

Eskelinen Petra

Business Plan for Café ”Bulevaardi”

Thesis
Kajaani University of Applied Sciences
School of Tourism
Bachelor of Hospitality Management
Spring 2014



School Kajaani University of Applied Sciences	Degree Programme Bachelor of Hospitality Management
Author(s) Petra Eskelinen	
Title Business Plan for Café "Bulevaardi"	
Optional Professional Studies -	Commissioned by -
Date Spring 2014	Total Number of Pages and Appendices 36 + 11
<p>The purpose of this thesis was to plan a new café to Kajaani city center. The main idea was to make a business plan for it and research that is it a profitable idea to establish a café at this time in Kajaani. Additional research on different types of cafés in Finland and abroad was also done.</p> <p>The thesis deals with business plan; what it consists of, what are the factors that make a good business plan. The thesis also deals with the law issues concerning establishing a new café. The thesis consists of actual planning of a café; décor, style and operational environment and assessment on biggest competitors.</p> <p>Thesis shows that for the café to be able to succeed in Kajaani, it should have a wide target market and be able to appeal to a wide range of people with various kinds of products. The café should also have something that makes it different from the others since there are so many cafés in the area. The longer opening times are one factor that would set the café apart from the others and selling alcohol in the premises would also differentiate the café from most of the competitors.</p>	
Language of Thesis	English
Keywords	Business plan, café
Deposited at	<input checked="" type="checkbox"/> Electronic library Theseus <input checked="" type="checkbox"/> Library of Kajaani University of Applied Sciences

CONTENTS

1 INTRODUCTION	1
2 CAFÉ CULTURE HISTORY	2
2.1 History of cafés	2
2.2 Cafés in Finland	3
2.2.1 From Stockholm to Turku	7
2.2.2 The difference in café culture around the world	8
3 FUTURE COFFEE AND CAFE TRENDS	11
3.1 Uniqueness and quality of the product	11
3.2 The operational environment of the café	12
4 BUSINESS PLAN	13
4.1 The steps of a planning process for a better business plan	13
4.2 Business idea	16
4.2.1 Markets	17
4.2.2 Product or service	17
4.2.3 Operation mode / the way to function	17
4.3 Entrepreneurship and establishing a new business	18
4.3.1 Establishing a new business	18
4.4 Law and safety issues concerning establishing a café	20
5 CAFÉ “BULEVAARDI”	24
5.1 Background and business idea	24
5.2 The operational environment of café “Bulevaardi”	25
5.3 The style and decor of the café	25
5.4 Main competitors	28
5.5 Cafés link to tourism	30
6 CONCLUSION	31
SOURCES	33

APPENDICES: Business plan: Café Bulevaardi

1 INTRODUCTION

Coffee and coffee shops are nowadays a big part of everyday life. There are a large variety of them throughout the world; coffees of all sorts and coffee shops of all designs. Coffee is a popular beverage and here in Finland people drink more coffee than anywhere else. Coffee and related goods are a big business in today's world.

Since coffee has been and has become even more important part of people's lives cafés have grown more and more popular every day. There are cafés around the world and in Finland with various styles and business concepts.

This thesis idea came to life when my friend and I were talking about our dream of opening our own café and I decided to do the thesis on that. In our café we would sell handmade and freshly done pastries and we would also like for it to have a liquor license. That way we would appeal in different aspects and appeal to vast range of people. During the day it would be a normal café but in the evening it would turn in to a bar-like café.

The idea of this thesis is to research that would it be possible or a profitable idea to establish a café here in Kajaani. In the thesis I will also study the cafes around Europe and differences between them and Finnish cafés. I will also research what needs to be done for our café to stand out from the others and make us different.

The main part of the thesis will be the actual business plan and the theory behind a business plan and from what it consists of, what is needed to establish a new business. In the thesis there will also be a 3D modeling of the inside of the café. DIALux 4.12 programme will be used to make a 3D modeling from the café Bulevardi and shown how it is imagined and planned to look like. The layout of the café can be seen in the 3D-model and additional décor and style of the café is explained also in the text.

2 CAFÉ CULTURE HISTORY

This chapter deals with Café Culture History and things related to that. The theory of a café and the history of cafés will be explained in this chapter.

What is “coffee” exactly? Coffee is a beverage that is brewed from coffee beans of a coffee tree. Coffee contains caffeine and when digested it stimulates the central nervous system and restores alertness. Coffee is slightly acidic combination.

Finns are huge consumers of coffee; we consume it more than anywhere else. It is said that in average Finns drink five cups of coffee per day per person and a Finn consumes coffee about 10 kg per year/per person. (ETL 2014.)

Café is a place that is open for public and it sells coffee, tea and various other goods. Most commonly cafes sell pastries and cakes. They mostly focus on selling light snacks, even though some cafes can serve lunch. In Finland most coffee shops or cafes doesn't sell alcohol and they mainly focus on coffee of various sorts. To be put shortly café is a small restaurant selling warm beverages and light meals. Cafes are often perceived to be there for the public to gather around a warm drink with friends, to act as a social gathering place. Café is different from normal restaurants because café doesn't serve “heavy meals”, only light snacks and lunches at some occasions. (Jaatinen 2006, 13.)

2.1 History of cafés

The history of cafes is nearly as long as the history of coffee. Cafés have been around from the beginning of coffee consumption. The first coffee house outside of Europe was opened in Constantinople, the present day Istanbul, in the 15th century. (Jaatinen 2006, 13.)

Coffee arrived to Finland in the early 17th century and in early 1800s coffee had spread all over Finland. Throughout 18th century drinking coffee was also made prohibited and taxed on various occasions. Early 19th century coffee was consumed in almost every household. The first coffee shop was established to Finland in 1778.

The purpose of cafés has not changed much since the opening of the first café. They are still places where people come to spend some time, meet friends and enjoy some coffee. (Jaatinen 2006, 13.)

When in Finland we are just getting to know the café culture and starting to embrace it, in cafés around the world it is culture well known. The common thing in cafés usually is that they are places for people to come and engage in social gatherings. Friends can meet up and chat about their day and relax over a steaming cup of coffee.

In almost every café nowadays serves some snacks, for example cupcakes, pies and pastries of all sorts. In some cafés they also serve lunch.

2.2 Cafés in Finland

Even though Finnish people drink a lot of coffee, we do not visit coffee shops very often. We aren't accustomed to it yet. Finnish café rarely shines with elegance. You can find more glamorous cafés almost anywhere else in the world, whereas our cafés and drinking customs change very slowly and cautiously. (Jaatinen 2006, 9.)

Cafés are perceived to be the hearts of small towns or big buildings. They are not so official places so people can breathe and relax in them. In Finland people hardly ever go to a café just to look for company, Finns can enjoy that time alone in quiet. (Jaatinen 2006, 9.)

Café Ekberg

Café Ekberg has a long history dating back to the 1850s. It was first established by Fredrik Edvard Ekberg who started it out as a bakery. Nowadays Café Ekberg's business includes café and patisserie with their own bakery. They also have a catering service.

Café Ekberg has 90 seating places in their café and they are open on weekdays and weekends. They also serve breakfast and lunch daily. The bakery part of the business is open from Monday to Saturday. (Café Ekberg 2014.)

Even though Café Ekberg never grew in to a chain café it is well known in the café industry in Finland and Ekberg's influence is shown in many cafés around Finland because many of

future café owners sought work experience from there. Café Ekberg's most well-known products are Napoleon cakes and Champagne Corks. (Jaatinen 2006, 35.)

Café Ekberg is a Finnish company since it was established in Helsinki and its style most of all represents European style cafés.

Fazer

Karl Fazer opened a French- Russian confectionary café in Helsinki in 1891. It quickly became popular meeting place among the city people and Karl Fazer Café is still there today combining the trends of today and 120 year old traditions. Karl Fazer café, besides being café, is also a deli. (Fazer 2014.)

Fazer has a long and profound history in Finland and it produces a lot of different products. Besides having many cafés and bakery's in Finland, Fazer also produces sweets and chocolate and it is the most well- known chocolate brand in Finland.

Fazer and Ekberg had a lot of common traits. They were both young and hardworking when they started their businesses and both had gathered experience abroad before starting their cafés. They are also both still family businesses. Both cafés are still known and well appreciated in Finland and they are both successful businesses. (Jaatinen 2006, 37.)

Since Fazer is French- Russian confectionary café, its style is European café with a Russian twist.

Café Primula

Ekberg and Fazer weren't the only cafés working in Helsinki at that time. In 1908 Primula-café and bakery chain was established by Pekka Väyrynen. It was a newcomer in Helsinki. It was different from the others in a way because Väyrynen got his experience from the United States, unlike Fazer and Ekberg, who got their work experience from Russia or Germany. (Jaatinen 2006, 38.)

Primula cafes were sobriety cafés and alcohol wasn't served in them. The customers were calmer that way and that made it easier for the women to visit those cafés without being afraid of losing their reputation. These kind of cafés made it easier for the working class to

visit cafés because they were more affordable places than for example the Fazer or Ekberg. (Jaatinen 2006, 38.)

Primula grew in to a bigger restaurant group and it was owned by the relatives of Pekka Väyrynen. In the year 2011 Primula unfortunately got bankrupt and the brand name was purchased by Perheleipurit Oy. (Taloussanomat 2013.)

The café culture changes in every city. Every country might have a café culture that is distinctive to them. In the previous chapter few of Finland's cafés were introduced and below some of the most important café cities are introduced. These cities have had an important task of defining and improving the café culture.

London

The first café Pasqua Roseé was opened to London in 1652, 20 years before Paris got their first café. Even though London has had cafés, it still doesn't have the same café culture that for example Paris has. In these "cafés" they were more likely to serve something else than coffee so therefore many of these old cafés turned in to pubs. The popularity of tea was also one of the reasons why cafés never really took off; tea shops were more popular than cafés. (Jaatinen 2006 ; Stagg 2012 ; Green 2012.)

Nowadays tea houses are still more popular than traditional European cafés. In Britain they have pubs, bars and big coffee chains but they are lacking real cafés. Of course there are few cafés with patisseries and bakery's, but they might be implemented differently and many of those cafés that fit the bill of a café were established by a foreigner. (Stagg 2012.)

There still are some cafés in London that have gathered a vast customer base and are popular among coffee lovers. One of those is Monmouth Coffee. It has branches in Covent Garden, Borough Market and Bermondsey, London. Monmouth coffee was established in 1978 and the first shop was in Covent Garden. They sell filter coffee and espresso based drinks and also coffee beans. (Monmouth coffee 2014.)

Vienna

Coffee house culture is important part of Viennese history. The first café was established in 1683. “The Viennese coffee house is known around the globe for its informal pleasantness, as an oasis of *gemütlichkeit*. Traditional cafés entice with a wide variety of coffee drinks, international newspapers and pastry creations. Since 2011, the traditional Viennese coffee house culture has even belonged to the intangible cultural heritage of UNESCO. Modern representatives of the genre enrich the tradition with stylish flair. A close relative of the café is the pastry shop. Their specialty, pies and cakes, are the icing on Vienna's *dolce vita* in the form of Bundt cake and *sachertorte*.” (WienTourismus 2014.)

The Viennese café is a place where you can feel right at home. Coffee houses in Vienna are open from the early morning until midnight. Every café serves pastries, pies and cakes which are almost always home-made. The pastries are a special attraction of a Viennese café.

In a Viennese café customers can sit back and relax. Or if they like, read a newspaper or a book, surf the internet with a free Wi-Fi or just discuss about the current world situation with somebody. In some cafés there is also a selection of card games to choose and place to play some pool. (Austrian Tourism board 2014.)

In Vienna there are some specialties that are common in every café. For example *Kleiner Schwarzer* is a coffee just like Espresso. *Klauner Brauner* is small coffee with cream. The cream is served separately so the customers can determine themselves how ‘brown’ they want their coffee to be. *Melange* is also a known drink in Vienna and it has a long history. It is half coffee and half hot milk. (Vienna-Concerts 2014.)

Viennese people take coffee seriously and making coffee can be considered as art. The passion for coffee can be seen in the café itself; in its décor and surroundings. But mostly it is shown in the way they make the coffee and in how much thought they put to it.

Paris

The first coffee house in France was established in 1671 in Marseille. The golden age of cafés in France was in the 1800 century. At that time there were almost 600 cafés let alone in

the Paris area and at that time cafés were a meeting place for artists, students and also for unemployed people. (Jaatinen 2006, 22.)

Nowadays Paris' cafés are world- famous and sitting in a café in Paris is said to be among the greatest pleasures the city has to offer. The actual quality of coffee has not been something to brag about but there is an increase in 'American- style' cafés in Paris that pride on a good coffee. In Paris and, France altogether, the quality of the coffee hasn't been the thing that attracts people to go to a café; mostly it has been the atmosphere. (France Travel Guide 2014.)

The traditional cafés in Paris serve all sorts of drinks. There aren't that much cafés that serve only coffee. Tea, mineral water, beer and wines are some normal drinks that are sold in Parisian café. A normal café in Paris is also known for selling food amongst with the drinks, pastries of all sorts, pies, cakes, croissants and tartines are also sold. Many cafés also offer lunchtime dishes and even a three-course dinner. (France Travel Guide 2014.)

Berlin

Berlin's cafés were mostly destroyed in the Second World War but before that there were a large amount of Swiss confectioners who made a great contribution to the city's confectionary and café culture. Berlin's café culture has seriously been lacking but nowadays it has seen some light. (Jaatinen 2006, 22; Natale 2012.)

In today's Berlin there is wave of Australian and New Zealander baristas that are opening new cafés in the city. Therefore there is a lot of stylish new café's around Berlin. The thing common with all these new café's is the fact that they pride on the quality of the coffee and how well it is made. The cafés also serve all sorts of cakes and pastries. (Natale 2012.)

2.2.1 From Stockholm to Turku

The first coffee house was opened in Sweden in 1690. Nowadays Swedish people drink a lot of coffee and it is normal for them to visit cafés often and because of that Stockholm is nowadays filled with different cafés. The style of the cafés varies a lot. There are traditional French- type cafés serving traditional French pastries and pies and then café s that serve

Swedish delicacies. The café culture in Stockholm has become vibrant during the years; there is a café for every taste. (Stockholm Visitors Board 2014.)

The word “café=kahvila” was created to Finnish language in 1861 by Yrjö Sakari Yrjö-Koskinen and the first cafés had already been established to Turku and Helsinki. Finland’s very first café, “Kaffehus”, was established in Turku in 1778. In Turku the people managing the cafés were usually Finnish- Swedish confectioners. In Turku most of the café managers were women because at that time café business was perceived to be the kind of business activity that was suitable for women (Jaatinen, 2006, 24.)

Nowadays the café culture in Finland has been influenced by the European café culture. We have many cafés and the style varies between different establishments. Café owners in Finland invest on quality; the décor of the café is well thought out and the products that they serve are well executed. The café culture in Finland is getting more and more vibrant every day and new cafés are being established frequently.

2.2.2 The difference in café culture around the world

Coffee is a beverage that is enjoyed all over the world in different forms. There are a lot of different cafés around the world and the café culture is versatile. As mentioned before, Europeans are huge consumers of coffee, but the rest of the world isn’t lacking in that department either.

Café culture is about more than just coffee and in many countries there are certain café traditions such as the *Kissaten* in Japan. However, modern trends are spreading around the world. Specialist coffee shops are getting more popular, forming new social traditions and changing the way the world drinks coffee. (White 2012.)

Canada

Outside of Europe, Canada is a country that consumes the most coffee per capita. “88% of Canadians surveyed claim that they drink at least 1 cup of coffee in a typical day, with those coffee drinkers averaging 3.2 cups per day,” says the 2010 Ipsos Reid study on coffee consumption trends. Canadian café culture lacks a bit on traditional cafes that are found in other

countries but the café culture is still growing and getting more innovative. Canada is mainly known for the “grab and go” cafes. It means that usually people get take away coffee instead of enjoying their coffee in a café. The most popular coffee chain in Canada is Tim Horton’s that serves different coffees, donuts and pastries. (Huffington post 2013.)

The United States

In the United States cafés can be found almost in every block nowadays. The development of café and coffee culture can be divided in to three waves in United States: the first wave was when people started drinking instant coffee at home and, it could be said, that the second wave was Starbucks coffee house that was established in 1971, which is a global coffee company in America. In the third wave there are the modern cafés serving specialty coffees. In the third wave there is a bigger focus on the quality of the coffee and they are focusing more on the way the coffee is made. (Huffington Post 2013.)

Brazil

Brazil has been the biggest producer of coffee for decades now. Therefore coffee and cafés are essential part of Brazilian culture. The fact that Brazil produces a lot of coffee doesn’t guarantee a good cup of coffee in a local coffee shop; almost all of the better quality coffee is being exported. (Dicum 2007.)

In Brazil the cafés are called *Botequins*. Botequins are part café, part lunch counter and part bistro; the place of salty snacks and a *cafézinho*, which is a little cup of coffee beloved by Brazilians. (Dicum 2007.)

Even if the café in Brazil uses better quality coffee beans, the coffee still might not be as enjoyable as you might imagine; it is common for the botequins to manhandle the coffee by heating it for hours and driving off the flavor.

Japan

In Japan cafes are all about coffee but that is the only common denominator. In Japan the cafes are very diverse and versatile, they vary from neighborhood to neighborhood and also

the clientele has a big effect on the style of the café. The Japanese café is usually called Kissaten. The common stereotype has been that in Japan green tea is considered to be most popular, so it might come as a surprise that nowadays Japan is the world's third largest coffee consumer. The cafés in Japan vary from chain stores to specialty coffee shops and from gallery cafés to manga coffee shops. (White 2012, 1-6.)

In recent years the amount of independent cafés in Japan has decreased but it still doesn't mean that the use of coffee chains such as Starbucks or Doutor has grown. It mainly means that those people who started their café businesses in the 1980's are now retiring. In Japan the style of the café is usually dependent of the owner. Cafés in Japan also reflect regional variation. Nowadays in Japan the cafés have developed in to meeting places for friends and also for work related meeting places. (White 2012, 28.)

3 FUTURE COFFEE AND CAFE TRENDS

Coffee and cafés are growing in the market and new cafés are being established every day. Because of that there are new trends taking place in the coffee industry. As the knowledge of coffee grows among consumers, cafes have to change and invent new things to be able to respond to the consumption. Some of these trends that are in at this moment are the realization that the product cafés are using needs to be unique, the product needs to be top quality and the trend nowadays is also to think more about the operational environment of the café in order to get a successful café.

3.1 Uniqueness and quality of the product

There are a lot of coffee shops out there and that is the reason why nowadays shops are trying to set themselves apart from other by doing something new. For example, if there are a lot of shops located near to each other and all selling basically the same coffee variations but only one shop selling pastries, the one mostly likely to succeed would be the one selling the pastries. (Grexen 2013.)

Nowadays cafés are also starting to expand their business a bit by starting to sell alcoholic beverages. They get a bigger target market by expanding to alcohol, cafés appeal to more wider range of people. There is something for the coffee drinker and something for the ones who enjoy beer. (Grexen 2013.)

People of today are more aware of the quality of products than they were before. People have more knowledge about different coffees and coffee beans. Therefore the new trend in the coffee industry is to get better quality beans and think more about the brewing process and the different methods of brewing. (BeanScene Magazine 2011.)

Nowadays when health is a big issue the focus is also healthier things. People demand healthier products and cafés have to respond to that demand. It means that for example the coffee beans are being produced the 'greener way' and cafes have healthier snack possibilities in their menus. That also has a direct line to the cost. Healthier products cost more. (BeanScene Magazine 2011.)

The realization of the fact that skilled baristas are needed in the business is making baristas, with a wide knowledge of different kinds on specialty coffees, a big trend in the coffee industry. Skilled baristas are becoming a big part of a successful café. Without them cafés nowadays wouldn't succeed as they might've earlier on. (Café Culture 2012.)

3.2 The operational environment of the café

No business works on its own without being affected by some external factor. The business, in this case a café must take in to consideration the external factor when operating. For example the consumer demand is the biggest factor and influence to the cafés success. Consumer habits might change and the business must be able to answer to the changed demand.

The operational environment of the café consists of the consumers, of the business idea and of how the product is planned to be produced. The café needs to know its customers to make sure that it can respond to the demand properly. In this case the customer target market is quite vast. Everybody who likes coffee and pastries, cakes, is welcome to come in. Mostly of course the customers will probably be local people and those who are shopping nearby. (Yvistä Energiaa 2014.)

Secondly the business idea needs to be clear and strong. In this case the café is supposed to appeal to all sorts of people and therefore customers can get coffee, pastries and also they can consume alcohol beverages. Part of the business idea is the atmosphere and the idea to make it inviting and peaceful so that people would come again to enjoy the freshly made cakes and pastries. The biggest and main factor of the business idea is the fact that in the café the products are freshly made within the premises, they would not be ordered from someplace else. (Yvistä Energiaa 2014.)

Usually European cafés extend to the outside of the actual café area. They might have a terrace of some sorts outside on the pavement with tables and chairs and customers can enjoy coffee out in the sun. Nowadays American cafés are the kind of where a customer just gets a coffee to go without staying and enjoying it in the café premises. There are also cafés that courage the customers to stay in the premises for a longer time with free internet connection, relaxing atmosphere and more slow-paced service as well as more thought out decoration and style of the café itself.

4 BUSINESS PLAN

Business plan is a formal statement of a set business goals. It states the most important issues concerning the business. It is basically the manual for the business and everyone thinking of establishing a business is required to do it. It is a planning tool to figure out the cost of establishing a new business and clearing the business idea and means of business. Business plan works as guide for the future business, acts as documentation if an entrepreneur is looking for some sort of financing and business plan also helps to figure out chances in the foreign markets if the business wishes to go there. (Pinson 2004, 2.)

Business plan needs to state:

- The business idea: What is going to be sold, what is the main idea of the business?
- The product/ service: What is the product or service?
- Markets/ customers: Who the customers are and what is the target market?
- SWOT-Analysis: The strengths, weaknesses, threats and opportunities the business has. SWOT- Analysis is a great way to figure out these factors that have so much effect on a business. By doing the analysis the entrepreneur gains a lot more information and can make certain adjustments or just take some precaution beforehand. (Yritys-Suomi 2014.)

4.1 The steps of a planning process for a better business plan

There are certain steps for the entrepreneur to take to make a better business plan. There are eight steps according to Martin & Crisp to be certain and the steps are explained in figure 1.

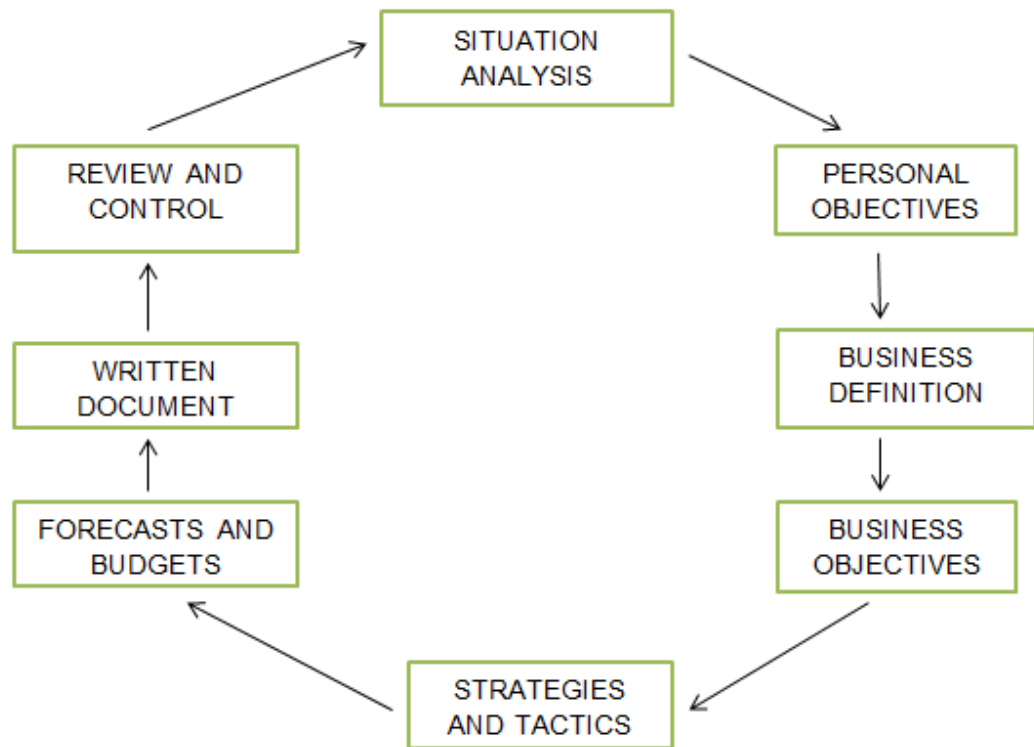


Figure 1. Eight steps to make a better business plan (Martin & Crisp 1992, 18.)

Step 1: Situation Analysis.

As the figure (Figure 1) shows, the first step is to make a Situation Analysis. The planning process starts with reviewing the business environment; what opportunities, threats and other issues are most likely to affect to the business. Competitors and the location of the business should also be reviewed at this stage. (Martin & Crisp 1992, 19.)

Step 2: Personal Objectives.

The second step in the planning process is to clarify the personal objectives. When the personal objectives are clear it is easier for the entrepreneur to allocate his/her energies towards the right goal. The best and easiest way to do this is to ask the questions such as, what is the main reason for starting the business and how much work is the entrepreneur willing to do. Personal objects have a he effect on the business objectives. (Martin & Crisp 1992, 25.)

Step 3: Business Definition.

At this stage of the process the business needs to be defined: what sort of business it is. Business can be defined by the customers; who are the customers, what is needed to make the customers satisfied and how can the business achieve to make them satisfied. It seems really obvious but the business definition is an important step when making the business plan. (Martin & Crisp 1992, 26.)

Step 4: Business Objectives.

At this point of the process the entrepreneur has to figure out the business objectives. They are usually measurable such as the growth of the business, profitability and the revenue. The goals of the business rarely change but the *objectives* are more likely to change due to changes in the environment of the business and the possible changes in the competitive posture of the business. This step creates benchmarks for the business performance. (Martin & Crisp 1992, 27.)

Step 5: Strategies and Tactics

At this point of the planning process the action plans, which will enable the business reach the objectives, are developed; the strategies and tactics are created. It means, for example, that a strategy to improve revenue etc. is created. (Martin & Crisp 1992, 32.)

Step 6: Forecasts and Budgets.

At this stage of the process forecasts and budgets need to be developed. It means that revenues, profits, cash, costs and expenses need to be forecasted and budgeted. Entrepreneur can consider the future financial position of the business when doing the forecast. It is a good way to minimize the possible future surprises. (Martin & Crisp 1992, 69.)

Step 7: Written Document.

When reaching this step the entrepreneur has already answered a lot of questions and made a lot of decisions concerning the planning of the business and at this point a written document should be conducted. It means that the entrepreneur should write the actual Business Plan. Written document is an easy way to clarify and organize the plans for the business. (Martin & Crisp 1992, 76.)

Step 8: Review and Control.

The final step of the process is taken at the same time as actually starting the business. When the business is started, the business plan should be used as a reference document and it should be referred to many times during the start-up process of the business. The plan should also be reviewed and revised several times. After the business is opened, the business plan should be revised annually. (Martin & Crisp 1992, 79.)

4.2 Business idea

Starting a new business and taking care of it successfully is based on a good and functional business idea. Business idea sheds light on how the business is going to function and how it plans to be successful. Before actually starting the business this business idea needs to be clear (Asiatieto Oy & Tekijä 2013, 13). Business idea is pictured in Figure 2:

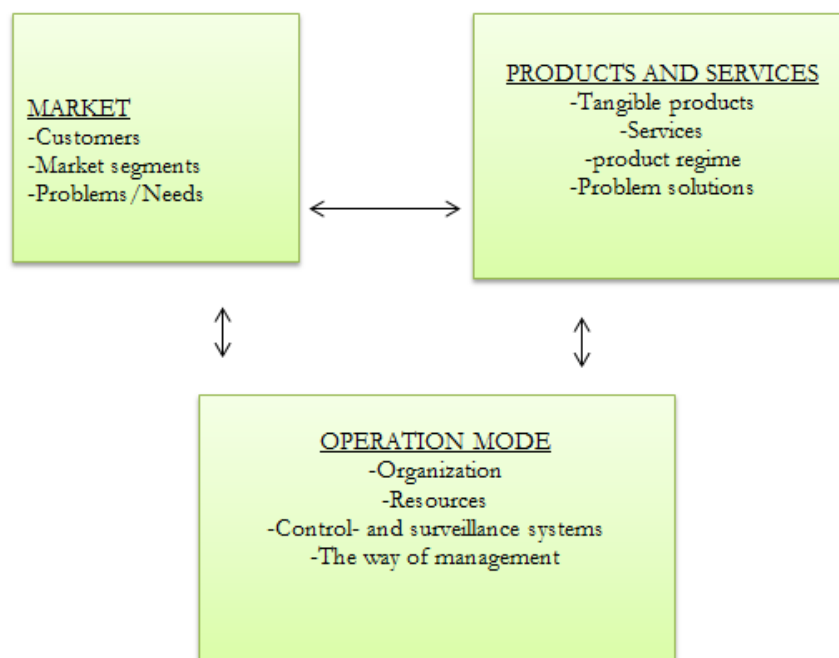


Figure 2. A way to clarify business idea (Asiatieto Oy & Tekijä 2013, 13.)

4.2.1 Markets

Product of service has to have demand. Customers buy things because they need something; there is a demand for a certain product or service. In the business idea it is pictured; what is the need that your product or service satisfies? You need to know to what market segment you belong to with your product and to whom you should start marketing your product. (Asiatieto Oy & Tekijä 2013, 13.)

In the business idea also needs to be taken in to consideration the possible competition; what kind of products do they offer and do they answer to the same demand that your product or service? (Asiatieto Oy & Tekijä 2013, 13.)

4.2.2 Product or service

The products that your business produces can either be tangible or service products. Also for a physical product there is a certain level of service included (sales work etc.). There special products and normal products and both product group has its own market and ways to compete in that market. (Asiatieto Oy & Tekijä 2013, 14.)

4.2.3 Operation mode / the way to function

The way the business functions and operates affects to the successfulness of the business, how the products and services are produced. Business needs to have mental, financial and physical assets to ensure the development of products or services.

In this case the café is supposed to appeal to all sorts of people and therefore customers can get coffee, pastries and also they can consume alcohol beverages. Part of the business idea is the atmosphere and the idea to make it inviting and peaceful so that people would come again to enjoy the freshly made cakes and pastries. The biggest and main factor of the business idea is the fact that in the café the products are freshly made within the premises, they would not be ordered from someplace else. (Asiatieto Oy & Tekijä 2013, 14.)

4.3 Entrepreneurship and establishing a new business

What is entrepreneur? Entrepreneur is a person who establishes her/ his own business and takes both the risks and gets the rewards for it, being solely responsible for them. Entrepreneurship is a process in which somebody starts an own business and is solely responsible for the losses and the benefits that the business gains. (Asiatieto Oy & Tekijä 2013, 53.)

4.3.1 Establishing a new business

There are few important steps that needs to be taken when establishing a business, in this case a café. The next figure (Figure 3) shows what the stages in establishing a business from the very beginning to the end of the planning process, from the business idea to the account organizing. (Finnish Enterprise Agencies 2014, 8.)

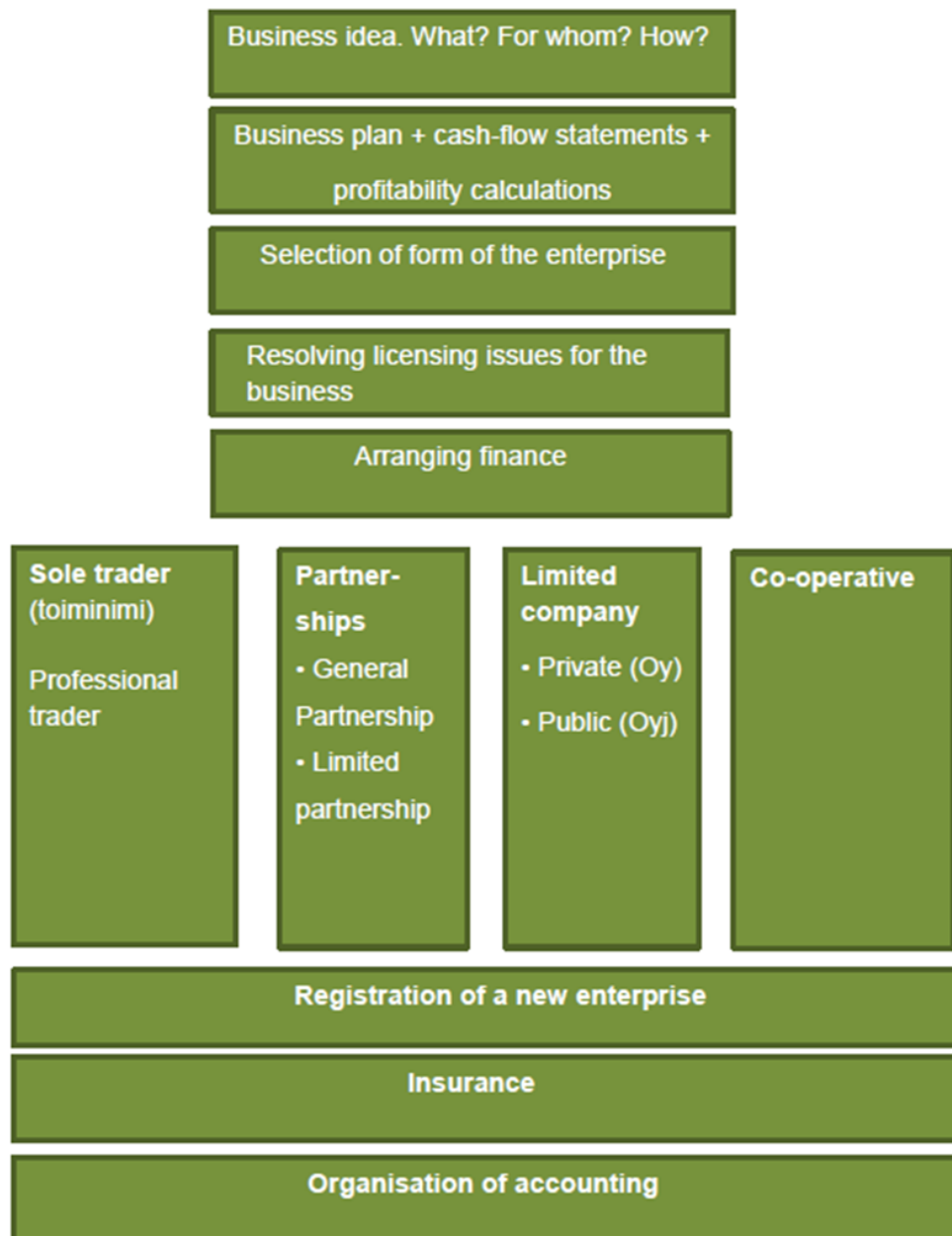


Figure 3. Stages on establishing a new business (Finnish Enterprise Agencies 2014, 8.)

There are few important steps that need to be taken when establishing a business as the figure (Figure 3) above shows:

1. First there needs to be a business idea.
2. Secondly the business partners needs to be chosen

3. Then the company form needs to be chosen and the one who starts a business must register for the enterprise information system, make a notice of establishment.
4. The business premises must be allowed to be used in a restaurant business; the local building authorities make that decision.
5. The building must also be inspected and approved by the local health inspectors.
6. Building must also be inspected and approved by local fire department. If the café has more than 50 customer seats a safety plan must be conducted.
7. If the premises expand outside, more permits need to be gathered. The local police department gives the permit to expand or not to expand the business outside.
8. If alcohol is served in the café, a liquor license must be applied from the local authorities.
9. Every employee who deals with food must have a hygiene passport. Employees must have a good knowledge on how to deal with food issues. (Asiatieto Oy & Tekijä 2013, 53.)

4.4 Law and safety issues concerning establishing a café

One big aspect of this kind of thesis is also to think about what needs to be done legalwise before establishing a café. Especially here in Finland the law is really strict about food hygiene and liquor licenses etc. Just a little mistake can take away the permit to even run a café so it is vital to make sure that things are done according to the legislation.

All new businesses must take the safety issues concerning the business seriously. The café, in this case, must make a risk management assessment and make a safety plan. The safety plan has to be approved by local safety inspector.

There are some steps that need to be followed in order to make a risk management assessment.

1. Identify risks

- First step in to making a risk assessment is to identify the risks. What are the possible risks to the café, what might go wrong.

2. The second step is to figure out to whom the risk will be directed to.
 - Is it a risk towards the business and/or could it harm the customers if something would happen.
3. The third step is to evaluate the risks.
 - At this point the risks need to be evaluated; which are more likely to happen and what could be done beforehand to prevent them from happening and if something does happen, what is to be done then.
4. The fourth step is to document the findings and make sure that they are updated if necessary.
 - Local authorities usually require for this kind of documentation and they will inspect it from time to time to make sure that everything is up to date. (Health and Safety Executive 2014.)

Supervision of alcohol

National Supervisory Authority for welfare and Health (Valvira 2014) is the authority that supervises the use of alcohol uses in the whole country.

- It grants licenses for production and distribution of alcohol. Valvira also supervises the import of alcohol.

- Valvira also collects information on alcohol deliveries between license holders and the activities of licensed premises, for example bars and restaurants.

Alcohol legislation

⁹Alcoholic beverages whose dispensing is subject to license are defined as consumable alcohol which contains more than 2.8 ethyl alcohol % by volume, but maximum 80 alcohol % by volume. Mild alcoholic beverages refer to alcoholic beverages which do not contain more than 22% ethyl alcohol by volume and strong alcoholic beverages to alcoholic beverages

which contain more than 22 ethyl alcohol % by volume (Alcohol Act 3 §). Alcoholic beverages which have been produced through fermentation and whose alcohol percentage by volume does not exceed 4.7 include so called medium strength beer, cider, long drinks and wine drinks". (Valvira 2010.)

As Valvira states there are a lot of laws concerning the sale of alcohol. Before starting to sell alcohol in the premises, the business owner has to apply for a license to sell alcohol. Regional State Administrative Agency grants those permits. The license is applied by written application. In order for the authorities to be able to grant the alcohol license, the premises must be mostly finished. The premises have to fulfill license requirements.

There are also different license-classes such as A- permit, B- permit and C- permit. If an establishment has an A- permit it means that all of the alcohol beverages can be served despite the alcohol percentage in the drink. They can serve long drinks as well as hard liquor. The B-permit means that the establishment can only serve beverages which alcohol percentage does not exceed over 22 %. Lastly there is the C permit which allows the establishment only to serve beverages which alcohol percentage does not exceed over 4,7 %. Mainly in cafés they have the B-permit since they don't really have the need to sell the beverages that are over 22 % alcohol. Their business idea is mainly about coffee, not the alcohol. (Valvira 2014.)

Food Hygiene

Finnish Food Safety Authority Evira monitors the food hygiene issues in food establishments. "Food establishments mean any building or premises or part thereof or other outdoor or indoor space in which food meant for sale or conveyance is prepared, stored, transported, marketed, served or otherwise handled. Food establishments must be approved by the competent control authority before the beginning of operations or any substantial change in operations". (Evira 2014.)

"All persons working in the food business must have basic knowledge of food hygiene, so that they can safely handle food", that is what Finnish Food Safety Authority, Evira states in their guidelines. It means that everyone who handles food in the premises has to have a Food Hygiene Proficiency Certificate, Hygiene Passport. If employees handle unpacked and easily perishable foods they need to know how that kind of food needs to be handled.

“Food hygiene proficiency implies ongoing updating of knowledge and skills, and that companies bring in-house controlling up to date to account for current developments in their industry. In addition to good food hygiene reducing the health risks of foodstuffs, applying such can also reduce wastage in the company. Persons working with foodstuff are required to have competence in seven separate subsections of hygiene proficiency: microbiology, food poisoning, hygienic working methods, personal hygiene, cleaning, in-house control and legislation.

Food hygiene proficiency is regulated by the food hygiene regulation (852/2004/EU), and the Food Act (23/2006, amendment 1137/2008). Operators in the food business are required to ensure at their own expense that employees handling foodstuff are given training and instructions relevant to their work tasks. In addition, employers/operators in the food business shall ensure that persons whose work is to handle unpackaged easily perishable foodstuffs in spaces for foodstuffs have proficiency certificates (hygiene passports) proving these people’s food hygiene proficiency. Practical proficiency involves applying knowledge and proficiency confirmed by a certificate or acquired otherwise to everyday work. Important for implementing the principle of hygiene proficiency is that company employees as well as managements are committed to maintaining good hygiene”. (Evira 2014.)

How alcohol and food hygiene issues are related to the café?

Law and safety issues are important when establishing a business, especially when establishing a café. In this case, a part of the business idea is to widen the idea of a café to a café/ bar which means that alcoholic beverages would be sold at the premises and that means of course that alcohol license would have to be applied. Alcohol regulations and rules would have to be followed by every employee at the café. All of the regulations that were stated in the previous chapter have to be followed in order for the café function legally.

Because the café is also partly a bakery, food hygiene issues also needs to be in check. Evira’s regulations concerning food issues needs to be known by every employee and every employee also needs to have a food hygiene proficiency certificate.

5 CAFÉ “BULEVAARDI”

The purpose of this thesis was to get more information about cafés and café culture in general. Knowledge of those would help tremendously when making a business plan for Café “Bulevaardi” that was the reason for this thesis in the first place. The business plan is featured as an appendix at the end of the thesis. Café “Bulevaardi” would be established in Kajaani by the writer of this thesis and a business partner. The geographical market area for the café would be Kajaani and the areas in the near vicinity.

5.1 Background and business idea

Café “Bulevaardi” would be general –partnership company, which means that both of the founders are responsible for the company’s wins and losses. Everything is equally shared between the owners.

The café would be located in Kajaani, preferably in the center of the city. The business idea of the café is to serve quality coffee and freshly made pastries and pies. The café would also be a bakery selling pastries, pies, cakes and salty snacks. The whole idea of the business would be that all the products that are served in the café are made in the café’s own kitchen. That would guarantee that the products are fresh and the customers will know where the products come from. The idea is to make everything ourselves without having to sell products that are purchased from someplace else.

One idea for the café to stand out from the rest of the cafés would be oxygen bar. Oxygen bar means that in the café there would be possible to breathe in scented oxygen in recreational sense. It has said to be of help for headaches and for tiredness. Unfortunately they are quite difficult to come by and might be quite expensive. Oxygen bars in Finland are very new thing and what I could find there is only one café at this moment with the concept of using oxygen bars. In my mind it would be something that would definitely make the café stand out from the rest but at the same time there is question that is it still a bit too weird idea for some people, would they come to café to try the oxygen bar at all?

We were also planning for the café to have license to serve alcohol. Not many of the cafés here in Kajaani serve alcohol as a part of their business idea (Except Sulo, being also a hotel bar.) I would mean that we would have advantage over the others and because we would make alcohol part of the business idea, we would also need to have longer opening times. And that would also help us stand out from the “other normal” cafés in the area. As I mentioned in the chapter earlier, about the alcohol legislation, there are different permits to serve alcohol; A, B, C. For our café, we would apply for the B-permit which means that we could serve alcohol that does not exceed over 22 % of alcohol. Because the café is planned to have bar like features it is necessary to have the B-permit. C-permit wouldn't suffice since the alcohol percentage could not exceed over 4,7 % and the A-permit would be a bit too much; we don't want to serve any hard liquor.

5.2 The operational environment of café “Bulevaardi”

Café “Bulevaardi” would be located in the city center of Kajaani. Because every café is affected by outside factors, it is important for the café “Bulevaardi” to make sure that the operational environment as a whole is the kind that allows the success of the business. In a bigger scale the environment needs to be the kind that there are enough customers and not that much competitors that share the same characteristics. Café “Bulevaardi” has to have something that sets it apart from the competitors.

On a smaller scale the café also needs to have an environment that is suitable for a café-bakery. The café area needs to be big enough to accommodate customers and there needs to be enough space for employees to be able to work properly. The bakery side needs to be up to standards and regulations.

Because the café would also have a license to sell alcohol, there would also be a little bar counter. The bar area needs to also be functional as a bar and also up to regulations.

5.3 The style and decor of the café

The style of the café would be a little bit on the rock side mainly because the founders favor that sort of style. It would probably also set it apart from the other a little bit because other

cafés in Kajaani tend to follow the same style and are a bit European by style. The fact that the café would also have a liquor license makes it better for the café to have some bar- qualities also in the style and décor. It needs to work as café by day and also as a place to hang out and drink a pint of beer, for example, by evening.

The décor and style would be quite simple yet comfortable, bar stools in front of the bar, couple of seating areas with couches and sofa tables and a café tables with chairs. The color scheme would be quite neutral; couches and chairs would be black and tables white. Bar stools would be red and additional colors would be added with the use of paintings and wall papers.

To make it more clearer, I did a plain 3D modeling of the café using *DIALux 4.12*. It shows a little bit of the style and space of how I envisioned it to be. The 3D pictures mainly show how I would like the cafés layout to be and the style and possible placement of the furniture such as couches tables and chairs.

In the café there would be a couple of couch areas to make it possible for the customers to spend some time there comfortably, meet friends and enjoy a cup of coffee or some other beverage in peace. In addition to the couch areas there would be normal café tables and chairs.

In the 3D modeling the counters are divided to two separate counters, one is for café customers and one for the bar customers. The bar area is placed in the corner opposite side of the entrance. The counter area with cash register is situated straight from the front door and the exit to employee facilities and to the kitchen is right behind the counter. The first picture below (Picture 1) shows the view to the café from the front door and the second picture (Picture 2) shows the view from the other side of the space, opposite from the front door.



Picture 1. 3D modeling of the café. View from the front door (Eskelinen 2014.)



Picture 2. 3D modeling of the café. View from the other side of the space (Eskelinen 2014.)

5.4 Main competitors

Murunen

Newly opened café Murunen is one of our competitors. It is located in Kauppakatu. Murunen has quite short opening times and our longer ones would set us apart from them. They serve different kind of specialty coffees and pastries. When I visited Murunen I noticed that they don't have product prices really visible. You really have to ask what costs what so that's not so ideal in my mind. The products in Murunen are also quite expensive. Murunen still seems to be quite popular place to have coffee in Kajaani, it is always full of customers so that would make it main competitor to us.

As I have noticed when visiting Murunen, there are a lot of people with laptops discussing things. So many people come there to study or for a "business meeting". What I've seen, they don't have a specific target group as I've noticed, but want to offer a meeting place for locals and visitors. The décor in Murunen is comfortable and welcoming.

Café Mokka

Café Mokka has two different locations in Kajaani. One shop is located in Välikatu, quite close to Kauppakatu and the other one is located in Kauppakatu, in the shopping centre. Café Mokka markets itself as a sandwich bar and suitable for vegetarians. It is still quite similar to Murunen

It has also quite short opening times but from Monday to Friday it is open from early in the morning so that gives it an edge (people going to work can come in and get the morning coffee from café Mokka).

Mummon Pulla & Suklaapuoti

This café is located in Raatihuoneen tori. It markets itself as being a bakery/ chocolate shop. They sell chocolate from Belgium and freshly made pastries with fresh coffee.

This café is also to be considered as main competitor hence the concept is similar to ours. They also serve alcohol to some extent so it is a similar café to ours.

Sulo- Café, Bar and Kitchen

Sulo is situated in the center of the city in Kauppakatu, quite near the café Murunen. Sulo is a café, bar and restaurant all combined in one. The fact that it is also a bar makes it have longer opening times than all the other cafés in the area. (Sokos Hotel Valjus 2014.)

Sulo's concept is closer to ours than any other Kajaani cafés. We wouldn't have restaurant as they do but the opening times are more of what we were thinking for café Bulevaardi. Sulo's décor and atmosphere is more of a bar like since it is also a bar. They also have a big screen where they show TV- news and shows.

Tsaikka- tea room

Even though Tsaikka is a tea room and mainly serves tea, it doesn't mean that it could be excluded out of the competitors department. It is still a strong competitor, especially now when the tea culture is getting stronger and stronger. Many cafés have also figured that out and are serving various kinds of teas.

Tsaikka is situated in Kajaani, in the centre. It is open from Monday to Friday 09:00 - 17:00 and on Saturday from 09:00 - 16:00. Tsaikka is a place for people who enjoy tea and Russian foods. They sell various kinds of teas and pies, pastries and chocolates.

It is also possible to buy the tea from Tsaikka but prepare it at home. Part of Tsaikka's business plan is to also sell the equipment's that are needed when making tea. Tsaikka is a real treat for people who like Russian culture and it is really appealing to the Russians that are living and visiting in Kajaani.

Tsaikka needs to be also taken seriously as a competitor even though it specializes in tea. Nowadays, what I've noticed, many people go to café but instead of ordering coffee, rather orders tea.

What do they all have in common?

The common thing that I noticed when studying these competitors was that they all have really short opening times, except Sulo, which is located in a hotel. Because Sulo serves also a hotel bar, it allows it to be open a lot longer than other cafés in Kajaani and that gives it the upper hand business wise.

That means that for café "Bulevaardi" to be noticed and successful, it would have try to acquire longer opening times than Murunen, Café Mokka, Mummon Pulla & Suklaapuoti and Tsaikka, and that way try to get in the same line as Sulo.

5.5 Cafés link to tourism

As being a tourism student it was also a quite obvious to think about the cafés link to tourism in Kajaani. One target market that needs to be thought of is tourists that visit Kajaani. The biggest tourist group, that visits Kajaani throughout the year, is the Russians since Kajaani is located so close to the border. Therefore we would need to figure out what appeals to them. Tourists are a great addition to the cafés normal customers and quite possibly would bring nice additional revenue for the café. The tourist season in Kajaani is mainly summer but Russians are the main group that visit also outside of the main tourist season.

There already is Tsaikka, that was mentioned earlier, which appeals to Russians since it is a Russian style tea room. Russians are known to drink a lot of tea so Tsaikka hoards a big part of the possible Russian customers. To make the café Bulevaardi more appealing to them we would offer a wide range of quality teas to satisfy also their needs.

One way to make the café more tourist- friendly is to make the café also easier to access for the foreign speaking people by making menus and products also explained in English. In my own opinion it is easier to go to a store when you easily know what product is what and of course the employees should also be able to do customer service in English.

One idea during tourist season would be to join the other businesses in the area and participate in the events and such when they are organized and that way appeal to the customers visiting the event.

6 CONCLUSION

The making of this thesis was a quite a journey because there really isn't that much information about cafés, history of cafés or even about new trends in café industry that could be found in a book. Most of the information had to be collected from various sources and from the internet, where the newest information was found.

All in all it is quite difficult to research a subject that doesn't have that much written information about it but I still managed to talk about the history of cafés, different cafés around the world and about the different cafés that are located in Finland and have a long history. I also found some good tips about what the future of café industry might look in the future.

An entrepreneur who wants to start a new business has a lot to do, starting from the business plan that is the base for the business. Business plan and business idea needs to be clear and that makes it easier for the entrepreneur to get finances and start building a business.

It is a hard and difficult job to establish a café here in Kajaani. First of all, since it is such a small city, it is difficult to find a good location for the café. Most of the good business places are already taken and, at least at this time, there aren't any available business premises in the center that would easily accommodate a café.

Making this thesis made me fully realize that being an entrepreneur is hard work and a lot of things needs to be considered and remembered, especially all the regulations and rules concerning establishing a new business. Especially when creating a café- bakery with the idea of also serving alcoholic beverages. First of all you need to be on the map about all the regulations concerning normal café activities and on top of that the entrepreneur also needs to have vast knowledge about alcohol legislation. Not to forget about the hygiene issues concerning food stuffs that would be made and sold in the bakery.

When thinking about really trying and starting the business, I would say that for me it probably isn't the right moment to establish a café. There are already similar cafés around the area and a new café might not have enough customers. For the café to succeed it would need to have good finances and some factor that really makes it stand out from the other. One thing that I played in my mind was an Oxygen Bar in the café. That would allow the café to stand out from the rest, since in Kajaani there are no oxygen bars anywhere. But unfortu-

nately oxygen bars are quite expensive and investing to that would not work, or at least there are not any guarantees that they would be profitable. One way to find out, would be to make a survey of some sorts to determine that how would people of Kajaani respond to the idea of having oxygen bars in the café.

All in all it really depends on the business concept, and on how the customers will respond to the café and to its services and products, will the café be successful. Only time would tell would the café be profitable, the numbers in the business plan doesn't necessarily tell the whole truth.

SOURCES

Asiatieto Oy & Tekijä. 2013. Yrityksen Perustamisopas; käytännön perustamistoimet. Bookwell Oy.

Austrian Tourism Board. 2014. Kaffeehaus Culture Vienna. Available: <http://www.austria.info/uk/passion-for-tradition/kaffeehaus-culture-vienna-1579737.html> (Referred: 5.4.2014.)

BeanScene Magazine: Industry leaders discuss future coffee trends. 2011. Available: <https://www.beanscenemag.com.au/articles/view/industry-leaders-discuss-future-coffee-trends> (Referred: 4.3.2014.)

Cafe Culture. 2012. Barista Trends. Available: <http://www.cafeculture.com/industrynews/barista-trends> (Referred: 4.4.2014.)

Café Ekberg. 2014. Available: <http://www.cafeekberg.fi/aboutus/index> (Referred: 4.4.2014.)

Elintarviketeollisuusliitto, ETL. 2011. Kahvia juodaan Suomessa ennätysellisen paljon. Available: http://www.etl.fi/www/fi/tiedotteet/2011.php?we_objectID=502 (Referred: 4.4.3014.)

Evira. 2014. Hygiene Proficiency generally. Available: <http://www.evira.fi/portal/en/food/hygiene+proficiency/hygiene+proficiency+generally/> (Referred: 6.4.2014.)

Finnish Enterprise Agencies. Guide: Becoming an Entrepreneur in Finland. 2014. Suomen Uusyrityskeskukset ry. Available: http://www.uusyrityskeskus.fi/sites/uusyrityskeskus.fi/files/Opas_en_2014_web.pdf (Referred 2.5.2014.)

Finnish Food Safety Authority Evira. 2014. Available:

<http://www.evira.fi/portal/en/food/hygiene+proficiency/hygiene+proficiency+generally/>

(Referred 6.4.2014.)

France Travel Guide. 2014. Enjoy the Paris Café Culture. Available:

<http://www.france-travel-guide.net/Cafe-culture.html> (Referred: 5.4.2014.)

Green, M. 2012. London cafes: the surprising history of London's lost coffeehouses. Available:

<http://www.telegraph.co.uk/travel/destinations/europe/uk/london/9153317/London-cafes-the-surprising-history-of-Londons-lost-coffeehouses.html>

(Referred: 7.4.2014.)

Grexen, Find me Coffee. 2014. New Trends in Coffee. Available:

<http://www.findmecoffee.com/en/blog/new-trends-in-coffee>

(Referred: 7.4.2014.)

Health and Safety Executive. 2014. Risk Management; Five steps to risk management. Available: <http://www.hse.gov.uk/risk/fivesteps.htm> (Referred: 2.4.2014.)

Humboldt Bay Coffee Company. 2014. Where Did Coffee Come From? Available:

<http://web.archive.org/web/20070915014128/http://www.humboldtcoffee.com/History.htm> (Referred: 7.4.2014.)

Huffington Post. 3.11.2013. Coffee Countries: How a Cup of Joe is Enjoyed Around the World. Available:

http://www.huffingtonpost.ca/2013/02/27/coffee-countries-around-the-world_n_2774882.html (Referred 1.5.2014)

Ipsos. 2010. Canadians take their coffee seriously. Available:

<http://www.ipsos-na.com/news-polls/pressrelease.aspx?id=5016> (Referred: 1.5.2014.)

Jaatinen, S. 2006. Kahvilan pöydässä. Jyväskylä: Gummerus Kirjapaino Oy.

Kjär, R & Thomsen, J. 2004. Kahvia; Elämyksiä nautiskelijoille. Karisto Oy Hämeenlinna.

Korkeamäki, A & Lindström, P & Ryhänen, T & Saukkonen, M & Selinheimo, R. 2002. Asiakasmarkkinointi. Werner Söderström Osakeyhtiö Helsinki.

Martin, Charles L. Crisp, Michael G. 1992. Starting Your New Business: A Guide for Entrepreneurs. Course Technology / Cengage Learning. USA.

Moltz, B. 2003. You Need to Be a Little Crazy : The Truth about Starting and Growing Your Business. Dearborn Trade, A Kaplan Professional Company. USA.

Monmouth Coffee Company Limited. 2014. Available:
<http://www.monmouthcoffee.co.uk/company> (Referred: 3.4.2014.)

Natale, D. 2012. Guide: Third Wave Coffee in Berlin. Available:
<http://www.stilinberlin.de/2012/06/third-wave-coffee-guide-to-berlin.html> (Referred: 5.4.2014.)

Oy Karl Fazer Ab. 2014. Available: <http://www.fazer.fi/> (Referred: 14.4.2014.)

Pinson, L. 2004. Anatomy of a Business Plan : A Step-by-Step Guide to Building a Business and Securing Your Company's Future (6th Edition). Dearborn Trade, A Kaplan Professional Company. USA.

Stagg, G. 2014. Café Culture Comes to London. Telegraph Media Group Limited. Available:
<http://www.telegraph.co.uk/travel/destinations/europe/uk/london/9032229/Cafe-culture-comes-to-London.html> (Referred: 1.4.2014.)

Stockholm Visitors Board. 2014. Coziest Cafés of the Season. Available:
<http://www.visitstockholm.com/en/Dine/Tips/Coziest-cafes-of-the-season/> (Referred: 2.4.2014.)

Taloussanomat, 16.1.2013. Primulaa ei kuopattukaan. Available:

<http://www.taloussanomat.fi/yrittaja/2013/01/16/primulaa-ei-kuopattukaan/2013844/137>
(Referred: 1.5.2014.)

The Farmers Marketer. 2014. Coffee Culture in Paris. Available:
http://thefarmersmarketer.com/coffee_culture_in_paris.htm (Referred: 4.4.2014.)

Valjusravintolat. 2014. Sulo. Available:
<http://www.valjusravintolat.fi/sulo> (Referred: 15.4.2014.)

Valvira. 2010. Alcohol Issues in Licensed Premises. Available:
http://www.valvira.fi/files/tiedostot/v/a/Valvira_guidelines_10_2010.pdf (Referred:
6.4.2014.)

Vienna-Concerts. 2014. Viennese coffee history. Available:
http://www.vienna-concerts.com/en/viennese_coffee (Referred: 6.4.2014.)

Visit Sweden. 2014. Culture in Stockholm. Available:
<http://www.visitsweden.com/sweden/regions--cities/stockholm/culture-in-stockholm/>
(Referred: 6.4.2014.)

White, M. 2012. California Studies in Food and Culture, Volume 36 : Coffee Life in Japan.
University of California Press. USA.

WienTourismus. 2014. Viennese Cafés. Available:
<http://www.wien.info/en/shopping-wining-dining/coffeehouses> (Referred: 1.4.2014.)

Yrittäjyyskasvatus; Yvistä Energiaa Yrittäjyyskasvatukseen. 2014. Available:
<http://www.yvi.fi/sanakirja/251-liiketoimintaymparisto-business-environment>
(Referred: 7.4.2014.)

Yritys-Suomi. 2014. Liiketoimintasuunnitelma. Available:
<http://www.yrityssuomi.fi/liiketoimintasuunnitelma> (Referred: 7.4.2014.)

Business Plan: Café Bulevardi

CONTENTS

1 BUSINESS BACKGROUND	1
2 BUSINESS IDEA	2
3 HOW DOES THE BUSINESS WORK?	3
4 MAIN COMPETITORS	4
5 SWOT-ANALYSIS	6
6 INVESTMENTS, COST ACCOUNTING	8

1 BUSINESS BACKGROUND

The reason for thinking of establishing a business:

I and my friend have had a dream of opening our own café- bakery for years now and it seemed like a good idea to start it by doing my thesis on that. We would get more information on: what we need to do to make it interesting and set apart from the other cafes that are in the area, and we would know that is it a profitable idea to even start a business at this time.

The activity so far concerning the business:

The business only exists in a theoretical level at this moment; it is just an idea at this point.

The founders:

Petra Eskelinen & anonymous partner

Both of the founders have some experience in working in the customer service (Petra has been working in a hotel and business partner has done some catering work in the past) but they are lacking the experience in being an entrepreneur.

Company form:

General partnership. General partnership because there is only two of who establish the café and general partnership seems as a suitable company form. In general partnership, us entrepreneurs, are solely responsible for the wins and losses.

2 BUSINESS IDEA

The product/ service?

The main product is coffee and freshly made pastries.

Customer target market?

We don't really have a target market, everybody who likes coffee and pastries, cakes, is welcome to come in. Mostly of course the customers will probably be local people and those who are shopping nearby.

Tourists visiting Kajaani are also one target group for café "Bulevaardi"

Image:

We would like our café to be the kind that would appeal to all sorts of people. We want our customers to feel welcome and enjoy the visit at our café. We want that the atmosphere in the café is inviting and peaceful so that people would come again to enjoy our freshly made cakes and pastries. The main thing that we want to show in our image is that our products are fresh and made from the best ingredients. The customers can be sure that they get the product for what they are paying for.

The benefit to the customer?

The benefit for the customer is that the customers will surely know from where the products come from hence they are made at the store.

3 HOW DOES THE BUSINESS WORK?

The main function of the business is to sell coffee and pastries etc. We would be open daily from the morning until late evening if possible. We would also have a liquor license so therefore it would be essential for us to be open a little bit later in the evening. The ideal times for us to be open would be Monday/Tuesday/Thursday 08.00 - 22.00, Wednesday 08.00 - 00.00, Friday 08.00- 01.00, Saturday 10.00- 01.00, Sunday 12.00- 20.00. We would like to open at least at 8 am because people who are going to work can drop by and get their morning coffees from us.

We would divide our workload in a way that I would mostly be doing the customer service in the café and business partner would be the one making all the pastries. Of course in the beginning we would have to share our duties a bit but later on we hope to have some assistance running the café.

Business premises/ equipment?

We would most likely rent the premises. The rent would be approximately 1600- 3000 € per month depending on the size of the premises (that is the price range in Kajaani at this moment, depends on the area of course).

We would also have to find a place that is suitable for running a café. Then we would have to get all the kitchen equipment (costs are in the financial statement).

Assets (financial, mental, physical):

We do not have any financial assets because we would start the business with loan money.

The mental assets of the business are considered to be the motivation and attitude of the entrepreneurs towards the establishment. Without proper motivation being an entrepreneur can be really tough.

Because we were thinking of renting we do not own the premises but new appliances and renovated premises would be a good way to start a business.

4 MAIN COMPETITORS

Murunen:

Newly opened café Murunen is one of our competitors. It is located in Kauppakatu. It is open from Monday to Friday 10.00- 17.00 and Saturday 10.00-16.00. Murunen has quite short opening times and our longer ones would set us apart from them. They serve different kind of specialty coffees and pastries. When I visited Murunen I noticed that they don't have product prices really visible. You really have to ask what costs what so that's not so ideal in my mind.

Café Mokka:

Café Mokka has two different located in Kajaani. One shop is located in Välikatu, quite close to Kauppakatu and the other one is located in Kauppakatu, in the shopping centre. Café Mokka is open Monday- Friday 7.30-18.00, Saturday 9.00-17.00. Café Mokka 2 in Kauppakatu is open Monday- Friday 9.00-18.00, Saturday 9.00-16.00. Café Mokka markets itself as a sandwich bar and suitable for vegetarians. It is still quite similar to Murunen.

It has also quite short opening times but from Monday to Friday it is open from early in the morning so that gives it an edge (people going to work can come in and get the morning coffee from café Mokka)

Mummon Pulla & Suklaapuoti:

This café is located in Raatihuoneen tori. It markets itself as being a bakery/ chocolate shop. They sell chocolate from Belgium and freshly made pastries with fresh coffee. The café is open Monday to Friday 09.00-18.00, Saturday 10.00-16.00 and it is closed on Sundays.

This café is also to be considered as main competitor hence the concept is similar to ours.

Sulo- Café, Bar and Kitchen:

Sulo is situated in the center of the city in Kauppakatu, quite near the café Murunen. Sulo is a café, bar and restaurant all combined in one. The fact that it is also a bar makes it have longer opening times than all the other cafes in the area. It is open from Monday to Thursday 10.45-23.00, Friday 10.45- 00.00, Saturday 12.00-00.00 and on Sunday 12.00-22.00.

Sulo's concept is closer to ours than any other Kajaani cafés. We wouldn't have restaurant as they do but the opening times are more of what we were thinking for café Bulevardi.

Tsaikka:

Tsaikka is situated in Kajaani, in the centre. It is open from Monday to Friday 09:00 - 17:00 and on Saturday from 09:00 - 16:00. Tsaikka is a place for people who enjoy tea and Russian foods. They sell various kinds of teas and pies, pastries and chocolates.

Even though Tsaikka is a tea room and mainly serves tea, it doesn't mean that it could be excluded out of the competitors department. It is still a strong competitor, especially now when the tea culture is getting stronger and stronger. Many cafés have also figured that out and are serving various kinds of teas.

5 SWOT-ANALYSIS

Strengths	Weaknesses
<p>Pastries and pies are freshly made in the café, not purchased from somewhere else.</p> <p>Longer opening times.</p> <p>Alcohol license.</p>	<p>There already are cafes with a similar business idea so the similarity can be our biggest weakness (therefore we need to invent something different).</p> <p>Our inexperience's as entrepreneurs is also a weakness.</p>
Opportunities	Threats
<p>Because there are so many cafes with the same basic concept we have a opportunity to come up with something that will set us apart from the others.</p>	<p>The biggest threat is of course that is the business profitable, can we make it so that we stand out from the others.</p>

Strengths:

Our biggest strength would be that we make our own pastries in our own kitchen. We do not order the goods from someplace else (as many café's in Kajaani seem to do). It guarantees the customer that they are getting fresh goods and they can also be sure of its origin, where it comes from.

Weaknesses:

Our biggest weakness is that there are already café's with the same concept in the area. Therefore we need to invent something that will surely set us apart from the other café's in the area. We need something to make us stand out from the rest.

Opportunities:

The biggest opportunity is that we can turn our weakness upside down and learn from the already existing café's and come up with something new, something that would gather the interest of customers.

Threats:

The biggest threat is probably the one concerning money: can we come up with a profitable business idea and would people be interested in visiting the café.

6 INVESTMENTS, COST ACCOUNTING

Establishing a general partnership		200
Business premises		
	Rent	2000/month
	Renovation	20 000
		= 22 200 €

Appliances and equipment's	Dish washer	3000
	Stove/oven small	1500
	large	10 000
	Microwave	80
	Freezer/fridge	2000
	Mixer/blender	100
	Coffee machine	1000
	Electric kettle	30
	Payment terminal	33/month
	Printer	150
	Work clothes	100
	(Oxygen Bar)	(6000-8000)
		= 17 993

Furnishings

Counter for café	2000
Shelves	400
Tables/chairs	1800
Couch	500
Carpets	200
Decorations	300

Lighting		300
	=	5500

Movable

Dinera- tableware (18 pieces)	6	179,7
Dinera coffee mug/plate (*6)	6	77,94
Bedårande- glass	50	75,0
Lodrät- beer glass	30	45,0
Pokal shot glass (*6)	6	9,0
Other assorted movables (forks, spoons, etc, knives)		500
	=	886,64 €

Marketing		2000/ month
Startup stock		10 000
Float/cash register		250
Employee wage		1700
Entrepreneurs		4000
All together	=	64 529

PROFITABILITY		
Euro	Month	Year
TARGET NET RESULT	0	0
Loan amortisements	500	6 000
INCOME AFTER TAXES	500	6 000
Taxation	133	1 595

CAPITAL REQUIREMENTS		633	7 595	
Company loan Interests		0	0	
OPERATING MARGIN		633	7 595	
Fixed costs				
<i>salaries</i>		1 700	20 400	
<i>salary related</i>	30 %	510	6 120	
<i>YEL</i>	22 %	312	0	
<i>other insurances</i>		200	2 400	
<i>rent</i>		2 000	24 000	
<i>electricity, water</i>		300	3 600	
<i>phone, fax, internet</i>		100	1 200	
<i>accounting</i>		200	2 400	
<i>office expenses</i>		100	1 200	
<i>vehicle</i>		0	0	
<i>travel</i>		0	0	
<i>marketing</i>		100	1 200	
<i>education</i>		0	0	
<i>books, magazines etc.</i>		100	1 200	
<i>small expenses</i>		200	2 400	
<i>other possible expenses</i>		600	7 200	
TOTAL FIXED COSTS		6 422	77 064	58,1 %
SALES MARGIN REQUIREMENT		7 055	84 659	
<i>purchases</i>		4 000	48 000	36,2 %

NET REVENUE	11 055	132 659
VAT	0 % 0	0
TOTAL SALES/ INVOICING	11 055	132 659
SALES/ week	2 551	
SALES/ day	510	

Pricing example	
Working hours/ week	80
Hourly charge	40,00 €
Revenue/ week	3 200
Revenue/ month	12 800
Revenue/ year	153 600
difference	20 941