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Business Plan- Cafe Jasmine

Daria Verkhovod
1904647

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Karelia AMMATTIKORKEAKOULU

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Tikkarinne 9
80200 JOENSUU
+358 13 260 600

Author(s)
Verkhovod Daria

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Business Plan- Cafe Jasmine
Supervised by Olli Hatakka

This thesis was written to aid the author in developing a business plan for a real business idea. The research has provided knowledge and concrete information about what a business plan is and how to construct one for a new company in Germany. It covers the aspects and milestones that a beginning entrepreneur should be aware of.

This thesis aims to help to create a cafe in the heart of Hof, Germany. If it is important to write a business plan and research whether opening a cafe at this time in Germany, and in Hof is a profitable idea. Further research will be conducted on cafe types and the café market of Finland and Germany. The thesis examines the legal issues involved in opening a new cafe.
It consists of an executive summary, a description, an analysis of the market and strategy, as well as an analysis of the competitors. Before launching a company in another country, it is critical to assess the general business environment.

A survey of potential clients was performed to learn about their consumption habits in the cafe business and their expectations of the services, as well as an interview with a representative of a legal organization. The study's main findings suggested that opening a cafe in Hof, Germany, may be a realistic and even profitable business venture. However, difficulties are to be predicted, especially given the size of the targeted region. Alternative plans, as well as periodic review of the implemented approaches, are critical in this aspect.

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Keywords
Business plan, SWOT, financial statemen, cafe, Germany

Contents

1 Introduction

1.1 Background

There are different opportunities to start own business. Sometimes there are so many options that a beginning entrepreneur can get lost in variations and may not have enough of the needed information. This author spotted a business opportunity to start running a cafe. The study aims to determine the feasibility of opening a cafe in Hof, Germany and develop a business plan. To make a business more efficient and profitable, research can reveal challenges and opportunities. The business plan comprises additional critical components that are critical to the operation, along with a market analysis, marketing strategies, regulatory needs, and financial predictions.

This cafe's name will be Jasmine, and it will sell beverages as well as bakery products. The project's primary goal is to identify important clients and assess the feasibility of launching the business in the target location. This report highlights the information and experience collected on the ground as a part of the experiment which will be implemented by the author in the future.

The main questions of the research are:

-What are the important things startup entrepreneurs should be aware of when starting a business in Hof, Germany?
-What is a good business plan and how will it help?
-Where are the current market trends in Germany?
-What needs to be done to start running a cafe in Hof?
-Is it a worthwhile idea to start a business in Hof?

1.2 Theoretical framework and methodology

Quantitative and qualitative contributions are used in the study as a mixed methodology. A combination of secondary sources and primary sources is used

to collect the data. A questionnaire and face-to-face discussions are the primary methods. Online sources, books, official documents, and regulations on marketing were used for secondary data collection. Statistical approaches were used to utilize the data. Some of the resources are in English, while others have been translated from german language.

A SWOT study may assess the industry's external and internal factors. An examination of the internal elements' strengths and weaknesses will reveal critical information that will aid in strategy development.

2 Research Methodology

The research methods were mentioned earlier and will be discussed in more detail. The purpose of this chapter is to provide an overview of the research methodology and data acquisition process. This section presents an overview of the research outlines and the structure, along with the limitations of the study.

2.1 Research methods

The research focuses on commercial opportunities in Hof, Germany. This study assists in reducing potential risks and determining the viability of starting a cafe in Hof as well as developing a business strategy. The thesis employs qualitative and quantitative research strategies to acquire information reflecting the present situation in Germany and gives suggestions to firms interested in entering the German market.

To receive specific information, a meeting with Yvonne Nawroth, a representative of the GmbH-UG team was organized. Secondary data is collected from reliable online sources, reports and official documents. Some of these materials are in English or translated from German.

2.2 Outline of research

A questionnaire is a common and reliable research approach, particularly in an analytical investigation. This form of study can provide a comprehensive picture of ideas, behaviours, and motivations. An interview is a detailed examination of a topic, comprehending the situation, and seeking data from the initial source. An interview with a representative of a company that specializes in preparing startups for entry into Germany was held to get more specific information. Additionally, a survey of potential clients was conducted. This poll was carried out to see what prospective customers thought of the cafe business.

Following that, the theoretical material of the German market was gathered through researching government reports, statistical data, and websites. As part of the thesis's practical component, the author created a tentative business plan for the establishment of a cafe in Hof. The final stage involved gathering essential information on the cafe market, calculating the financial portion, and drawing conclusions.

2.3 Limitations of the study, reliability, and accuracy

The information was gathered from September to November 2022, and it was confined to the research period. Market, target customer, and service price may be affected by some COVID-19 circumstances and the global political environment at present. This suggests that the global situation is not yet solid enough to satisfy long-term projections, and market dynamics may change. As a result, the application of thesis information is time-sensitive, and information must be updated.

By analyzing the issue and revising literary resources, relevant statistical information, business assessments, and professional periodicals, the thesis obtained a high degree of validity.

3 Theoretical framework

The value of a business plan and its format will be covered in this chapter. will address concerns such as why a business plan is necessary, why it is crucial, and how it aids in starting a firm. The most crucial knowledge for a future business owner will be covered.

3.1 The importance business plan

According to the Finnish Enterprise Agency, a business plan is a written document outlining how a company intends to carry out its business idea. When launching a business, the business plan serves as a road map and a tool for business expansion.

In theory, a business plan can be thought of as a document that markets an entire business concept to stakeholders and possible investors. A business plan is effective if it can represent to the reader the most important prospects and growth potentials of the organization.

Strategies can be implemented with the help of a business plan. It will give a thorough overview of the business and serve as a tool for tracking the development. Since new enterprises lack a history to draw on, the majority of the knowledge will come from industry research, and strategies will be based on forecasts. For a business plan to be truly useful, it must be updated frequently. (Pinson 2000.)

3.2 Structure of the business plan

Sam Vaseghi and Gerald Schwetje (2007) claim that a business plan can serve a variety of functions. One objective may be to find new sources of money for product development or new product marketing. A solid business strategy, in general, consists of three main components. The short- and long-term goals are

clearly stated, and it is carefully explained how they may be met under realistic general conditions. It also outlined how the plan's implementation will live up to investors' expectations.

A standard business plan often includes an executive summary, a summary of the company and its products, detailed market and industry research, a marketing and sales strategy, information on how the firm will be operated, financial projections, and an appendix. (Bplans.com 2022.) The executive summary is the first and most crucial section of the business plan. It should be concise and convincing to inform potential investors as to whether the idea appears to be viable or not. This part also summarizes the key ideas and explains how an author will present their service to the general audience. The executive summary will mention an explanation of the organization's goals and mission. Growth projections describe and quantify the company's earning potential. They provide information about the company's available goods and services. Information on the company's finances, including a list of any current investors, shows its current financial status. (Tarpinian 2014.)

A company profile will include vital information about the organization, its goals, and the clientele it hopes to attract. This section will detail the firm's uniqueness, how it differentiates from the competitors in the market, and how it delivers solutions to clients and gains competitive advantages that will enable the business to thrive. (Vaseghi & Schwetje 2007.)

A market analysis is an in-depth examination of a market in a specific sector. The size of the target market, the consumer buying patterns and potential customers should all be addressed in a complete marketing analysis. How much are consumers prepared to pay for the goods? Who are the primary competitors? Are there advantages and disadvantages? (Freedman 2022.) To do this, the author will conduct a survey among potential buyers in both Finland and Germany and compare the differences as well as assess the potential market and whether it is worth entering.

The structure of the business is the centre of the organization and management (Vaseghi & Schwetje 2007). How many owners does the business have? How are tasks assigned, and what are the reward and incentive structures? To express these aspects visually, the author will utilize graphs and create an organizational chart. (Tarpinian 2014.)

Marketing describes a strategic plan along with the tactics to consider to expand the company both now and in the future. The plan outlines methods for attracting new clients as well as growth goals for this market niche. Both an internet plan and an offline approach are used, together with a budget and marketing channels.

Financial forecasts describe the financial goals of a company. It demonstrates how sales and marketing ultimately lead to a profit. One should project expenditures and income in this sector. It is another component of the plan where data may be visually represented.

The development of a business plan is a crucial initial step in starting a new company. Some businesses fail during their initial stages, but by properly organizing goals and strategies, the probability of success may be raised. In the case of the author, a business plan will be written using this format, and effort will be spent coming up with a plan that benefits the future firm and attracts investors.

4 The Cafe Industry

Germany's market will be examined in more detail in this chapter along with Finland's. This chapter identifies whether the trends are comparable to or different from those in the Finnish market.

4.1 Trends in Germany

Cafes are restaurants without table service. Ordering and serving food are usually done at a counter by the customer. Cafe menus typically include coffee, espresso, pastries, and sandwiches (Mealey 2019).

Coffee is one of a cafe's signature items. To stay competitive in the market, such businesses employ innovative strategies. There are other menu selections available, as well as upselling and cross-selling strategies. (Adeleke 2019.) One of the key driving elements behind the cafe sector is rising coffee consumption.

Additionally, millennials are driving the growth of the German coffee market. Coffee diversification has led millennials to try newer types of coffee, including decaf coffee and cold beverage coffee. The coffee market is expected to benefit from this. Millennials are also expected to drive demand for coffee by increasing their use of coffeehouses as social places.

According to the international coffee organization report, in 2016-2020, Europe consumed 33% of the world's coffee, equivalent to 3.244 million tonnes. Figure 1 shows that Europe has the leading coffee market. Asia and Oceania have a 22% market share, followed by Latin America's 20% and North America's 19%. (Cbi.eu 2021.)

Figure 1: Global coffee consumption per region*

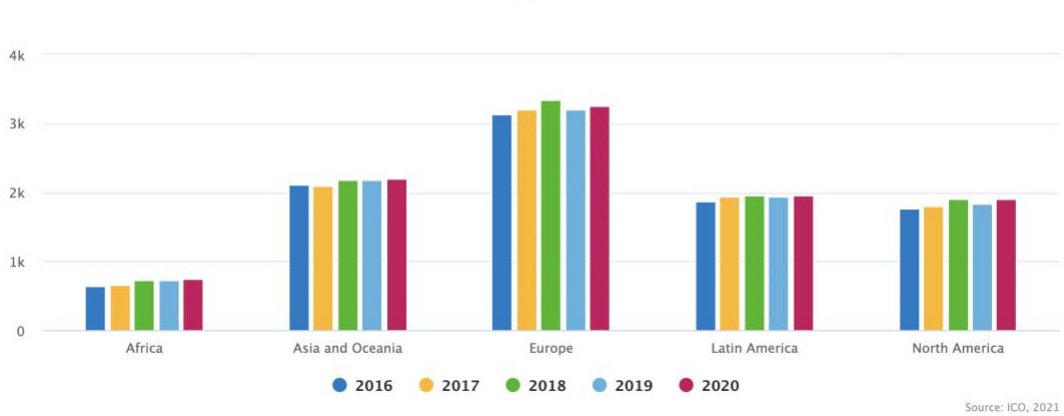

Figure 1. Global coffee consumption per region 2016-2020. (Cbi.eu 2021.)

A total of 3.1 million tonnes of green coffee beans were imported directly by European importers in 2020, representing 87% of all green coffee beans imported. In terms of total European imports, Germany (35% of total imports) and Italy (18% of total imports) are the top direct importers from producing countries. In 2020, Belgium was the third largest direct importer (10%), and Spain was the fourth largest direct importer (8.4%). A total of 454,000 tonnes, or 13% of overall European supplies, were traded intra-European in 2020. (Cbi.eu 2021.) Germany occupies an equally prominent place in the coffee industry as Finland. That is why the author chose this country as a potential location for his cafe.

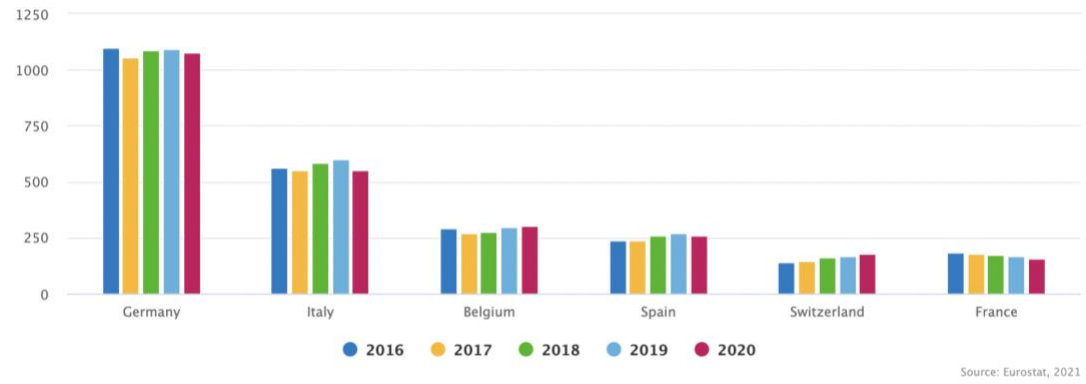

Figure 2. Main European importers of green coffee from producing countries.

A quarter of the GDP of the European Union was accounted for by Germany in 2021, the fourth largest economy in the world (Trade.gov 2022). During the COVID-19 pandemic, which decimated its EU neighbours, Germany remained economically resilient. Unemployment was only 5.7 per cent in the summer of 2021, owing largely to budgetary space, a substantial current account surplus, and hefty economic stimulus initiatives. (Trade.gov 2022.)

The German market is one of the biggest importers of green coffee beans in Europe. Over 1.1 million tonnes of green coffee were imported by Germany in

2020. Cbi.eu (2021), states that European coffee sales are dominated by Germany. A total of 367 thousand tons of green coffee and instant coffee were consumed in the country in 2018. This was 26% of the total consumption of coffee in Europe. Coffees that are lightly roasted and Arabica are more popular with German consumers. The Arabica group is shifting towards mild flavours, such as Brazilian naturals, in line with these preferences.

4.1.1 The trend in a Coffee Industry

Market trends may alter or cease to be popular while the work is being written or after it has been written and published. The following trends are relevant for the fall of 2022 and are related to the coffee industry.

Only a few species of coffee are commercially relevant out of the 124 species found in the wild. The two most significant kinds available are Coffea Canephora (Robusta) and Coffea Arabica (Arabica). Arabica is more prone to pests and illnesses than Robusta. In comparison to Arabica beans, Robusta beans are generally smaller and smoother. Robusta beans often taste richer and harsher after roasting than Arabica beans, which are frequently referred to as bitter. Robusta beans are commonly used to make instant coffee or coffee mixes.

According to CBI (2022), Germany has the largest coffee roasting sector in Europe, with a sales total production of 551,000 tons worth €1.6 billion in 2018. Roasted coffee sales volume climbed modestly between 2014 and 2018, gaining 0.9% yearly on average.

Germany is home to several sizable coffee roasters, including Tchibo, Jacobs, Dallmayr, J.J. Darboven, and Melitta. Large roasting plants are also owned by Nestlé in Germany.

4.1.2 Cafe types in Germany

In 2018, Germany had 11,666 of these cafes, a modest rise over the previous year. (Statista 2021.) Based on the number of coffee shop outlets in 2018, this statistic shows the leading German coffee shop brands. With 840 outlets in Germany, McCafé was the most prevalent. Tchibo and Coffee Fellows came next. (Statista 2021.)

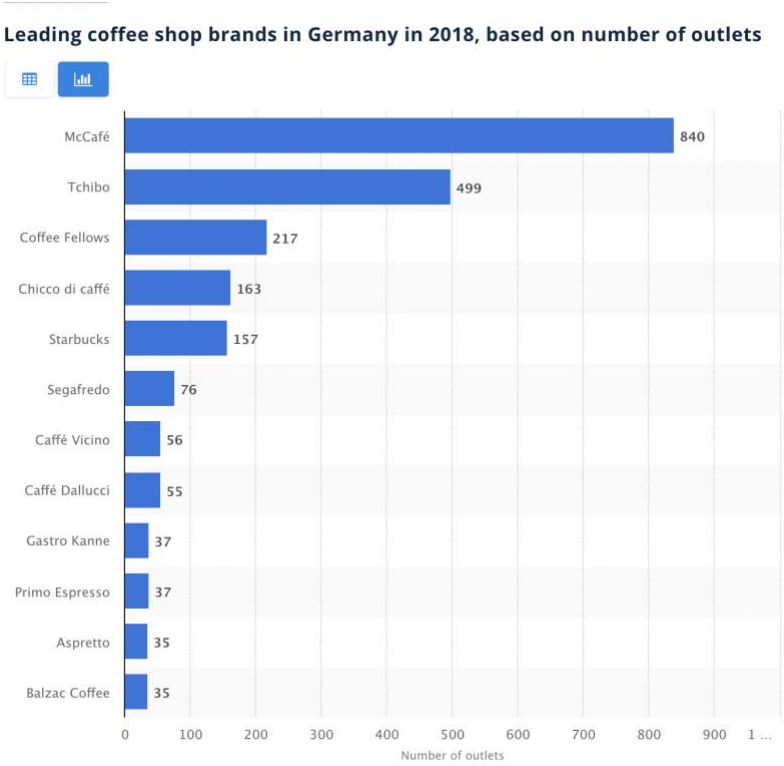

Figure 3. Leading coffee shop brands in Germany in 2018, based on the number of outlets. (Lock 2021.)

According to Statista (2021), the most popular cafe in all of Germany is McCafe. It is a franchise for coffee shops-style food and drinks that are owned by McDonald's. Since this cafe is at the top of the popularity list, it will be considered the main competitor.

4.2 Cafe industry in Finland

Since the author is studying the German market while living in Finland, the author needs to describe how the Finnish market operates as well as compare these two markets. Finland has the world's highest per capita coffee consumption rate, at roughly 12 kilograms per year. Finland imports nearly all of its coffee straight from developing nations, with Brazil serving as the primary provider. More and more Finnish consumers want higher quality and greater variety. Small speciality coffee roasters arise, making room in the Finnish market for a broader diversity of origins and suppliers.
While Finland has a high per capita consumption of coffee, it has a relatively small population (5.56 million). (Worldometr 2021.) In 2017, it accounted for only 2.0% of total European green coffee bean imports (67 thousand tonnes).

Most imports come straight from developing countries. Transit countries, such as Germany, play a minor role. Between 2013 and 2017, the volume of Finnish imports was largely constant, expanding at an annual average rate of 1.7% with a few swings. Imports increased in value at an annual average rate of 7.1% throughout the same period. This could be related to the expansion of the speciality coffee market, which concentrates on higher-value coffees. (Cbi.eu 2021.)

Finland has a reputation for being one of the world's most stable countries. Blomberg (2008) found that the government allows foreign companies to enter the country to grow their businesses. Blomberg (2008) also mentions that policymakers in Finland have a highly supportive attitude toward developing private enterprises and they also encourage them to extend their operations. Furthermore, Finland's legal system is sound and up to date with emerging global commercial and economic integration concerns. Furthermore, the absence of corruption is critical to the smooth and successful operation of the administration.

Following the global economic crisis, Finnish coffee expenditure did not alter significantly. Moreover, there is a growing number of coffee houses and take-out coffee options in Nordic countries. These are encouraging outside-house coffee. (Nguyen 2012.)

There are a few brands on the Finnish market that are as well known internationally. In terms of coffee sales, Meira Oy, owned by Massimo Zanetti Beverage Group since 2002, ranks second. A small group of importers, including Cafétoria, Kaffa Roastery, Café Caracol, Mokkamestarit, Porvoon Paahtimo, Kaffiino Oy, Turun Kahvipaahtimo, Helsingin Kahvipaahtimo, Jyväskylän Tuorekahvipaahtimo, Kashiwa Coffee Roasters, is especially interested in developing direct trade with exporters from developing countries. (Finnpartnership 2017.)

In addition to Brazil, Colombia, Peru, Guatemala, Kenya and Ethiopia, Paulig also gets green coffee from other countries. The majority of the coffee is purchased directly from exporters in the countries of origin. There is a concept of Paulig quality in the coffee sector, and Paulig is known for purchasing high-quality coffee. More than 60 million kilos of green coffee are purchased by Paulig from 10-15 countries each year. This is roughly 0.7% of the world's coffee production. (Paulig.com 2022.)

4.2.1 Cafe types

Over my three years of living in Finland, I the author have visited many cities and countryside and have found that the cafes mentioned in this chapter are the most common kind in this country.

Robert Paulig and his family are the owners of the Finnish business venture Robert's Coffee. It has 130 locations worldwide, including 58 Coffee Shops in Finland, many of which are in towns. "Local business owners manage the majority of our branches. In this manner, we acquire local expertise and generate local jobs," states Petri Parviainen, the organization's operations manager. (Mustonen 2020).

Both domestically and internationally, Robert's Coffee seeks to expand. It intends to expand operations outside of Finland this year and build 8–10 more cafes there. Coffee items of various kinds are most frequently sold at cafes. Finland has 27 locations where ice cream is already produced. "We began producing ice cream locally so that it would be made nearby. Like coffee, ice cream is a product that we consume right away. All raw materials should be Finnish, in our opinion" declared Parviainen. (Mustonen 2020).

With 17 locations, Coffee House is SOK's national network of coffee shops. The farthest north location is in Levi, in Kittilä. The basic coffee, croissant, sourdough bun, cheese roll, and cappuccino are the cafe's best-selling items. According to SOK group manager Tuomo Keskinen, the raw materials used in the Coffee House are largely chosen with quality in mind from home producers and goods of domestic origin. (Mustonen 2020.)

"The majority of the meek goods are made in the country. If necessary, foreign goods are added to the choices when the right raw material is not readily accessible domestically," according to Keskinen. All of the meat, cold cuts, and gouda cheese used in Coffee House's rolls, along with all dairy goods, frozen berries, and ice creams, are domestic, claims Keskinen. Gustav Paulig, a home roaster, has been selected as the provider of coffee. (Mustonen 2020.) In general, cafes in Finland serve the same items; however, they occasionally purchase local goods from bakeries, including pastries.

5 Legal criteria for business in Germany

This chapter will outline the key legal considerations and business environment elements that startup entrepreneurs should be aware of before setting up a shop in Germany. The author will be briefed on the law and his opportunities to launch a business and maintain financial stability.

The author consultated with a representative of a firm that aids in the legalization of a business abroad. Creating a limited liability company was advised in order to enable the owner to run a firm from a distance. There is less documentation, and the owners have limited responsibility, which prevents the assets from being auctioned to cover the entity's liabilities. A limited liability company is pricey to establish because it must register with the jurisdiction where it will conduct business. Tax and regulatory compliance might necessitate the hiring of an accountant and an attorney. (CFI 2022.)

Limited Liability Companies (LLCs) are businesses governed by state legislation. Entrepreneurs interested in starting a Limited Liability Company should check their own state's regulations. LLC owners are called members. Individuals, corporations, LLCs and foreign entities may be members in most states since ownership is not restricted. The number of members is not limited, and it is also possible to form a single-member LLC in most states, which is with only one owner. (IRS.gov 2022.)

5.1 Regulatory and legal process

The paperwork for starting a business can be overwhelming, but most of the information is available online. Problems must be solved one at a time, step by step, as the difficulty increases.

There is a lot of work involved in accounting and bookkeeping. Each month, this must be done, and mistakes can be expensive. If the author moves to Germany to be a freelancer, it would be more difficult. Finding an apartment, registering the address, and applying for a residence permit must all be done simultaneously. Because a person cannot work during that time (due to a lack of a residence permit), he or she should maintain a large savings account.

Without knowledge of German, it is much more difficult for an author. There is only a German version of the documents. The long business registration and Finzamt forms are in German. The majority of accounting tools are written in

German. There is no doubt that the author will need the assistance of someone who speaks German.

5.1 Regulatory and legal process

Taxation is required for conducting legal business. Understanding all forms of taxes on one’s own is challenging; it is even more difficult for a foreigner to grasp. The author searched around and consulted with specialists to get a better assessment. Yvonne Nawroth, who assists start-up entrepreneurs in establishing their businesses in Germany, stated that it would be impossible to understand without knowledge of the German language. There are two sorts of solutions available. The first is a tax advisor can help to register the author's business. Second is tax software like Taxation is required for conducting legal business and can be used independently. Sorted's registration tool lets the author do it in English.

The author searched around and consulted with specialists to get a better assessment. Yvonne Nawroth, who assists entrepreneurs in establishing their businesses in Germany, stated that it would be challenging to get into without knowledge of the German language. As a result of the research, it was discovered that limited liability companies and corporations operate under different taxation systems. It is highly recommended to hire a tax advisor or an accountant in the author's case.

The government can assist in starting a business. There are several ways to obtain financial assistance, such as training vouchers. If a person is unemployed, he or she may be eligible for free coaching or training. The Bundesagentur für Arbeit (Employment Agency) pays for it. There are several programs available for company owners, including German language lessons.

If a person receives ALG II, which is a sort of financial support when a person does not have any income or property, the Bundesagentur für Arbeit (Employment Agency) could provide 50% extra money to aid in the start-up of a

firm. Furthermore, the Bundesagentur für Arbeit (Employment Agency) can provide up to 5,000€ to purchase company equipment. (Bouliane 2022.)

The Jobcenter offers training vouchers, initial funding, and investment grants. If a person has just relocated to Germany, the state may be able to assist them. It is a start-up business, and the author will seek financial help, which will be sufficient to keep the firm running for the first year. The author feels that represented opportunities would be really beneficial.

5.2 Owning a cafe in Germany

This section reviews the important things startup entrepreneurs should be aware of regarding cafes. It will analyse how not to get lost in the steps and follow the instructions. This paragraph will answer questions on how to open a cafe in Germany.

The first stage for entrepreneurs who want to launch this sort of business is to choose a clear idea and work on the restaurant/cafe brand. The sort of cuisine supplied, as well as the restaurant's style and decor, will be essential considerations in helping the business place itself on the market and participate in appropriate brand and marketing efforts. (AtoZ Serwis Plus 2022.)

Another defining choice when starting a food business will be the menu. At the early stage, investors may only decide on the fundamental categories of things served by the restaurant. Cafe Jasmine will provide dairy and nondairy beverages, as well as homemade pastries and desserts (cakes, cookies, biscuits, etc.).

After choices about the actual cafe profile have been determined, the author should begin working on a business strategy. This is the time to compile a market study in the region where the restaurant will be located; a budget statement, as well as marketing techniques, can be considered at this point. (AtoZ Serwis Plus 2022.)

The location of a cafe may have a considerable influence on its overall performance. It must be prominent and easily accessible, as well as be aware of the current competitors in the same location. Furthermore, the author should verify that the demographics of the intended customers reflect the demographics of the region in which the cafe will be located. After researching and assessing the competition, the author considers that the best site would be in the city centre of Hof, on Marienstraße 12.

The author will need to establish a corporation in Germany, and the private limited liability company is the best option (GmbH). This business structure requires a minimum share capital of 25,000 euros. As previously stated, the founders are solely responsible for the amount of cash invested in the firm. German attorneys may provide further information about the business requirements. (AtoZ Serwis Plus 2022.)

To summarize, the food sector is regulated in Germany, and although there are no criteria for the training of cafe owners, the business itself should be in accordance with current legislation. Some permissions will be required for sanitation and public health problems, as well as fire departments and other purposes. Because the author's cafe will offer not only beverages but also food items, the author must ensure that the products are safe for consumption, and required licenses are present. (Finnpartnership 2017.)

There are rules on food safety in Germany's Lebensmittel-, Bedarfsgegenstände-, and Futtermittelgesetzbuch (LFBG), the major legislation on food and feed. Food production and marketing in cafes and other food business formats are governed by European food production and marketing regulations. Foreign investors who operate cafes in Germany must adhere to the storage and preparation standards outlined in the LMHV to ensure that their business is legal (AtoZ Serwis Plus 2022.). If the author wishes to engage in the food business in Germany, German attorneys can assist in obtaining the necessary permits.

6 Practical research

As with any research, the theoretical component is just as vital as the practical. An interview was performed and a questionnaire was created to complete this work. This research approaches aids in seeing the big picture and answering issues like where to start and what potential consumers want. The poll was carried out among prospective purchasers. A set of questions was developed to establish preferences, likes, and desires, as well as information to assist the author in carefully directing the focus of attention.

6.1 Results of Survey among customers

Although the survey was conducted mostly among the Finnish population due to limited opportunities, the results will not differ significantly since both countries have strong traditional coffee cultures, as mentioned earlier.

Successful marketing and sales strategy are essential for a company to be successful. To understand who the key customers are and their purchase patterns, a significant amount of effort must be spent obtaining and reviewing information. Nevertheless, the organization may benefit much from this hard task. It will help managers create plans for the company's effective communication with potential customers. In light of this, a questionnaire was created by interviewing prospective customers and posted on various forums and social media platforms.

It should be noted that a survey received 11 responses from German citizens, five of whom were from Hof. This provides a more detailed view of an area targeted for study. The importance of getting responses from Germany is crucial in this case because it is a targeted country; even more so is getting responses from Hof residents. The sample consisted of 79 respondents, the majority of the

respondents were from Finland (65.8%) and Germany (13.9%). The age group consisted mostly of 20-30-year-olds.

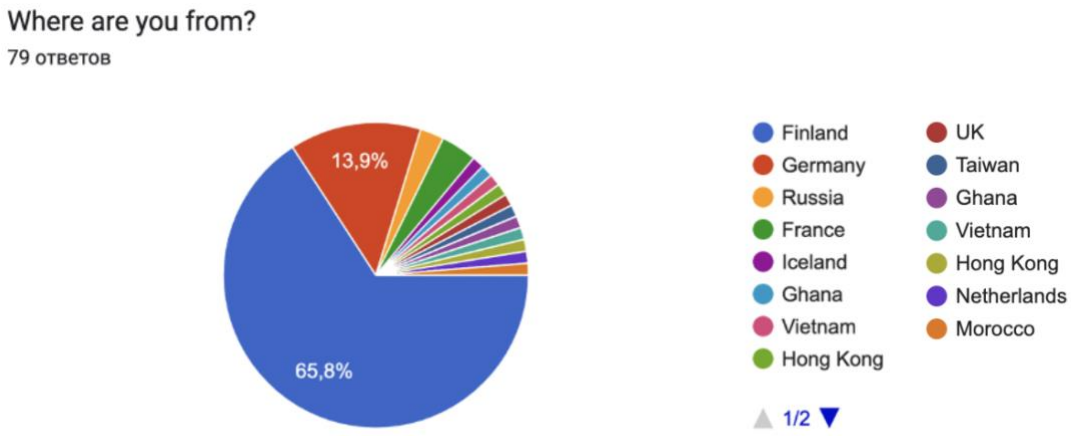

Figure 3. Nationality among respondents.

About 44% of respondents purchase coffee from cafes on a monthly basis. The next question of the survey which needs to be mentioned was related to the favourite coffee. According to a customer survey, 32,9% shared their opinion regarding their coffee habits. Both variants black coffee and latte are favourite drinks.

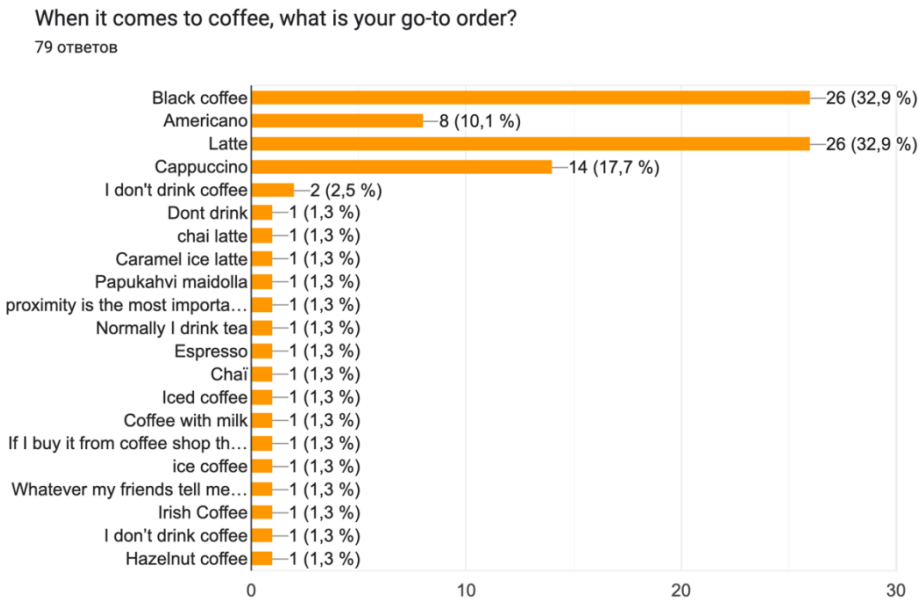

Figure 4. Favourite drink from a cafe

Non-dairy products are preferred by around 50.6% of respondents. Although 53.2% of respondents would want to dine at a cafe, it allows a café to extend its menu and introduce new varieties not just for beverages but also for food. The average amount a person is willing to pay for a coffee is between 1-4€ (59.5%) and 4-10€ (31.6%).

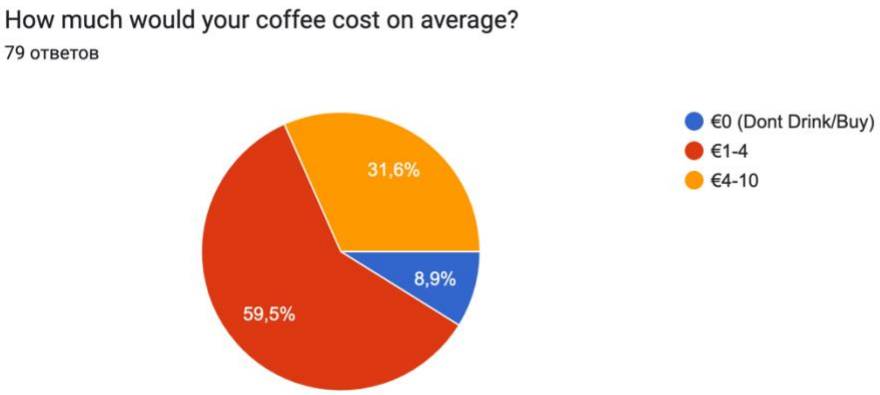

Figure 5. How Much would your coffee cost on average?

When it comes to reasons for choosing a cafe, on a scale of 1-5, with 5 being the most important component, atmosphere and product selection received the

most attention. (Appendix.) According to potential customers' opinions, the design and décor of a cafe should be casual(58.2%) and welcoming(50.6%), with neutral colours (45.6%) and hardwood flooring (73.4%).

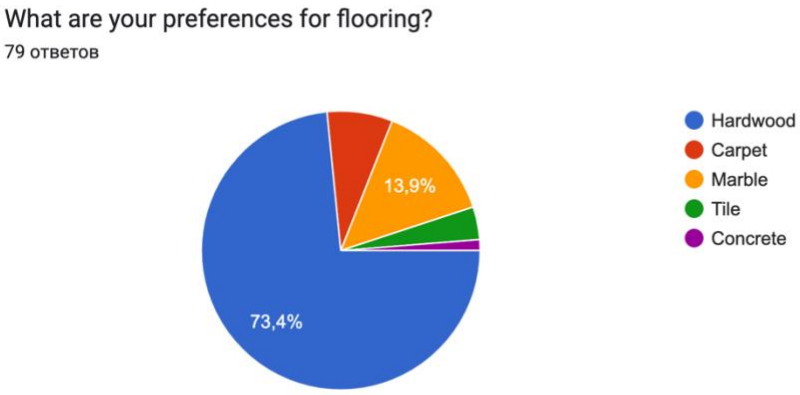

Figure 6. What are your preferences for flooring

The responses to this topic have been quite encouraging for new companies in town. According to the poll, people are generally enthusiastic about cafes and would want to visit them. This suggests that the cafe Jasmine is likely to have customers, which is a positive indicator for newbies looking to enter the market. The majority of clients desire high-quality, diverse products at reasonable pricing. At the moment of entry, it will be the writers' aim.

6.2 Interview

An interview can help explain, better understand, and explore research subjects' opinions, behaviours, experiences, phenomena, etc. Open-ended questions are usually asked in interviews to obtain in-depth information. For the author, getting an opinion from someone who knows the German market well was essential.

On 7.11.2022 author had a chance to take an interview with GmbH-UG.com representative Yvonne Nawroth a Customer Success Manager from Nuremberg, Bavaria, Germany.

Since 2017, the GmbH-UG.com team has worked to make the road to success for both individuals and businesses easier. They assist in developing the business plan that ensures a new company's success in Germany as well as helping to identify the solution that is specifically customized to the needs of the customer. In the course of establishing a company, GmbH-UG.com takes care of all administrative issues and directly aids in the fulfilment of both the first and ongoing duties. New businesses offer a variety of services and reputable partners once they are established.

It takes more than just selecting a company form and setting up a business in Germany. The GmbH-UG.com office offers its clients exceptional support at each stage of the process, from preparing a German company for the operation to creating a winning local corporate strategy and beginning a firm.

In addition to sharing useful information about opening, budgeting, and what we could do together, Yvonne also provided me with useful tips on operating in Hof. The bureaucracy would be handled by them, and not much needs to be done. It is possible for me to manage my business remotely from another country.

What type of business form should I start? - "The best option is to open a limited liability company under UGBcH."

Is it difficult to legalize my business in Germany? - "In case you don't have an opportunity to be present in Germany. Obtaining a business license can be done online, but you must visit a German embassy to verify and sign it. Otherwise, with our help, it is pretty much possible."- said Yvonne

How can I manage without knowing a language? - "Our company can provide a tax and bookkeeping advisor who speaks English. All that is needed is a business address where all important mail will come. It is possible to use the bookkeeping services of an accountant, whose contact information will be provided during the process. Alternatively, you can use an app that minimizes your bookkeeping costs."

Do I need to know any milestones before I start my business in Germany? Is it a welcoming country?- “There are some regions that are not open-minded and are not welcoming of competition, but it depends on the area. As a whole, Germany is a welcoming country," Yvonne said.

7 Cafe Jasmine

7.1 Overview

The author of this business plan will own and run Cafe Jasmine. This cafe operates on a retail model, competing locally. The cafe's customers are usually locals from the neighbourhood or tourists. Bakery and drinks are its main activities, and thematic evenings are held once a week to attract more customers.

Ideally, the cafe would be located in Hof city centre, or on Marienstraße 12. Coffee and freshly baked pastries are the mainstays of the cafe's business model. Additionally, the cafe would serve pastries, pies, cakes, and salty snacks. This cafe's concept is to serve products made in the cafe's own kitchen. It will ensure the freshness of the products as well as the knowledge of where the products have come from for the customers. The goal is to make everything without having to buy anything from outside sources.

The shop will be set up in an area of 80 to 100 m2, separated into a few environments such as the main zone where customers will be able to interact with the person ask for a service and spend time at, three bathrooms, and a kitchen where food will be prepared. There will be a sign on the front of the store with the business name and contact information. The cafe will be open from 10:00 to 21:00 hs every day, excluding holidays.

Hof was picked as the location for the cafe. The town has a population of about 50,000. The precise location will be in Marienstraße 12, a wealthy and quickly expanding area and the heart of the town. (RU.ZHUJIWORLD.COM 2022.)

7.2 Mission, vision, objectives

Jasmine's objectives are as follows:

-Customer satisfaction is a top priority.
-Provide a cosy and welcoming environment.
-Deliver professional and friendly service at an affordable price in order to exceed customers' expectations.
-Expansion and launch of the cafe in different cities.
- Create a business that can thrive in a changing climate while still growing financially.

The goal is to open a cafe that provides services and products at reasonable costs, fosters long-term connections with consumers, and provides them with care. As part of the company's vision, in the future, the company plans to expand into other neighbourhoods and cities.

7.3 Business structure

When it comes to organizational structure, businesses have various options. Small organizations sometimes begin with a flat structure that delegated all decision-making to the owner or a few key employees. (Milano S. 2021.)

Among the most significant effects of organizational structure on efficiency is that it promotes good communication among departments. People understand their tasks and whom they are meant to manage or help when they have a formal job description and can see their position on an organizational chart. This

allows them to know whom to contact if they have concerns or want to bring out potential issues or opportunities. (Milano S. 2021.)

All station steps must be handled by the general manager with proficiency. They are in charge of a variety of responsibilities, including cafe performance, recruiting, training, food menu, price, environmental improvement, budgeting, and customer service. In a restaurant, there are normally two assistant managers and a kitchen manager who follow the General Manager's directions and help run the business. One manages Servers, Hosts, and Bussers, while the other manages Bartenders and Bar Backs. (Meng 2022.)

Business structure directly impacts the business of a company. It is possible for a firm's business structure to vary significantly depending on its aims and industry. In order for an organization to succeed, it should focus on fostering teamwork. From the beginning, employees and management must be clearly defined and their responsibilities clarified. (Meng 2022.) In order to make effective decisions, Jasmine will use a functional structure with well-organized staff. Functional structures are used to divide the organization into departments.

7.4 Product

This chapter includes a description of the goods and services that will be produced and provided. To assess the benefits that consumers will obtain from doing business with the firm, compare the cafe's products and services to those of its competitors. Other crucial elements are covered, including things like the qualities of the goods or services, the originality of the restaurant operations, and the uniqueness of the product and service. (Rina & Basudha 2014 15.)

The cafe will provide a variety of coffee and non-coffee drinks, pastries and desserts made in the kitchen, as well as numerous other items for sale. including mugs, coffee packs, bars of food, and similar items. The pastries will be made in the cafe's kitchen so that the customer is certain of the high quality

of the goods. Additionally, promotions like purchasing five drinks, getting the sixth one free or with a 50% discount will be performed in an effort to boost attendance.

8 Business assessment

8.1 Assessment

Hof is a fairly small town. Looking at the statistics on 11/19/2022, the population of Hof is 49,749 thousand people where approximately 50% are women and 50% are men and the average age of the population is 46 years. (ZhujiWorld.com, 2022.) There are several universities in Hof including our partner, Hof university of applied sciences which shows that there is a high rate of millennials as well as exchange students.

By occupation, clients of cafes of any format can be divided into five categories: students come for a cup of coffee in the morning and at lunchtime: 08.00-10.00, 12.00-16.00. Employees working in the office: they like to drink coffee and have a snack from 12.00 to 16.00, sometimes in the evening - after 19.00. Heads of various institutions conducting business negotiations in coffee houses: come in from 12.00 to 18.00. Freelancers and housewives prefer to have a leisurely coffee or other favourite drink during the calm period: 11.00-15.00. Families - mom, dad, and children - visit coffee shops on weekends, most often in the daytime.

Conventionally, all cafes and coffee houses can be divided into 2 formats: express coffee shops where people come to have a quick coffee and choose dessert or light snacks. Atmospheric establishments with an emphasis on a variety of coffee varieties, unusual dishes, and spectacular designs. In the author's scenario, she will have both alternatives due to their convenience. It will be possible to both sit and eat at the cafe and order takeout.

Although there are more express cafes in any city than atmospheric coffee shops, it is easier to get regular customers and make the project profitable when opening an express coffee shop. It’s not so easy to find regulars in an atmospheric cafe, especially if similar establishments already operate in the city, and the name of the newly opened outlet doesn’t mean anything to potential customers.

8.2 Competition

The size of the target market, consumer buying patterns, and potential customers should all be addressed in a complete marketing analysis. How much are consumers prepared to pay for the goods, who are the primary competitors, and what are their advantages and disadvantages.

Hof is a relatively small town, so favourites have already formed. As compared to Joensuu, there are a variety of cafes there, including Coffee House, Roberts Cafe, and others. After interviewing some residents of Hof, the author found that Das Altstadt Cafe, Cafe Jean-Paul, and Parkcafe are the most popular cafes. Each of these cafes has a different style, menu, and interior. At least one thing they all have in common is that they're all located on Marienstraße 12 street, which is the city's main street. Obviously, starting a business will be challenging, but the author evaluates the opportunities that small towns offer and understands that location can go in a favour.

8.3 SWOT analysis

Jasmine will work to establish a cutting-edge cafe. It will provide specialized services that will draw clients and increase the value of the cafe's offerings. A SWOT analysis was done in anticipation of the operations' success. This gives important information that will help in achieving the startup's objectives.

Strenghts	**Weaknesses**
Competitive prices Located in a good area Services with a personal touch Campaigns to promote products and services Extended hours of operation Small business is more flexible and can adjust better	Market newcomer- low brand awareness The company has a small working capital Low demand
Opportunities	**Threats**
Well-informed conditions about the competitors Ability to attract customers from the university National expansion of the business	Competitive industry, multiple different competing products and services A lack of understanding of the local legal and tax systems Changing market tastes

Customers' perceptions of the cafe will improve if it offered high-quality goods and services. The number of clients will continue to increase as long as the same high-quality service is offered every day. Additionally, it would give a competitive advantage.

For a new cafe to succeed, statistics need to be checked. A small business location has a hard time gathering market data. Even though, small business is more flexible for a fast changing situation in a market, accounting requires a lot of attention as well as a local legislation, it is very easy to make a mistake without a proper knowledge of the tax system. The concept of opening a cafe

can be copied and replicated in a particular market. There is no other option than to share the profits with competitors who enter the market easily.

Hof is a town with students, this is a highly demanded target. Most of the students prefer to spend their free time in cafes and study at the same time. This is an opportunity for Jasmine to bloom in the market.

9 Marketing and sales strategy

The German market is fragmented and diversified, with interests and tastes vary from area to region. Regional distinctions are taken into account in successful market strategies as part of a strong national market presence. Any market approach benefits greatly from experienced representation. (Trade.gov 2022.)

9.1 Marketing goals

Advertising is an important part of successful discovery, creating a positive image and gaining a foothold in the market. In a highly competitive environment, it will not be possible to get by with one type of advertising - for example, distributing leaflets in the area where a coffee shop opens - need to follow a marketing plan: think over a portrait of a potential client, all possible advertising channels, a loyalty program plan.

An easy way to get an idea of exactly what a potential customer looks like is to observe the visitors of competitors' outlets located nearby: this way person will find out the gender, age, income level, place of work or study of a typical representative of your target audience. According to research, visitors to coffee-to-go establishments and customers of regular coffee shops differ from each other:

Potential coffee-to-go client: 18-30 years old, average or below average income, does not focus on the design of the establishment, rarely orders snacks, prefers inexpensive coffee and other drinks; a potential client of an ordinary coffee shop, for example, a mono-coffee shop: 30-45 years old, low, medium or high-income level, value establishments for their proximity to the place of work, high-quality coffee, drinks and food.

Cafe Jasmine's marketing and sales approach will be built on developing long-term individualized connections with clients. To do this, management will provide added-value services as well as economical services and other items.

There will be a variety of marketing and promotion initiatives, including:
-Packaging with a customized logo
-Flyers promoting services and promotions with discounts and coupons.
-Advertisements on a door banner listing specials.
-An illuminated sign on the building with the store's emblem and contact information.

9.2 Price

Pricing strategy entails modifying and adjusting product and service prices in response to external market forces. When creating a pricing plan, factors such as research, market conditions, consumer ability to buy, competition, margins, expenses incurred, etc. are taken into account. (Vaidya 2022.)

Price skimming is the opposite of this. Skimming begins with high prices, while the penetration pricing technique enters the market with inexpensive prices. It is done to entice the competitors' existing customer base. Costs gradually rise if a stable pool of customers is formed. The success of the business's penetration pricing plan largely rests on its capacity to absorb the losses incurred in the early years. This is mainly used by large MNCs to establish a solid foothold in the marketplaces of developing nations. (Vaidya 2022.)

9.3 Preliminary financial statements

A company's management gathers data from many sources, including financial documents, to make well-informed choices. As a result, financial statements are a formal record of a company's financial activity. (CFI 2022.)

It is critical to determine how much money is now available and will be required to open and manage a cafe, and how much money will be required to continue in business. Initially, the author wanted to invest their own money and seek a bank loan and financial support from the government.

The author had a strategy to invest funds in the cafe Jasmine. She first will invest 50,000€ as described in Table 1. Afterwards, during a year, she will invest more based on the progress. The author will seek a loan from a bank to boost the business; this will become the company's burden and will be returned on a regular basis.

Investment	
Owner savings	50 000€
Bank loan	40 000€
Total funds	90 000€

Table 1. Investments

Approximately 18,500€ will be spent on fixed costs, as shown in Table 2. This informed prediction is the result of calculations and queries from relevant retailers and websites. The maximum cost is mentioned, and the author is highly certain that both the fixed expenditures and the anticipated cost will not be surpassed. While all costs are essential to attracting customers to a cafe, furniture, design, and décor are always beneficial to assisting customers in deciding how to spend their leisure time.

Expences	
Expenses for documentation	2 500€
Furniture purchase and machines	10 000€
Decoration	5 000€
Advertisement	1 000€
Total	18 500€

Table 2. Approximate expenses.

The following are some estimates for a monthly budget. The pay account is the largest item in the monthly expected budget. Table 3 shows the pay breakdown. The company must pay the wages of five persons: one owner, two chefs, one waiter and one barista. Rent is another big cost when starting a cafe. According to the website sebuyo.com, appropriate spaces measuring roughly 80 m^2 are available for a monthly rent from 2,000 to 3,800 €.

Typically, a deposit of two months is required when renting a place. The majority of eligible solutions cost close to 2,000€ per month. Mostly for renting a space need to pay a deposit size of two months which needs to be taken into consideration.

Expences for month	
Rent of the space	2 000€
Purchase of goods	4 000€
Salaries	14 500€
Billes(water, electricity)	500€
Cleaning	437€
Total	21 437€

Table 3. Approximate monthly expenses.

This section explains how Jasmine’s worker pay is allocated. Even though the owner is entitled to a portion of the cafe's income, the author is also eligible for 2,500€ in monthly pay. In terms of salaries, the real cost of operating the cafe is 11,600€ monthly for hired employees.

Salary			
	Position	Salary/month	Total Salary/month
Owner	1	2 500€	2 500 €
Chef	2	2 800€	5 600€
Waiter	1	1 900€	1 900€
Barista	1	1 900€	1 900€
Assistant manage	1	2 200€	2 200€
Total	6	-	14 100€

Table 4. Salary Breakdown.

When the author talked with specialists, they suggested that the minimum capital should be approximately 25,000€; however, this is frequently insufficient. Establishing a cafe Jasmine is undoubtedly a time-consuming procedure, but the author is hopeful and feels he is prepared to take this step, understanding that it is a big investment.

10 Conclusion and reccomendation

The idea of this research was to examine the basic phases of a business plan and use what I learned while producing a genuine business plan for Cafe Jasmine in Hof, Germany. This study's goal was to produce data proving the strategic and operational importance of a well-planned company, a market analysis, and a financial forecast. Anyone considering launching their own cafe should be ready to put time in challenging work in order to develop a successful business.

Preparing a meaningful business plan necessitates significant attention to the topic matter as well as genuine interest on the writer's side. An author is quite eager to carry out this experiment and is aware of the risks. After extensive investigation, the writer chose to focus on the cafe industry in this location. Despite the fact that this city is not yet densely inhabited, new enterprises thrive since the German government and people are highly supportive of new firms.

The research includes all of the major elements that should be addressed when starting a business, particularly in terms of regulation. The research covers the general business climate in Germany and Finland. To determine the best technique for beginning a firm, quantitative and qualitative research approaches were examined. The author examined the real marketing and sales plan, competition analysis, SWOT analysis, management, and a description of the product in the corporate structure. For a more in-depth investigation, a PEST study might be undertaken. This investigation looks at consumers, competitors, industries, governmental matters, as well as social possibilities and threats. However, because the workload would be time demanding, the major features were briefly discussed in the preceding chapters.

Finally, the writer offered the expected financial cost as well as illustrations of the survey and its results. The assessment of financial costs is always an effective and vital part of the life of every organization. The writer concentrated on obtaining a realistic estimate of fixed and monthly expenditures, which is extremely useful for people looking to establish their own businesses. The survey replies were quite beneficial and encouraging. The majority of poll respondents enjoy visiting various cafes, and several Hof residents also provided input. another inspiring and cheerful attitude to the approaching cafe Jasmine had an interview with a representative of a business formation company. After that interview, the process became smoother and more hopeful, because the author realized she would receive the necessary assistance and support not just at the start, but also on an ongoing basis.

To summarize the preceding discussion, this report should serve as a guide for people who are interested in beginning a cafe or a company in Germany. The information is changeable and may be applied not just in Hof but also in other German regions. All of the research and knowledge collected about the company's strong and weak aspects enable the author to forecast that the café Jasmine project will be completed effectively and optimistically and that the intended outcomes will be obtained.

The author recommends more study to build a more precise financial prediction and marketing plan. Due to the restrictions and lack of understanding in the local system, it is critical to contact a specialist who can assist a newcomer in obtaining more specific prospects of the German market.

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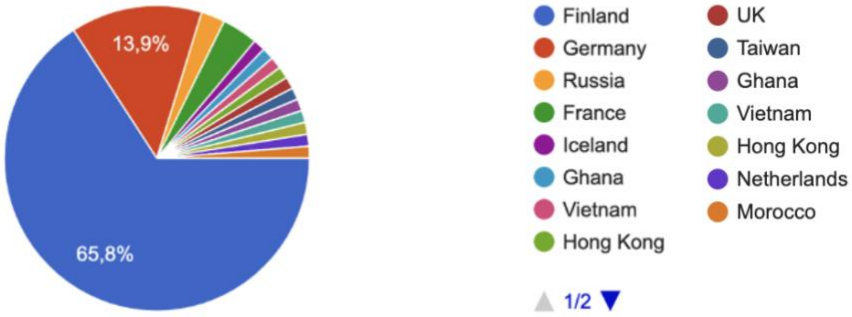
This is the first page of a five-page appendix.

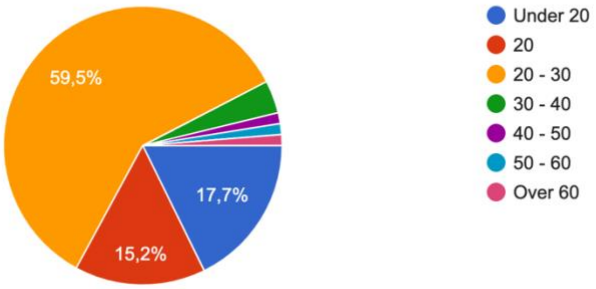
Where are you from?

79 ответов



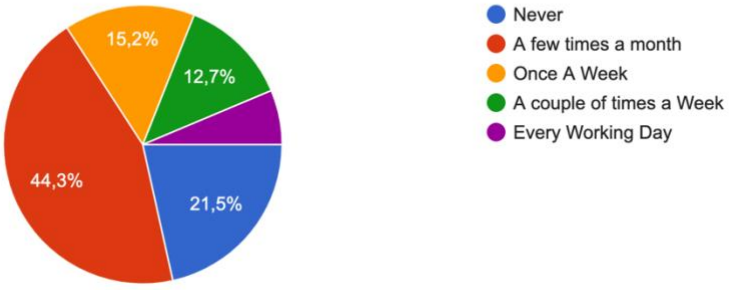
Which of the following age groups do you belong to?

79 ответов



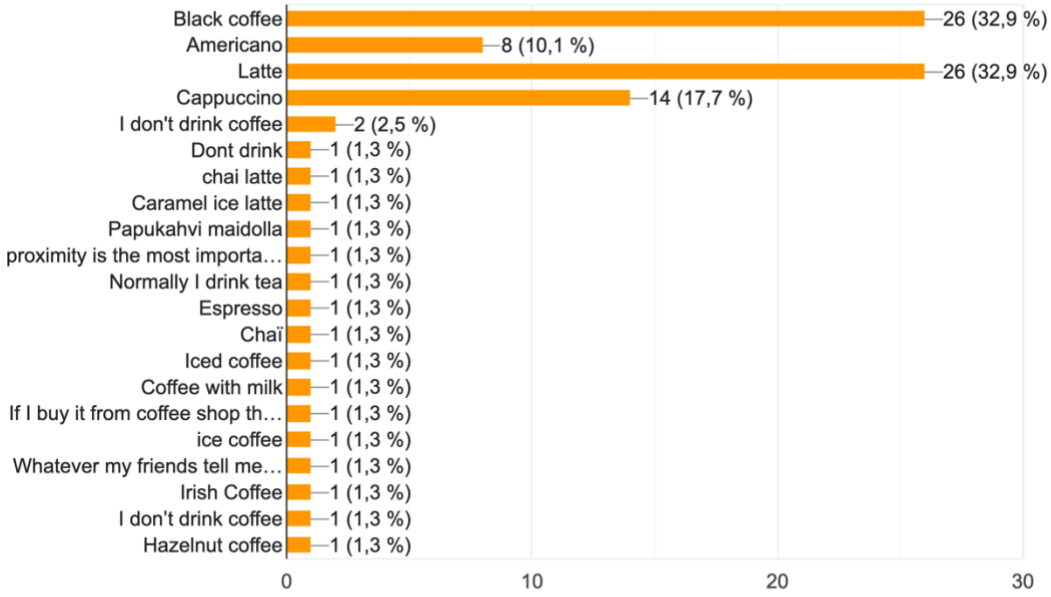
Do you regularly purchase coffee from cafes or other similar establishments?

79 ответов



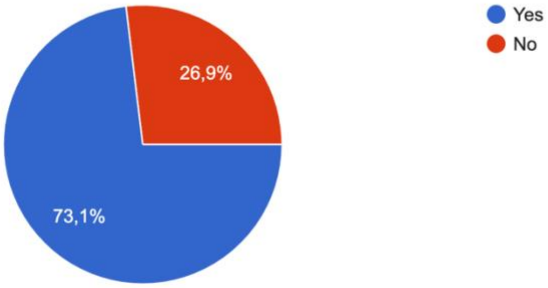
When it comes to coffee, what is your go-to order?

79 ответов



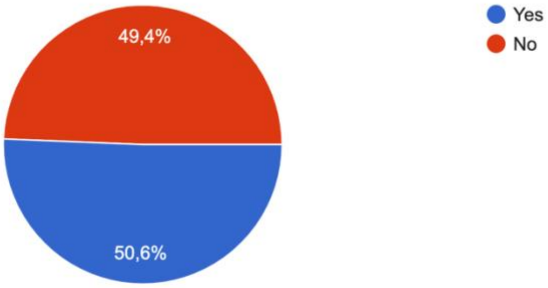
Do you consume dairy products?

78 ответов



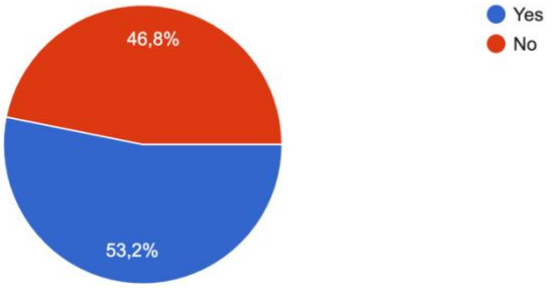
Are you interested in replacing dairy with non-dairy beverages?

79 ответов



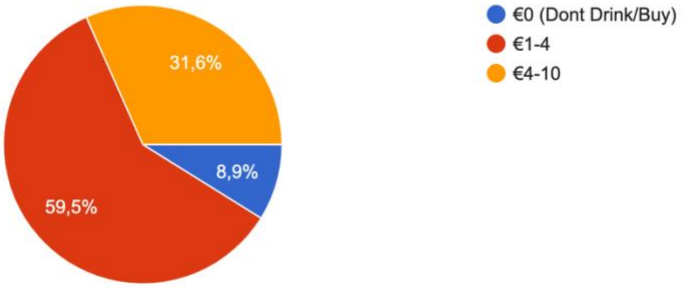
Do you eat in cafes?

79 ответов



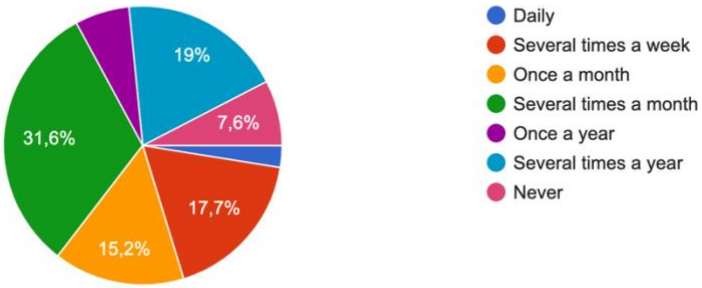
How much would your coffee cost on average?

79 ответов

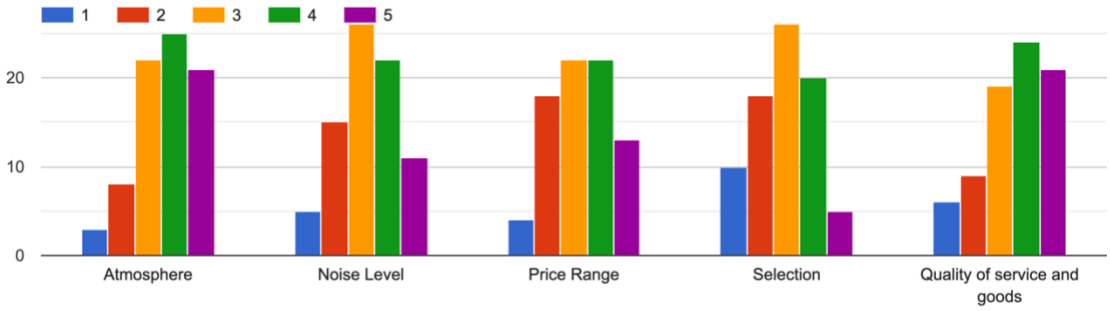


Do you visit cafes often?

79 ответов

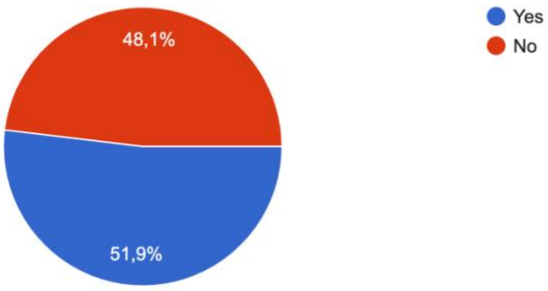


From 1 to 5 where 5 is a maximum. Which of the following factors is most relevant to you when choosing a cafe?



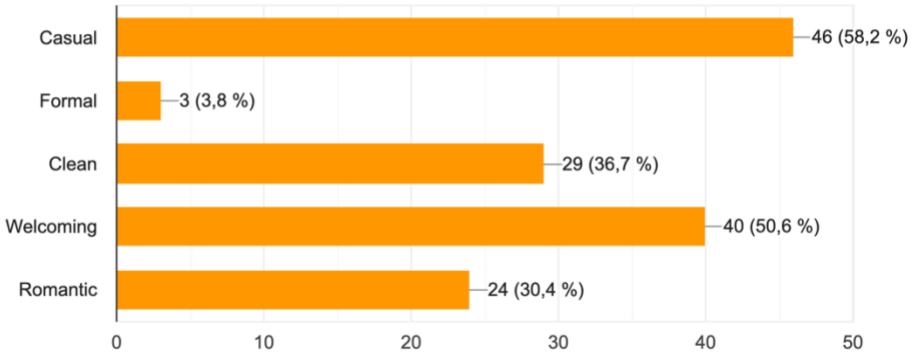
If a cafe has an Application for Smartphone's, would you consider using it?

79 ответов



What words would you use to describe the ideal style of the cafe?

79 ответов



What colours do you prefer when it comes to designing a space?

79 ответов