
Human resource risks	Lack of professionalism	-Unsatisfied employee -Lack of benefits or bonuses -Lack of training	-Giving bonus and benefits -Rewarding base on employees' performance -Increase training sections
	Inappropriate number of employees	-Lack of calculation	-Conduct workload evaluation and capacity of employees
	Shortage of HR costs	-Inappropriate job analysis	-Evaluation of employee's work
Financial risks	Income leakage	-Lack of employee supervision -Lack of security system	-Increasing supervision and security system
	Faulty calculation	-Mistakes in calculation -Delay in the presentation of financial statements	-Adherence to a periodical financial report

9 Implementation plan

The last part of Dog Coffee&Tea's Business plan is the Implementation plan. In this section, we will consider the necessary steps prior to launching Dog Coffee&Tea, which are demonstrated in the illustration below.

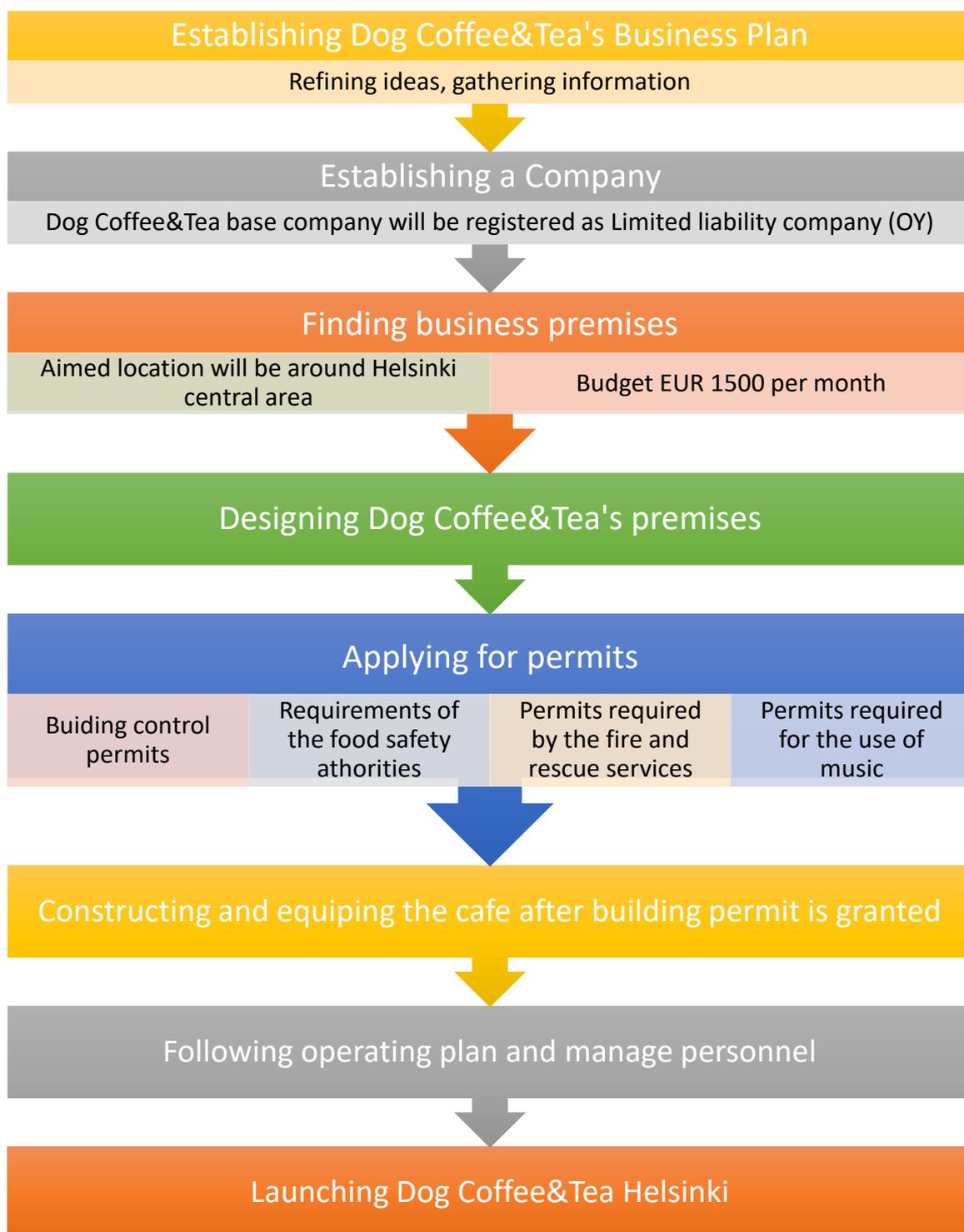


Figure 12 Dog Coffee&Tea Implentation Plan

The first step in implementing Dog Coffee&Tea's Business Plan is to actually establish the plan after the process of refining ideas and gathering information.

Then, we will establish the base company for our cafe, which will be registered as a Limited Liability Company (Osakeyhtiö, OY). The cost for a limited liability company registration is 350 euros (as of the year 2020) and is included in the financial calculation. The initial capital of Dog Coffee&Tea will be 10,000 euros, which are contributed by the author of the business plan and her spouse.

Our next task will be finding a suitable premise for Dog Coffee&Tea. As stated in the financial plan, our monthly budget for renting the premise is 1500 euros, and our aimed location is within Helsinki's central area. Other criteria for choosing the premise are:

- The business premise that is suitable for food preparation
- Fire safety requirement of the premise
- The condition of water, sewage, and air conditioning systems.

After settling the leasing agreement, we will begin the process of designing the cafe. This included creating a layout plan, floor plans, and HPAC drawing according to Helsinki building instruction.

Applying for permits is the next step of the implementation plan. Besides building permits, we must also file a document for requirements of local food safety authorities, permits required by the fire and rescue services, as well as permits required for the use of music.

After the building permit is granted, we could continue with constructing, equipping, and furnishing Dog Coffee&Tea. Then, we will be following our operation plan and start recruiting and preparing for our cafe. The detailed operation plan is included in section 6 of the business plan.

The last step is to Launch Dog Coffee&Tea and manage the cafe for smooth operation.

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