



Business Plan for Case Company: Coffee Tea & Company

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Pakistan is a tea loving country; People prefer tea over other kind of beverages. The coffee café culture is relatively new and emerging phenomena in Pakistan and highly potential market opportunities available for the business.

A feasible business plan will be developed for the case company “Coffee Tea & Company.” The objective of the business plan is to be able to be competitive in this growing coffee café market. One important part of that is to have a suitable social media approach to reach customers. In the theoretical part of the thesis various business plan types will be studied, based on this study one focus business plan type will be chosen. As research method quantitative method was used. In the study a customer survey was made online in social media and information about customer behavior was collected and analyzed. Information was also collected through secondary research.

The information collected through research used in the formation of feasible business plan for the company. Appropriate social media marketing strategy is made based on the customer feedback. Proper implementation and consistent improvement of business plan will help the business in success and growth.

Keywords: Business plan, social media marketing, business development, SWOT

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1 Introduction

Any company's current actions begin without preparation to obtain great results. Planning is an essential management function since it allows you to predict the company's current goals, expected outputs, and the personnel needed to attain those goals.

Expansion or launching of business, a business plan is one of most important part. The business plan is comprehensive documents which include your goals, business description, products, resources or services and strategies. (Barrow, 2012.) Business plan can be a long term, or it can a short depending upon on the business nature. An effective business plan is important part of a business. The business plan is document which contains plans, strategies and implementation techniques. It is a roadmap for a business for a successful expedition from start to become profitable. Business plan can be used for increasing the efficiency of the existing business. (Balanko-Dickson 2007.)

A business plan is used for generating revenue but also running the day-to-day affairs of the business. Business plan writing is important step. It starts with getting answers for basic questions about the business. Basic needs like What, Who, Where, When How can be used to draft the business plan. A good business plan should be able to answers all questions. (Pinson 2000.)

2 Background of the study

"Coffee tea and Company" or "CTC" a café started in 2004 in Pakistan second most populous city Lahore, is one of few coffee café promoting the café culture in Pakistan. The café started with some of signature coffee beverages, espressos, and ice drinks. Over the period, more authentic and exclusive tastes were added in the menu. Based on the social norms, one of the key targets of the company was to attract specially the young generation, who likes to get socialize at restaurants and tea shops.

In 2007, entering new cafés and coffee theme-based restaurants, the business started to decline and could not keep the pace. The entrance of new business creates competition. CTC relays on the old customer base and could not keep with the changes in the business traditions and norms. The result cause decline in the business and profitability decreases with the time. The owners of the business understand that a new business plan is required to get back into business. With new competition and emerging market, a suitable business plan is very important for survival.

3 Purpose of thesis

The objective of this thesis is to develop a feasible business plan for the case company café. Targeted market and potential industry will be analyzed, and information will be used in formation of business plan. The business plan will focus on the products and services, marketing, and financial plan.

Research Question: What kind of business plan would be feasible for the café? A sub question for the thesis is: what factors affect customer behavior in the café business?

4 Theoretical background

Business plan is a document which describe business important components. These components include objectives, strategies, market, and financial plan. The business plan is road map of any business not only in initial stage of business but also for the growth and development of the business at any stage. (Patsula, 2004.)

The business plan gives the direction to the business in a specific way. It is written document which helps the stakeholders in decision making in many aspects. The stakeholders including banks and financial institutions can use the information in the business plan to invest, to give credits or to assess the financial position and planning of the business. (Patsula, 2004.)

Business plan can be used as sales tool, it is “powerful management tool” to set objectives, goals and strategies. (Fullen, Podmoroff, 2006). It also helps the business for set the platform and steps to achieve the objectives of the plan. The business plan is a management tool which will analysis the results, decision making and showcase of business growth and success. (Indeed, 2021.)

The business plan can be divided into several types. The purpose of the business plan is different depending upon which type of plan you are looking for. The most common business plans are as follow: (Indeed, 2011.)

- Strategic plan
- Operational plan
- Expansion plan
- Feasibility plan
- Startup plan

Strategic plan:

A strategic plan which often called as internal plan used for the strategies of a companies to achieve its goals. The strategic plan gives details about, how the business will achieve it strategies. (Indeed, 2021.)

The plan can consist of following components:

1. Mission statement
2. Vision
3. Essential factors for business growth
4. Strategies
5. Deadlines

This plan is usually used as foundation plan for the business. It covers the strategies and tactics of the business. It is more detailed and expressive in nature. However, the success of strategic plan is dependent on good execution. Without proper execution it can only be a piece of paper. The main tool for the preparation of strategic plan is to access the strength of business and SWOT analysis is commonly used as foundation of the plan. (Indeed, 2021.)

Operations plan:

Operational plan or annual plan is business plan which focus on day-to-day business activities or operational activities which are required to achieve companies' goals. This plan includes operational projects, milestones, management duties. (Indeed, 2021.)

The operational plan covers the following:

1. Objectives
2. Action plan to achieve objectives
3. Resources management
4. Human resources management
5. Deadlines
6. Progress tracking

Feasibility plan:

Feasibility plan is plan used by the business when business is seeking new venture and opportunities. This can be entering to new market, introduction of new product or service or expanding your services to new areas with new products. (Berry, 2022.)

The feasibility plan includes information about new products, market analysis and validating the idea with people if people are willing to pay for services or products. A feasibility report should focus on all the challenges and problems related to business plan. (Shane, 2019.)

The feasibility plan should consider some key factors.

1. Target Market
2. Industry Analysis
3. Financial Projection up to 1 to 5 years
4. Cost analysis
5. Economic Viability analysis

These factors can create a strong impact on the feasibility plan, and it will help the business in risk mitigation. (Shane, 2019.)

Startup plan:

A startup plan is a business plan which is used by the business to receive startup funding from the potential investors. The startup plans are comprehensive plan which includes all the information which is required for the company. (Berry, 2022.)

The following information is as follow:

1. Executive Summary
2. Company Profile
3. Product & Services
4. Value proposition
5. Marketing plan
6. Financial plan and projections

The financial plan is crucial part for the startup plan because this part is important for the investors to make decision about future investment in the business. (Berry, 2022.)

5 Strategic and expansion business plan for café

Business plans are not only developed for startups, but it can be developed for existing established business. The purpose for developing business plan can be vary from business to business. It can help the business for investment purpose, growth of the business or management change. The ultimate purpose of business plan to provide a roadmap for success and growth towards future. An effective business plan also prevents the business from making mistakes, like marketing strategy, customer satisfaction, financial position, and operational management. (Analoui & karami 2003.)

The purpose of developing business plan is to describe the whole business, its strength, financial plan, marketing strategy, management strategy and customer identification. The business plan for case company used will be a mixture of Strategic plan and expansion plan.

Elements of Business plan:

The business plan consists of following elements. (Fisher, 2018.)

- a. Introduction and executive summary
- b. Products and services
- c. Market Analysis
- d. Industry Analysis
- e. Management team and organizational structure
- f. Operational Plan
- g. Financial plan

5.1 Introduction and Executive Summary

The executive overview is among the most significant portions of the company plan's contents since many people understand it and determine whether or not to proceed with the strategy. The Executive Summary should describe the most significant components of something like the strategy and must be no with over two pages long; it is also conducted at the conclusion, even though one previous part has been finished. (Fisher, 2018.)

This part of the business plan is also sometime referred as "Pitch". The idea and story of the business is reflecting in the pitch, if you are successful in reflecting your ideas in executive summary it gives the reader's attention about your business in first glance. (Patsula, 2004.)

According to Haden, the components of good executive summary are mission statements, description of products and services offered by the business, financial projections and solid business strategy. An overall business description provides a complete overview of the firm as well as its goods and services. The business plan comprises the firm's name, address, management, financial assets, mission and goals, purpose of the business, the firm's strengths and key capabilities, and how the company will run. It is preferable not to include too much detail about the company data. (Fisher, 2018.)

5.2 Products and Services

The product is also defined as, what kind of service or good we can offer to the market for utilization and consumption. The products are tangible in nature and services are intangible. (Maximilian, 2015.)

This area is essential for stakeholders who are unfamiliar with the company's goods or services. As a result, the products are described in this section. It is useful to explain the need for related items or services. Furthermore, it is critical to concentrate on the 20% of services and products that generate the remaining 80% of income. Concentrate on the successful branding concept of "less is much more." (Carla, 2022.)

Business success depend upon selling of products and services specially in the food sector. Diversified and uniqueness in product and services attracts huge class of customers and make a permanent customer base for the business. Therefore, Café business hugely depend upon their products for success. (Carla, 2022.)

5.3 Market Analysis

Marketing plan is foundation of a successful business. The marketing plan should focus on customer and potential market analysis. A good Marketing plan helps the business to take over the competitors. (Ward, 2020.)

Customer needs and demands are primary objective of any marketing strategy. These offering can be either products or services. A combination of both products and services can be offered by the business. The success of any product and services are dependent upon the marketing strategy of the business. (United Nations Conference on Trade and Development, 2012.)

The companies can use different kind of marketing strategies like traditional marketing or online marketing which is also known as social media marketing. Analyzing the potential customer or targeted group and developing the marketing strategy according to the results is also part of successful business plan.

5.3.1 Social Media Marketing

Internet has revolutionized the world, with rapid growth of internet in the world has changed the ways of life. Social Media Marketing become one of the biggest marketing techniques in the business world. Most of the business are using social media as their primary marketing strategy. (Heggde, 2018.)

The social media marketing strategy consist of many factors. The strategy should fulfill your following objectives.

1. Brand Awareness
2. New Customers gathering
3. Increase in profits (Online orders system)
4. Online presence and customer services
5. Feedback and improvements

Building a balanced social media strategy is not only identifying your objectives. It is also depending upon how you define your target audience and what are their requirements or information they are looking from your business. The information /post about products and services offered by business, and timing of the information sharing are important factors in a successful social media strategy. (Alfred, n.d.)

5.3.2 Factors affecting using customer behavior and satisfaction

The goal of the business is providing their customer satisfaction with products or services. It impacts the business in numerous ways. The business will be able to retain the customers, increase word of mouth promotion by the customer and in digital era, the customer feedback on social media will provide business either a boom or decrees in goodwill if customer is not stratified with services offered by the business. (CommenceCRM, n.d.)

According to Lewis and McCann, hotel and restaurant industry is one of industries which have higher interaction with the customers. It is important for the business that the customer interaction level and behavior should be excellent because it will either retain the customer or loss the customer. Now question is “how any business can maximize the customer satisfaction”. The customer satisfaction can be divided into three main factors: (CommenceCRM, n.d.)

1. Customer understanding
2. Products & Services
3. Technology

The customer loyalty is always connected with business who took care of the best for customer interest and provide the customers with excellence services. The customers are always looking for availability of multiple choice and uniqueness in products or services. The business is not about selling the services or products it is also about providing after sale services or feedback from the offered services. (CommenceCRM, n.d.)

Service is not about the buttering the customer it is about customer problem solving, immediate action, and fast delivery for the customer. The customers are assets for the business because customers are everything for the business. Technology is now important part of the business. Social media presence, applications and online ordering services are now considered as advantage for the business. Easiness, understandable and attractive online services are also important for customer satisfaction. (CommenceCRM, n.d.)

5.4 Industry Analysis

Industry analysis is getting better understanding and information about your target business market and industry. Industry analysis is a critical component of business plan. It should be

according to the industry in which or you have your business. It helps the business to formulate a long-term strategy and extenuating all the risk and problems. (Indeed, 2021.)

SWOT analysis is commonly used to better market analysis and potential prospects. A SWOT analysis assists a firm in understanding its strengths, weaknesses, opportunities, and threats. The company's strength is calculated by how well it is performing and how powerful it is. Weakness refers to what the firm lacks and what the business is doing to overcome the deficit. The term "opportunities" refers to what the firm can do to attract more consumers and profit. (Kotler & Keller, 2006.)

Threats might come from other businesses that provide comparable services. Rivals who are in company, in plenty of other words, are dangers. The competition provides the business not only competitive advantage on others, but it also improves the products and services of the business, customer needs are fulfilled, and business will focus on innovation and improvisation. (Indeed, 2021.)

5.5 Management team and organizational structure

Business management is always about persistence, determination & commitment, and good decision-making skills. One of the primary main factors responsible losses is unskilled leadership. Even though business owners spend most of their time on organization and activities, it is amongst the most overlooked aspects of a business strategy. A well-run organization requires hierarchy, management, and quality checkpoints across the firm. (Randy, 2021.)

Financiers pay close attention to operationally and managerial since it reveals how the organization expects to run the business. Implementation of the management aid in the smooth operation of the firm. It is critical to offer sufficient facts so that internal supervisors comprehend the aim of the administration and performance. According to Abrams (2003) "Business should always mention the important and key management in the business because they can attract the potential investors."

5.6 Operational Plan

Operational plan in business plan explains the business day to day activities, key activities and targets which are required to run the business. Location, facilities, equipment's, costing, suppliers, and inventory management all these parts are business operational plan. (Susan, 2020.)

Operational plan usually developed for business for one year and it can be developed for shorter period depending upon the needs of the business. Operational plan is linked with other important parts of business plan like strategic plan and financial plan. The business should

closely monitor and implement the operational plan throughout the time to achieve its financial goals and commitments. (Susan, 2020.)

5.7 Financial Plan

A solid financial strategy reflects the owners' competence to run the firm. A financial plan is an important sign of a skilled company owner because it shows that the business can do business and having profitability while maintaining their goodwill in the market. (Trever, 2022.)

Financial planning takes some time since data must be input into a machine. The goal of the formal budget statement is to demonstrate the monetary resources required to launch the firm. The formal investment statement must address four key questions: (Blanko-Dickson, 2007.)

1. Is the company feasible?
2. Is the company / business profitable?
3. How much money is required and when is it needed?
4. What kind of funding is needed?
5. Who will give the funding?

The statement of income is the most crucial aspect of a financial plan. A report is a financial summary that displays a sales profits, costs, profits, and liabilities over a certain time period. The net income, often referred as the revenue and expenses, reveals net revenue. Things that are not quantifiable are not included on a comprehensive income. Furthermore, because they use the financial statement approach, this can clearly represent cash inflows and outflows. (Elizbeth, 2021.)

6 Research approach

Research is a process looking for special kind of outcomes and results. It is a process in which data is collected, analyzed and observation are made. Research is an important part of business organizations. According to Quintero (2020) research is backbone for the organizations for improvement of services and process and it helps the organization for innovation of new and diversified products.

According to Kotler (2009) "Market Research is most important thing in any business to identify opportunities and threats. Market research can be defined as the systematic collection, design, analysis and reporting of data and findings relevant to a specific marketing situation facing the company". Business can use the research to find any existing problems, making solution for problems and development of new and improved services and products.

Research process can be included into following steps: (Mark, n.d.)

- 1) Objectives of research (Identification of problem or innovation)
- 2) Hypothesis
- 3) Research plan
- 4) Data / Information collection process
- 5) Analyzing of collected data
- 6) Interpretation of result
- 7) Final presentation and decision making

There are two types of research methods qualitative method and quantitative methods that can be used in research process.

6.1 Quantitative Research method

Quantitative research method is one of prominent research methods used by the researchers. This process uses the numerical values and patterns to conclude different assignments and results. There are different strategies, hypothesis and techniques used for the verification of results. Interviews, observations, survey, questionnaire and focus group study are commonly examples of quantitative research methods. Survey research is one of best research tool for business and management. Business use the survey to improve their business strategies. (Bhandari, 2022.)

Online survey:

Questionnaire are designed to collect vast quantities of data from the respondents. The questionnaire is inexpensive to utilized, you can create with little training and help, and it is easily analyzed. These qualities make them better from other types of research methods. (Birmingham, 2003.)

Questionnaire can be designed either on paper or mostly now online via the internet. It is a cheap and effective way of conducting research. Now you have many analytic tools available with questionnaire which are helpful in analysis in later stages of research. The data source for collecting primary data is now via the internet and it's easy and vast availability make the researcher primary tool for research. (Wright, 2017.)

6.2 Qualitative research

Qualitative research is research process in which “non-numerical data” is collected and analyzed. The purpose of qualitative research is to understand concepts, opinions and experiences without use of any numerical data. The data used in qualitative research is usually text, video and audios. The research provide in dept analysis about any problem, solutions and

ideas can generate. Qualitative research is commonly used social science and humanities. (Bhandari, 2022.)

The common way of collecting data for qualitative research is through interviews, observations, focus group study and secondary research. The qualitative research has its own benefits and disadvantages. The qualitative research data collection is considered as flexible in nature, you can get some meaningful insights with learning, and you can generate some useful ideas for research. (Bhandari, 2022.)

6.3 Methodology

The research method used in the thesis is quantitative research. Also, data was collected through secondary research. The tool for the quantitative research is a questionnaire. An online survey was conducted to collect data from potential customers. The survey used in thesis was created by online tool “Microsoft forms”.

The survey was posted in different social groups via WhatsApp. The primary focus for posting through WhatsApp is to engage the potential customer. The online survey was designed to get information about their preference for selection of café. Some questions related to social media were also asked. This will help the business in developing the right social media strategy.

6.3.1 Data sources

The research process involves in collection of primary and secondary data. The information and data collection for thesis purpose in involves both kinds of data. The secondary information is collected via interviews and discussion with the café owner and management while visiting the café. Also, some of the information was collected by the author as author worked in the organization for some time during last years. The business information is collected by visiting the café. Some of information is collected by onsite visit in previous months. The market and business information are collected from survey. The other information is gathered from reading materials, like books, academic journals, and different educational sites.

7 Empirical study

This section will discuss about the results from online survey. These results are obtained from online survey, and it will used in development of the business plan for the café. The primary source for the survey distribution was using social media “WhatsApp”. The targeted survey response was about 25 to 30. Out of which 26 responses were recorded and will be presented here.

Question 1: “What is your age?”

This figure shows the age of participants. We have targeted different age groups for the research. The different age groups will help the business in formation a business plan and a marketing plan which will appeal the customers of specific age group. This data contains people from age “18-25” represent 42 %, age “25-35” represent 46%, age “35-45” represent 4% and age “40-60” represent 6% of the population. The survey represents all age groups but the age groups “18-25” and “25-35” have more than 88% of the representation and it shows that young population is more attracted toward the café. By targeting this age groups in marketing and by keeping the demands and requirements of this age groups the business can get more profit.

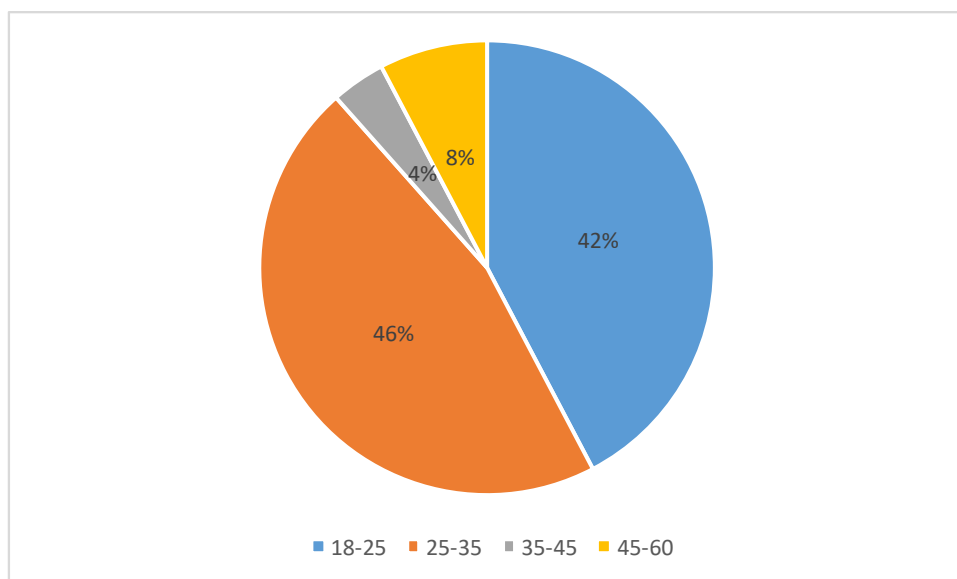


Figure 1: Age

Question 2: “Gender”

The second question of the survey was about gender of the respondents. The male respondent in the research were 54% of the population and female responded were 38% of the population. About 8% of the responded did not want to comment on age questions. This research shows that due to cultural and traditional norms male population should be targeted in formation of business plan and marketing.

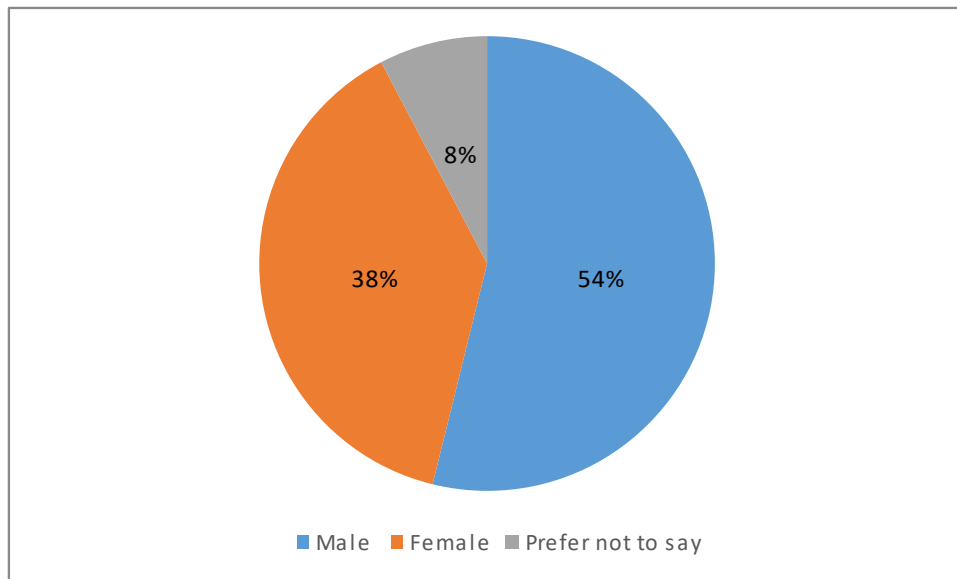


Figure 2: Gender

Question no. 3: “How many times do you go to café in a month?”

The third question for survey was frequency of respondents visit to the café. Approximately 42% of the respondent visit the café 1-2 times in a month. Similarly, 23% respondents visit café about 3-4 times in a month. The percentage of respondent visiting café 5 times of more is about 31%. The café culture is relatively new in the Pakistan and trends to going café on daily base is not yet common.

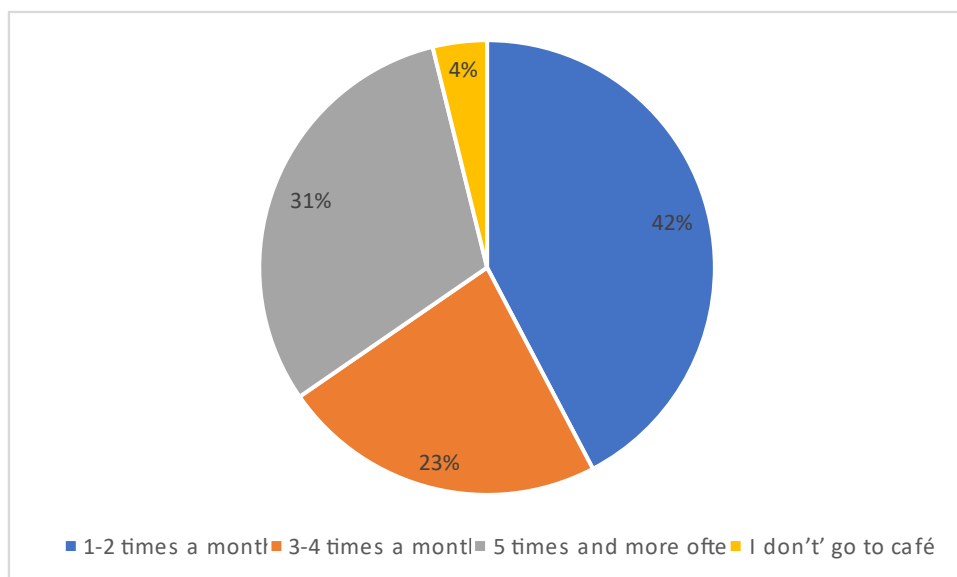


Figure 3: Frequency of café visit

Question no. 4: “What is the reason when you go to Café?”

The fourth question of the survey was about reason for visiting the café. Many of the respondents want to have a good time with friends and family and about 46% of the respondents visit the café for this purpose. However, about 27% of respondents want to have their own time in café. 15% of the respondents answer to the other purpose for visiting the café. 15% of the respondents want only coffee while visiting their visit to the café. The atmosphere of the café should promote the friendliness and provide the family a sense of safety to visit the café.

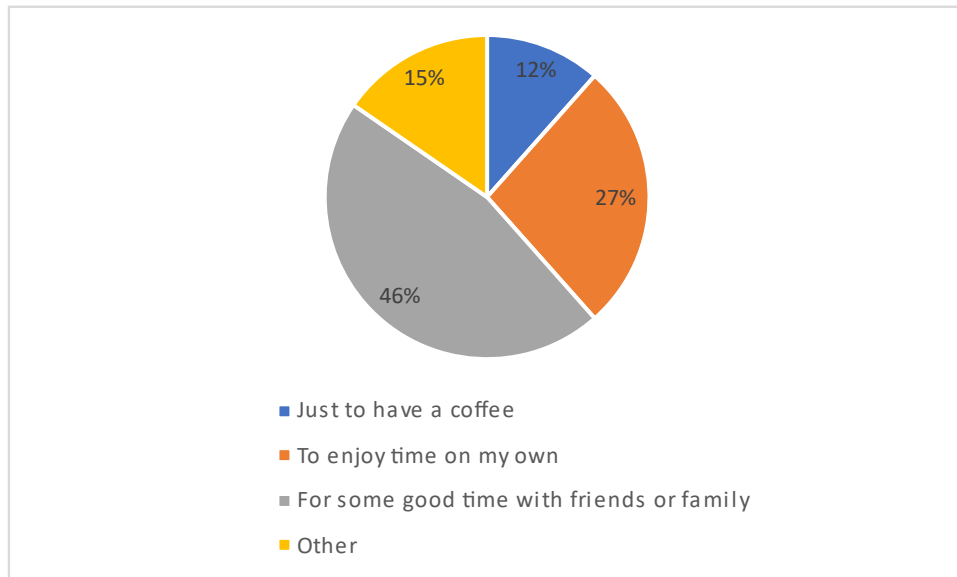


Figure 4: Café Visit Reason

Question no. 5: “Which factors are important to you when visiting a café? Please rate on a scale of 1 to 5 (1 = Not Important, 5 = Very Important)”

The fifth question of the survey was about keeping the different factors in mind while visiting the café. This question is subdivided into 4 different types of sub questions.

Coffee and Food Items:

The coffee and food items were considered most important factor in choice of the café. About 57.7 % of the respondents believe that variety or menu of coffee is very important. 23.1% of the respondent thinks that is important in selection of café. About 19.2% thinks that is somehow important.

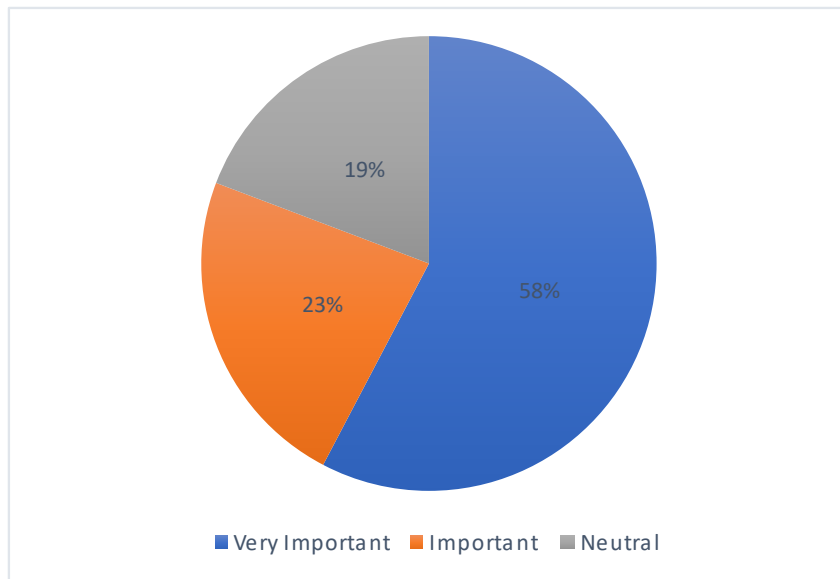


Figure 5: Coffee & Food

Quality of the food:

The most respondent thinks that the quality of the food impact their selection of the café. About 92% of the respondents believe that quality of food is important for them.

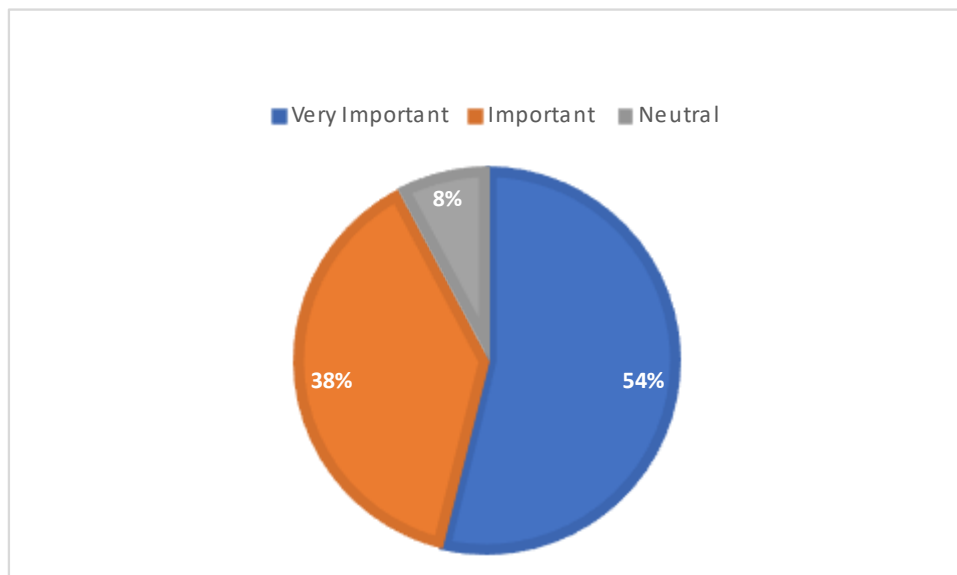


Figure 6: Quality of food

Atmosphere / Ambience:

Atmosphere and ambience are also crucial factors for section of the café. 58% of the respondent believe that atmosphere can affect their choice of café. Therefore it is very important for the business to have a unique and comfortable atmosphere.

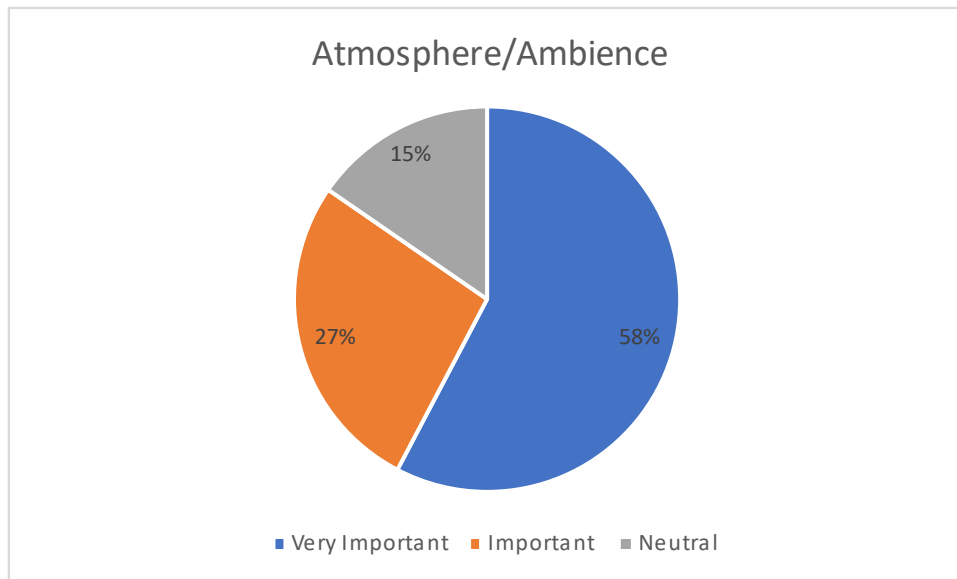


Figure 7: Atmosphere

Location:

The location of the café is also one of the important factors for the business. Reachability by the public using public transport can also impact the profitability of the business. Therefore, it is important for the business to choose the location for the café. 69% of respondents believe that location is a very important or important factor for them.

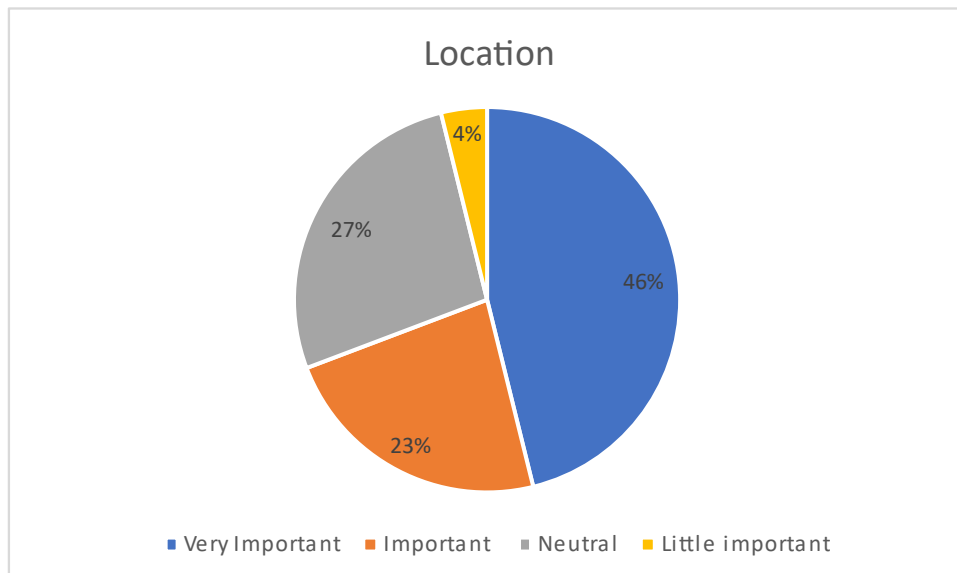


Figure 8: Location

Question no. 6: "Alongside your coffee what do you prefer to buy?"

The sixth question of the survey was about buying choices of the respondent. Café business usually have a variety of items for selection for the customers. Breakfast time / menu have least preference for the respondents. Approx. 4% respondent choose breakfast as side item along with coffee. 19% of the respondents take lunch with the coffee. Coffee with dinner is also very important for the respondents, 31% respondents usually take dinner when visiting the café. Desserts are most popular food item for the respondents about 46% of them. Customer usually wants a dessert with their coffee. Business should focus on dessert section of the business for probability.

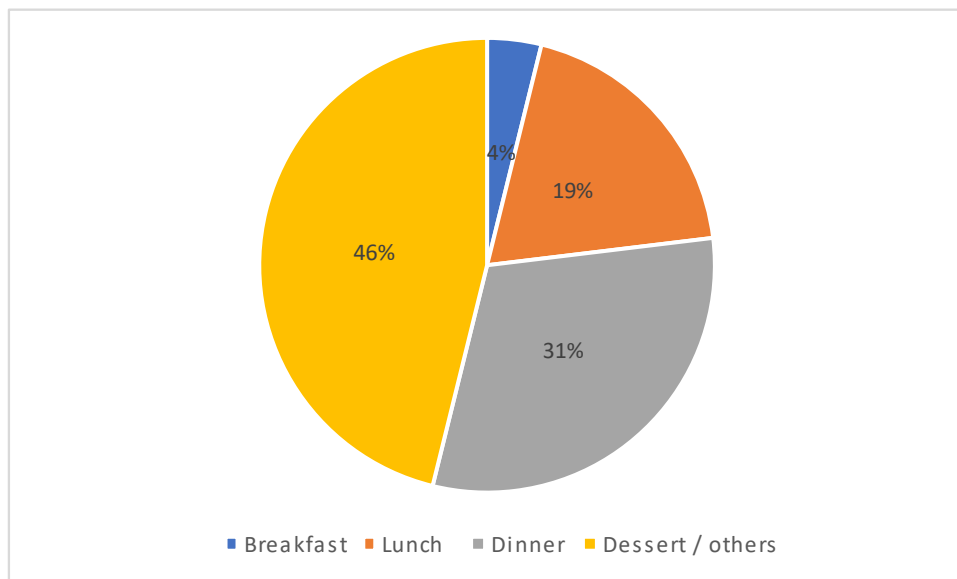


Figure 9: Other Choice

Question no. 7: “What kinds of Café are there in your area?”

The availability of choices also an important factor in choice of café. In this questions respondent were asked for availability of different café in the area. The café “Gloria Jeans” appears to be most visited café amount the respondents. 46% of the respondents visited the “Gloria Jeans” café. About 15% of the respondents visited the “Second Cup Coffee” and 31% visited other café in the area.

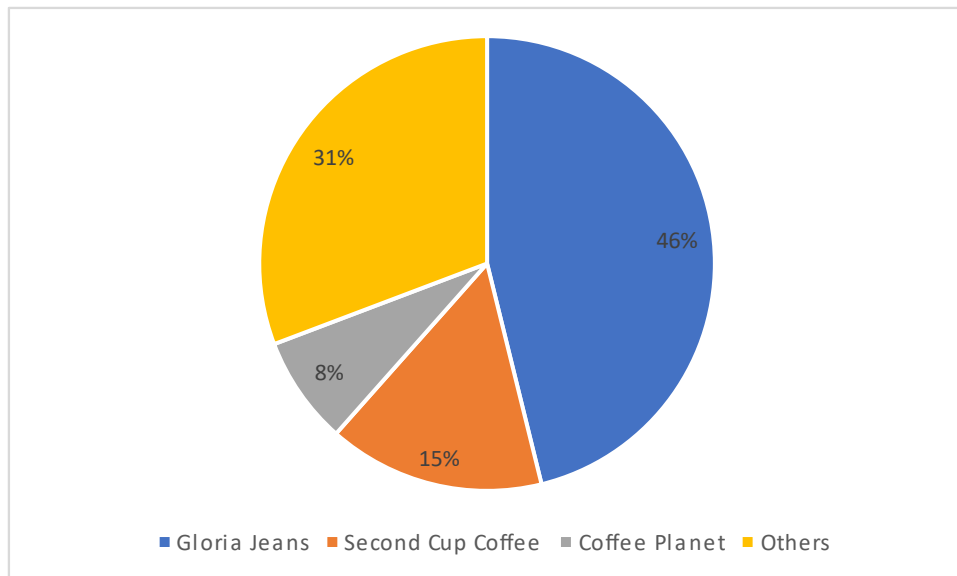


Figure 10: Alternative

Question no. 8: “How loyal are you with the café you visit? Please rate on a scale of 1 to 5 (1 = Not Loyal, 5 = Very Loyal)”

The eight question of the survey is about loyalty to the café or business. If customer find stratification in products and services offered by a business. They will stay loyal to the business for very long time. 50% of the respondent thinks that they are very loyal to the café they visited and also 34% are loyal to the café. It means that majority of the respondents like to visit their favorite café.

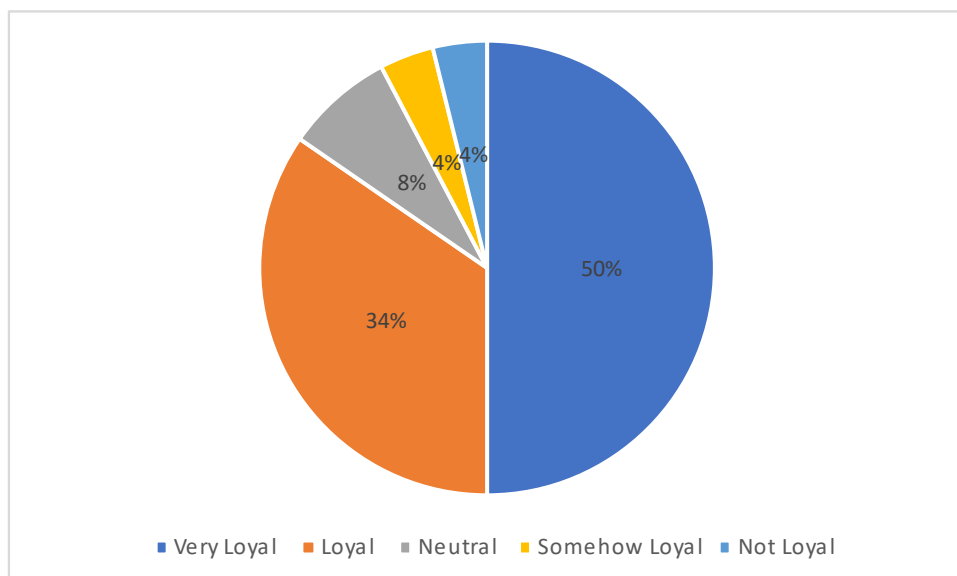


Figure 11: Loyalty

Question no. 9: “Does social media effect your choice for café?”

Ninth question of the survey was about choice of café on based on social media. Social media now a days play an important role in marketing of the business. Many businesses use social media as primary tool for expanding of the business. 62% of the respondents believes that social media is affecting their choice of cafe.

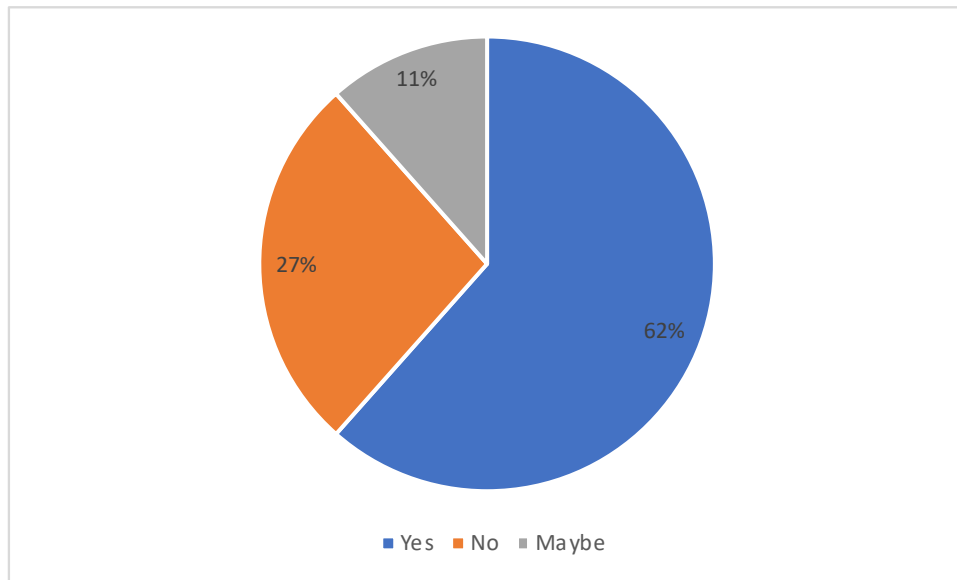


Figure 12: social media

Question no. 10: “Which one of the following social media platforms you most active? Please Select from Scale 1 to 5 (5= Very Active, 1 = Not Active at all)”

The tenth question of the survey was to analysis the activity of the respondents on different social media platforms. Based on the feedback and survey result right social media marketing policy can be made. Right customer segments can be targeted using social media. Response shows that most the respondents are using Instagram and Snapchat as their main social media platforms. So, by targeting both social media platforms we can maximums the publicity of the business. In the business plan we will use targeted social media marketing for attractions of new customers and reaching to existing customers for new and better offers.

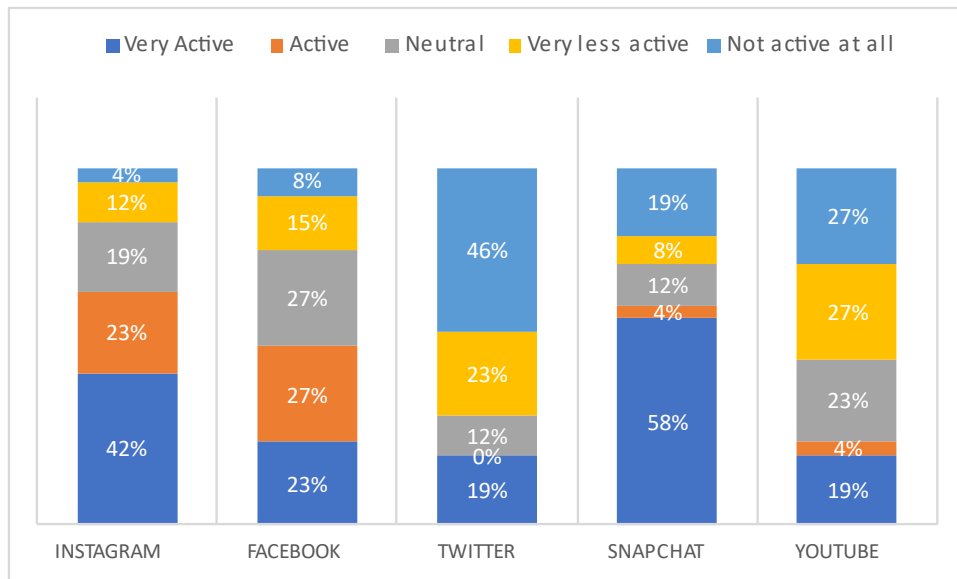


Figure 13: Social Media Activity

Question No. 11: “Does “Members Benefits”, “Special Offers” appeal you?”

The last question of the survey was about having some special offers and benefits for the regular customers. Gaining new customers and keeping the old customers is part of the business plan. Old customers can attract for new offers and some membership can be offered. In membership some rewards can be offered to the customers on the base of their activity and visit in the café. 42 % respondents believe that if café offer some benefits, it will sure return to the café and avail the benefits. However, about 23% of the respondents did not find this appealing.

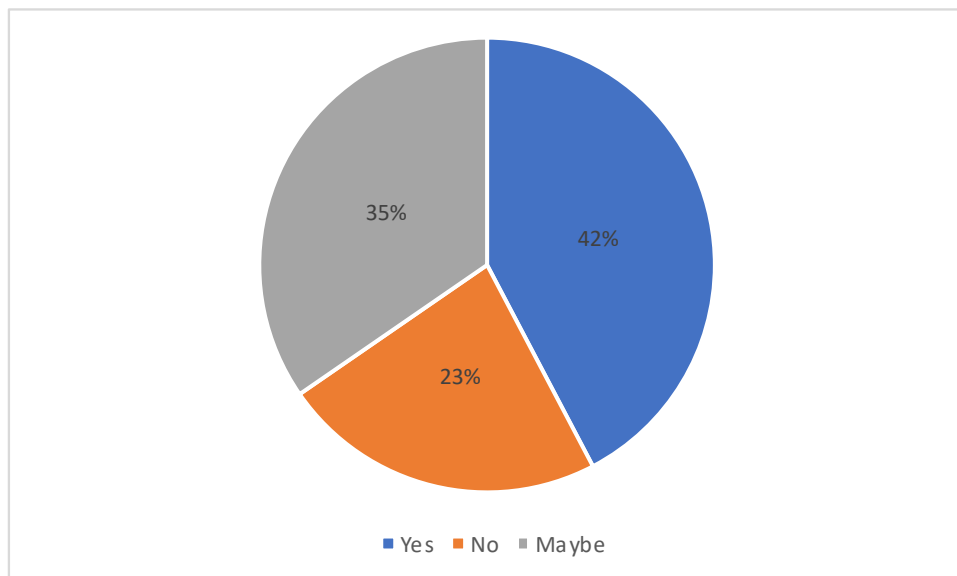


Figure 14: Members Benefits

8 Business Plan for Coffee Tea & Company

The focus of the thesis is to create a business plan for the business “Coffee tea & Company”. The detailed plan as follow:

8.1 Introduction and Executive Summary

Coffee and café culture is getting popularity in Pakistan and to avail this opportunity It is the right time to expand the business into new Territories. “Coffee tea & Company” is already established and doing business from 2003 in heart of commercial and food hub of Lahore.

➤ Location:

The location chosen for new café branch is “Y-Block DHA Phase 3, Lahore”. Y-Block is one of prime and unique location for business in Lahore. The reason for selecting this place is that it is highly demanding and popular place for foodies and coffee lovers. With easy public transport access, it makes more feasible for the business. The location is ideal for attracting different segments of customer specially focusing young age group.

➤ Mission and Vision

The vision of the business is to provide customers with a refined taste and delicacy. The customers will have a unique experience while visiting the café. The combination of modern and traditional ambiance will provide the uniqueness, socializing and comfort to customers.

Mission:

“Spreading smiles, on the faces of our valued customers with the happiness of taste. We are committed to using the finest ingredients in our recipes.”

➤ Objectives

Business objective are most essential part of the business plan. Café initial business plan is to start the business the with a solid marketing strategy. The coffee tea & company is brand that is already established and to maintain the brand, capture new customer base, profitability in first year of business is one of main objectives of the business.

The café will focus on the information collected from the research. Customer satisfaction, online media presence and new & authentic products are key factors for the business plan. The quality of services and products is the key element for the success of the business. There will be periodic quality inspections and feedback will be collected from the customers to ensure the quality of the services are products are maintaining all the time.

The other financial objective of the café is to reach breakeven point in first six month of the business and reach to profitability at the end of the year. this chapter should say something concrete as objectives.

8.2 Products and Services

The café will focus on two main segments of the business. First one is bakery section and second section consist of coffee and other different cuisines. The bakery section of the café will be offer healthy and quality menu items. These items will bake and delivered to the branch on daily base. The menu will consist of bread, cakes, pastries, sandwiches, and other bakery items.

The menu will offer a large selection of coffee products and authentic Asian cuisines. The business will be focus on providing best quality coffee, imported from different countries. The coffee serve will be highly aromatic and provide a great experience to customers. Therefore, the selection of the coffee will be accomplished by experts.

The café will focus on brand awareness and recognition in new market. The loyal customers of the café will offer different loyalty and membership benefits. An app will be developed for customers. This will allow customers to order directly from the app and members will get benefits. The café will also offer birthday parties and different kind of get-together party services to the customers.

8.3 Market Analysis

Methods of promotion and advertisement to promote our products we will adopt the following promotional and advertisement strategies. Succeeding at restaurant and café business is beyond cooking the most palatable dishes its success bears down on its marketing strategies. Café will adopt the social media advertising strategies to ensure its success.

Social media is one of powerful tool for the advertisement of the business. The café will focus on the result obtained from research. The research result shows that following segments will be targeting in social media policy.

- ❖ Targeted age group: 18-25 & 25-35
- ❖ Targeted Gender: Male & Female
- ❖ Social media platforms: Instagram & Snapchat

8.3.1 Social Media Policy:

Social media is one of main marketing platform for café business. The café will focus on marketing strategy from early stages of the business and will start promoting the new branch from existing social media accounts. New business accounts will be created for new branch so

new branch will focus on some targeted audience. In the meantime, new business account will be promoted, and new followers and customers will be engaged. The promotion policy will continue till opening of the new branch and existing café. Interactive posts and campaigns will be published to attract more customers. This will create a trust and brand building among targeted customers. Local food bloggers and influencers will be used to share content related to cafe.

Project implementation stages:

1. Account creation and profile building
2. Post sharing (5 to 6 times a week)
3. Using Hashtags to reach potential customers
4. Discounts, giveaways, and free food items to attract customers
5. Collaboration with digital marketing agency to formation of long-term policy and promotion on social media accounts

These are some measures to implement the social media policy practically. Business social media accounts offer insights and reach reports. These reports will be used to measure the accuracy and reliability of the campaigns.

Digital marketing agency will keep record of the social media accounts and provide the detailed information about activity of the business on social media. Some of common measuring tools are followers, likes, post likes and engagement with the followers.

The website will be renewed and make it easy for potential and existing customers find the business and its products. This will also help the cafe to grow big as it will be known almost worldwide.

8.4 Industry Analysis

The internally and externally sensory perceptions of a coffee house transformation due to various such as market, institutional, marketable, technical, intercontinental, diplomatic, as well as sociological factors, it is vital to define both weakness and strengths, as well as the restrictions that the organization may experience, using SWOT analytical method.

The SWOT evaluation is an essential tool for implementing a strategy that is tailored to the socioeconomic realities of every firm. Indeed, this report identifies the primary characteristics, both domestically and outside, will have an impact. The SWOT analysis gives you complete picture about the business and its possible strengths and weakness. The detailed SWOT analysis can be found below.

The café has a strong brand base which creates a unique strength for the business. The location chosen for café new branch is also a strength. The location not only attract residents of DHA, but it also attracts the customers from surrounding area. The area has commercial and residential properties, so café will be capable of handling private customers as well corporates clients.

At same time the café has some weakness. The initial investment of opening branch is quite high which create the problem for the business. Also, the area is not located in tourist spot which cause loss of money from tourist. The café did not attract all level of customers which is considered as weakness for the business

The world behaviour about products and services are now changing. People are now more conscious about sustainable and ecofriendly products. The café has opportunity to provide sustainable and ecofriendly products and try to reduce the carbon footprint by adopting ecofriendly sources of energy for example solar powered electricity which will provide the business a unique distinction in café industry.

There is high competition among café business in Pakistan. Different theme-based cafes are opening now a days and increasing number of competitions create threats for business. The substitute of coffee products is easily available in market. High cost and sale price will cause disruption for the business and ultimately loss in the sale of business. The economic stability is also key factor for success of the business. Current economic instability is also possessing a threat for the business.



Figure 15: SWOT Analysis

8.5 Management team and organizational structure:

Management and operation team is core for the success of the business. Café team will consist of dedicated and passion people who love the food and coffee. The team will consist of people from different background and having specialty in their respective field. The selection of team will be strictly followed by rules and regulations and all personal will go through proper background checks. The café will hire recruitment agency for selection of team. The products and services offered by a passionate and experienced team will provide the customers at great experience.

The café will start with a little team and expand will the expansion of the business.

Designation	Job Description
Chief executive officer	The chief executive officer will be responsible for the café day to day business affairs. He will be overseeing all the accounting and finance activities of the café and help the café in implementation of different strategies.
Manager	The manager will be responsible for the business daily activities. He will be in charge of the employees and restaurant staff. He will make sure that all the business policies are maintained and implemented according to the instructions.
Shift Lead	The shift lead will in charge of overseeing the café employees and reports directly to the manager.
Other operational staff:	The other staff includes chiefs and restaurant staff including waiters.

8.6 Operational plan

The operational plan of business tells you about business operations. How business will run, to whom we will sale, what will be the price and what will be our resources.

The operational plan of the café is as follow:

Production:

The bakery items of the café will be produced in bakery section of the old café and will be delivered to the new branch. Other regular menu like coffee and other menu will be made freshly on site on demand.

Quality Control:

Quality maintenance is one of the key parts of keeping the business alive and sustain customer. The quality of the food products will be maintained through periodic quality inspections. This will make sure the customer stratification and brand reputation.

Legal environment:

The café branch will operate through partnership. All the required licence and permits will be obtained from relevant authorities before operation of the branch. The trademark will be used according to the terms and condition of the business owner. The café will hire a legal representative to complete all the legal formality.

Inventory:

The inventory will be managed through inventory management system and manager will make sure that only fresh and healthy food items will be processed. The manager will be responsible for the purchase of the inventory.

8.7 Financial Plan

The financial plan forecast helps the business in feasibility. The financial forecast will be used by the management to secure loan from different financial institution and banks. The financial plan will include balance sheet, projected income and loss statement and cashflow statements for first 6 months. Financial plan will also include breakeven analysis.

Capital:

The branch will operate under partnership. The capital required for capital and financial expenditure will be shared between both parties. The Party A which is owner of Coffee tea and company and party B investor. The initial amount of capital required for café is about 50,000,000 Pakistani Rupees. Any additional amount required will be secured from banks.

Table 1: Balance Sheet Assets Projection

Coffee Tea & Company
BALANCE SHEET PROJECTED
AS AT JUNE 30, 2024

ASSETS	Note	2024 RUPEES	2023 RUPEES	2022 RUPEES
NON-CURRENT ASSETS				
Tangible and In-Tangible Assets	5	3,285,272	4,027,938	4,770,604
		3,285,272	4,027,938	4,770,604
CURRENT ASSETS				
Stock in Trade	6	7,057,263	4,867,078	2,862,987
Trade debtors	7	712,305	474,870	316,580
Advances, deposits and prepayments	8	114,721	76,481	50,987
Cash and bank balances	10	358,422	173,971	136,303
		8,242,711	5,592,399	3,366,857
		<u>11,527,983</u>	<u>9,620,337</u>	<u>8,137,461</u>

Table 2: Balance sheet Liabilities

CAPITAL AND LIABILITIES	Note	2024 RUPEES	2023 RUPEES	2022 RUPEES
SHARE CAPITAL				
	11	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Un-Appropriated Profit/(Loss)		1,316,915	93,241	(1,909,363)
		1,316,915	93,241	(1,909,363)
NON CURRENT LIABILITIES				

Bank Financing		1,400,000	2,000,000	2,600,000
		1,400,000	2,000,000	2,600,000
CURRENT LIABILITIES				
Creditors, accrued & other liabilities	14	3,811,068	2,527,096	2,446,824
		3,811,068	2,527,096	2,446,824
		11,527,983	9,620,337	8,137,461

The annexed notes form an integral part of these accounts.

Cost and revenue forecast:

The following table will show the forecast of revenue for three years from start of the business. The forecast will help the management in performance evolution and improve in the business probability for the future.

Projections are based on data collected from market analysis. The estimated sales increase of food industry is expected at 15 percent per month. The café will face loss in the start of the business due capital expenses. Business will start to decrease loss in upcoming years and at end of the second year. The business will be at breakeven point and afterward profit will begin.

Table 3: Profit & Loss

Coffee Tea & Company
PROFIT AND LOSS ACCOUNT PROJECTED
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 RUPEES	2023 RUPEES	2022 RUPEES
Net Sales	16	23,705,400	14,984,916	8,820,395
Cost of sales	17	17,596,869	11,045,166	7,393,856
Gross profit		6,108,531	3,939,750	1,426,539
Operating expenses				
Selling expenses	18	670,901	486,184	365,570

Administrative expenses	19	3,750,333	3,122,096	2,829,056
		4,421,234	3,608,280	3,194,626
Operating Profit/(Loss)		1,687,297	331,470	(1,768,087)
Financial charges	20	14,801	13,455	8,970
Profit/(loss) before taxation		1,672,496	318,015	(1,777,057)
Taxation:				
Current		355,581	224,774	132,306
Deferred		-	-	-
		355,581	224,774	132,306
Profit/(loss) after Taxation		1,316,915	93,241	(1,909,363)

Revenue & Cost bifurcation:

The café will engage into two different business. Café section and bakery section. The average growth rate of the business is estimated at 15 %. The other expenses are as follow:

Table 4: Notes to the accounts

Coffee Tea & Company
NOTES TO THE ACCOUNTS PROJECTED
FOR THE YEAR ENDED JUNE 30, 2024

	2024 RUPEES	2023 RUPEES	2022 RUPEES
6 Stock in Trade			
Raw Material	7,057,263	4,867,078	2,862,987
	7,057,263	4,867,078	2,862,987
7 TRADE DEBTORS			
<i>Unsecured but considered good</i>			
Trade Debtors	712,305	474,870	316,580
	712,305	474,870	316,580

**ADVANCES, DEPOSITS &
PREPAYMENTS**

8 *Unsecured but considered good*

Advance Income tax (Electricity)	114,721	76,481	50,987
	114,721	76,481	50,987

10 CASH AND BANK BALANCES

Cash in hand	243,666	97,466	51,298
Cash at banks-current accounts	114,757	76,505	85,005
	358,422	173,971	136,303

11 Capital & Equity

Capital	5,000,000	5,000,000	5,000,000
	5,000,000	5,000,000	5,000,000

14 CREDITORS, ACCRUED AND OTHER LIABILITIES

Accounts Payable	1,901,598	1,118,587	1,507,818
Accrued expenses	919,454	540,855	360,570
Short Term Liabilities	383,418	225,540	150,360
Advances from Customers	606,599	642,114	428,076
	3,811,068	2,527,096	2,446,824

16 SALES

Cafe Sales	10,438,223	6,140,131	2,923,872
Bakery Sales	13,267,177	8,844,785	5,896,523
	23,705,400	14,984,916	8,820,395

17 COST OF SALES

Raw Material Consumed	7,094,699	5,138,128	2,999,276
Salaries, wages and other benefits	4,437,048	1,848,770	1,680,700
Utility charges	5,753,205	3,835,470	2,556,980
Miscellaneous Expenses	311,917	222,798	156,900
Depreciation	-	-	-
	17,596,869	11,045,166	7,393,856

RAW MATERIAL CONSUMED

Opening Stock	4,867,078	2,862,987	-
Purchase during the year	9,284,884	7,142,219	5,862,263
	14,151,962	10,005,206	5,862,263
Closing Stock	(7,057,263)	(4,867,078)	(2,862,987)
	7,094,699	5,138,128	2,999,276

18 SELLING EXPENSES

Salaries, wages and other benefits	424,125	292,500	225,000
Traveling and Others	218,750	175,000	125,000
Publicity and Advertisement	28,026	18,684	15,570
	670,901	486,184	365,570

19 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	1,080,750	720,500	655,000
Rent	1,500,000	1,375,000	1,250,000
General office expenses	66,000	60,000	50,000
Vehicle running & maintenance	35,100	23,400	15,000
Entertainment office	142,800	84,000	40,000
Printing and stationery	38,892	27,780	13,890
Legal and professional	45,000	37,500	25,000
Insurance	36,125	21,250	12,500
Miscellaneous Expenses	63,000	30,000	25,000
Depreciation	742,666	742,666	742,666
	3,750,333	3,122,096	2,829,056

20 FINANCIAL CHARGES

Bank charges and excise duty	14,801	13,455	8,970
	14,801	13,455	8,970

9 Conclusion

The objective of the thesis was to develop a feasible strategic and expansion plan for business to enable the betterment and strength the business. There is an emerging market for café business in Pakistan. The thesis also aims to help the business in determining the current business conditions and expansion of the business using social media marketing as primary marketing technique.

The thesis helps the business to focus on the achievement of the business goals. The purpose and objectives of the thesis were to create a plan based on the customers satisfactions and needs. The different sections of the business plan will provide the business in depth analysis to the problem and solution in form a feasible business plan. This will provide opportunity for the management to keep the performance evaluated and business plan will be applied and modified if there is any need of it.

The authentic and diversified menu selection, premium customer services, modern and calm environment make the café at distinguish place among competitors. This will guaranty the success of the business and brand recognition among the targeted customers.

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Appendices

Appendix 1: Survey 43

Appedix 1: Survey

1. What is your age? *

- 18-25
- 25-35
- 35-45
- 45-60

2. Gender *

- Male
- Female
- Prefer not to say

3. How many times do you go to café in a month? *

- 1-2 times a month
- 3-4 times a month
- 5 times and more often
- I don't go to café

4. What is the reason when you go to Café? *

- Just to have a coffee
- To enjoy time on my own
- For some good time with friends or family
- Other

5. Which factors are important to you when visiting a café ? Please rate on a scale of 1 to 5 (1 = Not Important, 5 = Very Important) *

	1	2	3	4	5
Coffee & Food Items	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of the food	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Atmosphere/Ambience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Alongside your coffee what do you prefer to buy? *

- Breakfast
- Lunch
- Dinner
- Dessert / others

7. What kinds of Café are there in your area? *

- Gloria Jeans
- Second Cup Coffee
- Coffee Planet
- Others

8. How loyal are you with the café you visit ? Please rate on a scale of 1 to 5 (1 = Not Loyal, 5 = Very Loyal) *

- 1 2 3 4 5
-

9. Does social media effect your choice for café? *

- Yes
- No

10. Which one of the following social media platforms you most active? Please Select from Scale 1 to 5 (5= Very Active , 1 = Not Active at all) *

	5	4	3	2	1
Instagram	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Twitter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Snapchat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
YouTube	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Does "Members Benefits", "Special Offers" appeal you? *

- Yes
- No
- Maybe