

**Alliance University**  
**Master of Business Administration**

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***Raul's Coffee Shop***

**CERTIFICATE OF AUTHORSHIP:**

I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

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Raul's Coffee Shop

Raul Deza, Jr

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## **Executive Summary**

In this business capstone Raul's Coffee Shop will discuss what will be needed to get done to achieve the goal of opening a coffee shop. Without a doubt, the majority of this world are coffee lovers and Raul's coffee shop will become that daily necessity to society. This will be going over sections emphasizing the main purpose of Raul's Coffee shop and how it will serve our local community. The process of starting a coffee shop will be challenging, and requires careful planning and execution. This paper will discuss the importance of market research in establishing a coffee shop, the role of vision statement in building a successful business, and the significance of core values in fostering a positive organizational culture. By examining these key points, the amount of better understanding will be a lot. The knowledge of how to create a thriving coffee shop will not only serve me but also our local community and provide a daily necessity to coffee lovers everywhere.

## **Mission, Vision, and Core Values**

The code of ethics for this startup coffee shop will prioritize ethical business practices and promote fair treatment of customers, employees, and other stakeholders. Raul's Coffee shop will operate with transparency and integrity, and will always act in the best interests of the company and the community it serves. Raul's coffee shop will also aim to minimize its environmental impact, and to give back to the community through charitable initiatives and partnerships.

### **Mission Statement**

Raul's coffee shop is a high class coffee shop where we have pride in being distinct from your typical chain coffee place. Our mission is to bring forth serenity to your mind, body and soul through every cup. We want to share our experience with coffee lovers within our community through every serving of coffee and pastry. We work with the intention of creating a feasible business for our family, friends and local community we dwell in. The goal is to be the best around our area, if we can knock out the top opposition, we will.

### **Vision**

Our vision is to become the best at what we do. To become the leading top tier specialty coffee makers in the industry and retail. I want to reach communities all over North Jersey and NYC through great digital and social media marketing, then analyze the marketing audits to see where we can do better. We want to not only offer the best quality coffee but also one of the top pastries in the area. I want to reach many people with my Peruvian culture innovating the way coffee is served in my community. We ultimately want our family business to prosper so that our future generations can reap from what we sowed.

## Core Values

No matter how dirty the work is we will never waiver. We will always complete the objective and deliver. We believe highly in morals and ethics. We respect each other, friends, and our guests. Here at Raul's Coffee shop, we don't refer to our consumers as customers but rather as guests. We want to make our guests feel like they're worth more than what's in their



pocket. Four main values we practice here are holding each other accountable, serving our community, having initiative and overall being positive!

**Figure 1:**

*Core Values*

### ***Accountability***

Holding each other accountable. This value involves being responsible for your own actions, behaviors, and decisions, as well as holding others accountable for theirs. In my coffee shop setting, this means ensuring that all staff are following food safety protocols, properly handling cash transactions, and being courteous to customers.

### ***Serving***

Serving our community: This value involves contributing to and being a part of the local community. In my coffee shop setting, this means supporting local businesses and organizations, as well as giving back to the community through charity work, events, or sponsorships.

### ***Initiative***

Having initiative: This value involves taking proactive steps to solve problems, reach goals, and make progress. In my coffee shop setting, this means thinking outside the box to come up with new marketing ideas, being willing to learn new skills, and being willing to step outside your comfort zone.

### ***Positivity***

Overall being positive: This value involves maintaining a cheerful, optimistic attitude and a willingness to learn and grow. In my coffee shop setting, this means fostering a positive atmosphere for employees and customers, being open to feedback and constructive criticism, and being willing to adapt to change.

## **Industry Description**

Coffee is a beverage we humans have been consuming for several centuries. With coffee being the main driving force that gets people's day going, it's so hard to see a future in an industry like this not flourishing. The coffee industry has been around for a long time and it's very well established. The process of getting the coffee beans from farm to cup shouldn't be an issue because there will always be a partnering company we can get a very good deal with. The PESTLE analysis has proven to that this is a very doable business to effectively run. It has its pros and cons for sure, but if ran right, the business can flourish greatly. This start-up coffee shop business that exclusively sells Peruvian coffee has the potential to make a significant impact in the coffee industry. By focusing on a unique and high-quality product, Raul's coffee shop can attract a niche market of coffee enthusiasts who are interested in exploring new and exotic flavors. Also, by sourcing coffee directly from Peru, Raul's Coffee shop can establish itself as a socially responsible and sustainable business, which can enhance the way it presents itself. Raul's Coffee shop has a very promising future ahead, and it will be so exciting to see how it contributes to the dynamic and ever-evolving coffee industry.

## **Proposed Company**

I would want my start up coffee shop as a limited liability company (LLC). This business structure allows for an independent operation, and they provide liability protection for Raul's coffee shop's personal assets. Overall, forming an LLC is a smart choice for small business owners like myself who want to protect their personal assets and ensure the smooth operation of my business.

## PESTLE Analysis

Table I: PESTLE Framework

<b>Political</b>	<b>Economical</b>	<b>Social</b>	<b>Technological</b>
international agreements within the coffee industry.	Know who is my target market. Wealthy individuals or average individuals.	Demand for specialty coffee.	Mobile app ordering is the new wave. I need to develop an app for my company.

### ***Political***

The business world of coffee is very contingent on international trade. The biggest coffee producers in the world come from countries in South America, Asia, and Africa. The most intriguing part is that it's the most popular in America and Europe. Since Raul's Coffee shop will be aiming to sell international coffee, exclusively Peruvian coffee, Raul's Coffee shop will have to make some good connections with a partnering company outside of the United States. Trade relationships between other countries are going to play a big role when it comes to finalizing the final cost of my beverages and pastries. As of now, there are lots of

international agreements within the coffee industry that can confirm the success of the business Raul's coffee shop is trying to achieve.

### ***Economical***

In addition to startup costs, ongoing operational expenses, such as employee wages, utilities, and supplies, must be factored into the economic considerations for Raul's coffee shop. One way to control these expenses is to carefully manage inventory and minimize waste. Another important economic factor to consider is the target market. A coffee shop that caters to a high-end clientele may be able to charge higher prices, but may also face greater competition and higher overhead costs. Likewise, a coffee shop that targets a more budget-conscious market may need to focus on volume sales to maintain profitability. Overall, starting a successful coffee shop requires a thorough understanding of the economic considerations involved, from startup costs to ongoing operational expenses and target market analysis.

### ***Social***

One of the most significant social trends is the growing demand for specialty coffee. Consumers are increasingly interested in unique, high-quality coffee drinks and are willing to pay a premium for them. This trend has led to the rise of independent coffee shops, which offer something different. Another social trend is the growing interest in sustainability and ethical sourcing. Consumers are increasingly concerned about the environmental impact of coffee production and the treatment of coffee farmers. Which is the reason having a good partnership with Peruvian farmers will be crucial.

### ***Technological***

On the technological side, the rise of mobile technology has led to a shift in how consumers order and pay for their coffee. Many coffee shops now offer mobile ordering and payment options, which allow customers to skip the line and pick up their drinks without waiting. Having this in Raul's Coffee shop would be essential. Moreover, the use of social media platforms such as Instagram has become a popular way to advertise their products and engage with customers. Overall, technological trends are shaping the coffee shop industry and influencing the way consumers interact with coffee shops. Therefore in order for Raul's Coffee shop to be successful, adapting to these trends will be essential.

## **Product/Service Overview**

In Raul's Coffee Shop, we will be offering all sorts of options. You will be able to find your typical selections you would find at your local Dunkin and Starbucks but also find unique options you will not find in many other places.

Raul's Coffee Shop wants to be known for producing one of the best Peruvian coffee in wherever area I'm located. Peruvian coffee isn't the type of coffee you typically find a lot, but I still want my business to aim high when distributing them. This coffee will be distributed in the form of drip, espresso, cold brew, nitro cold brew, decaf, chai lattes, and mochas. To achieve these delicious forms of coffee I will need to invest in machines like coffee grinders, drip machines, and espresso makers, and refrigerators. To have a decent set of coffee machines will be essential because that will be my workhorses of my business.

Another key aspect that will definitely help Raul's Coffee shop is the atmosphere and ambiance of the space. The aim here is to create a warm, welcoming environment that encourages guests to linger and enjoy their beverages. This will include comfortable seating, soft lighting, and a décor that reflects Raul's Coffee Shop's brand and values. Raul's Coffee Shop will also offer free Wi-Fi and other amenities, such as charging stations for electronic devices, to make the space more appealing to customers who want to work or study while they enjoy their coffee.

Raul's Coffee Shop will host events, such as poetry readings, to attract customers and build a sense of community around the shop. Raul's Coffee Shop will also offer coffee tastings and educational sessions to help customers learn more about the Peruvian coffee they are drinking and the process of coffee brewing. By offering a range of products and services that appeal to different customer needs and interests.

## ***Speciality Coffee***

Specialty coffee drinks with unique flavor profiles have become increasingly popular in recent years . These drinks offer consumers a distinct experience that is different from traditional coffee flavors. Unique flavor profiles are achieved through a combination of factors, such as the origin of the coffee beans (Peru), the roasting process, and the addition of unusual ingredients. Raul's Coffee shop will use use beans from a single origin or a blend of beans from different regions of Peru to create a distinctive taste. Additionally, the level of roast can significantly impact the flavor of the coffee, with darker roasts producing a more bitter taste and lighter roasts providing a more acidic flavor. Overall, specialty coffee drinks with unique flavor profiles provide coffee lovers with a way to explore different tastes and experiences beyond traditional coffee flavors.

## **Purpose**

Raul's coffee shop business venture is appropriate to the market for several reasons. Firstly, the market for coffee is steadily growing, with more and more people looking for ways to enjoy their favorite beverage. Second, Raul's Coffee shop will offer a unique and high-quality products that will be attractive to customers. Thirdly, the location I have chosen for my shop is in an area that is densely populated, which will give me access to a large number of potential customers. Finally, Raul's Coffee shop will have a cozy and inviting atmosphere that will appeal to customers who are looking for a relaxing and friendly environment to enjoy their coffee.

## **Significance**

When opening a coffee shop, considering all the aspects and understand what gourmet coffee drinkers are looking for when stepping into a coffee shop. In order for my business to thrive and reach the goal of having regular clientele, I must consistently serve quality products and keep up with growing trends and customer values. Expressing my culture in my future business will be crucial because that will be the determining factor that's going to help me stand out and ultimately be successful.

## **Background**

In the past few years I've been developing a passion for coffee. Opening a coffee shop is a potential entrepreneurial venture I believe I can pull off and actually enjoy doing the rest of my life. Every aspect of coffee fascinates me, nothing like waking up to the fresh aroma of coffee being conveyed throughout the house. My father was the main person in my life to introduce this new fascination to me. He would go from using espresso machines, to the french press and chemex pour over/drip style..

## **SWOT Analysis**

*Table 1*

### *SWOT Analysis*

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
Unique coffee Location	High competition Limited menu	Launch marketing campaign Expand menu	Economic down turn Rising coffee prices

### ***Strengths***

One of the strengths of Raul's Coffee shop is its unique blends. Raul's Coffee shop can create their own unique blends by experimenting with different types of Peruvian coffee beans and adding different flavors to create a signature taste. This can attract customers who are looking for something different and unique. Another strength of Raul's Coffee shop is its prime location. A coffee shop that is located in a busy area, such as Hoboken, can attract a steady flow of customers. A prime location can also make the Raul's Coffee shop easily accessible to customers, which can help build brand recognition.

### ***Weakness***

High competition and limited menu options are some of the weaknesses that Raul's coffee shop may face. High competition can pose a challenge, as there are likely to be many other coffee shops in the same location, offering similar menu options. This can lead to price wars and a decrease in profit margins. Limited menu options can limit the Raul's Coffee shop's appeal to a wider customer base, as customers may prefer a coffee shop that offers a greater variety of choices.

### ***Threats***

Economic downturns can lead to a decrease in consumer spending, which can result in a decline in coffee sales. Also rising coffee prices can be influenced by factors such as climate change and political instability in coffee growing regions. This can result in higher production costs for Raul's coffee shop. This, in turn, can lead to higher prices for consumers and potentially decrease demand for coffee products. It is essential for Raul's coffee shop to closely monitor these threats and develop strategies to address them in order to ensure a long-term sustainability.

## Porter's Six Forces

Table I: Porter's Six Forces

<b>Competitive Rivalry</b>	<b>Threat of New Entrants</b>	<b>Supplier Power</b>	<b>Buyer Power</b>	<b>Threat of Substitutes</b>	<b>Impact of Complements</b>
Near by Starbucks and Dunkins	Unique coffee beans	can raise prices on me due to my lack of farmer connections in Peru.	U.S dollars can go a long way when buying in Peru	Buying cheaper Peruvian coffee beans may affect the taste of the coffee.	Will generate motivation and keep giving what the people enjoy most.

## **Market Analysis**

The target market for the coffee shop in New Jersey would likely be young professionals, students, and local residents who are coffee lovers and looking for a convenient and comfortable place to enjoy a cup of coffee and spend time with friends or work. New Jersey is a highly competitive market for coffee shops, with many large chains and independent shops already established. It's important for me to conduct a thorough analysis of the competition and identify any gaps or opportunities in the market. New Jersey has a diverse and robust economy, with several major cities and a high concentration of white-collar workers. This fits well for the coffee shop as there is likely to be strong demand for coffee and related products. The cost of opening a coffee shop in New Jersey will depend on several factors, including rent, equipment, supplies, labor, and marketing. "It is important to conduct a detailed cost analysis to ensure that my business is financially feasible and can generate a profit" (Yu and Fang, 2009). The ideal location for the coffee shop in New Jersey will depend on the target market and the competition. Considering factors such as foot traffic, visibility, accessibility, and proximity to other businesses and residential areas. Coffee is a popular beverage in New Jersey, and the demand for coffee shops is likely to remain strong. Researching the demographic and economic data helped me better understand the potential demand North Jersey can have since its so close to New York City but have the benefit of having a lower cost compared to NYC. A comprehensive marketing plan is essential for the success of my coffee shop in New Jersey. Using a combination of advertising, promotions, and public relations to reach potential customers and build a loyal customer base will be key.

## **Market Size and Trends**

The market size and trend subsection typically provides a five-year forecast, including estimated market share over time, market segmentation, units, dollars, and profitability. A subsection on competition and competitive strategies will provide an evaluative discussion of the strengths and weaknesses of the competitors; a comparative analysis of potential substitutable products or services; the fundamental value proposition of the product or service; as well as an analysis of the competition to combat the newly introduced product or service. Following the competitive discussion should be an analytic presentation on forecasted market share and sales that may include fundamental value add of the product or service; major potential customers who may have already (or are willing) to procure the product or service; and relationship of the projected growth to industry or market growth. Typically, the market analysis section of a business plan concludes with an examination and evaluation of how the product or service will continue to evolve in the market. Specific considerations should address product or service programs, expansion plans, etc.

## Fixed Cost Table

	AMOUNT PER MONTH
Rent	\$1,500
Salaries	\$1500
Utilities	\$400
Supplies	\$400
Marketing & Advertising cost	\$1000
Total	\$4,800

## Variable Cost Table

	AMOUNT PER UNIT	QUANTITY	Total Per Month
Coffee beans	\$0.50	1	\$1,500
Milk	\$0.25	1	\$750
Sugar	\$0.10	1	\$300
Other Supplies	\$0.15	1	\$450
Total			\$3000

The breakeven point is 2,857 drinks per month. Any sales volume less than 2,857



## **Marketing Plan**

Raul's Coffee Shop main competition will be with the local coffee shop market, targeting customers who seek a welcoming and cozy atmosphere to enjoy their coffee. Raul's Coffee Shop will provide a unique value of personalized customer experience, offering unique blends of Peruvian coffee, and a warm and inviting atmosphere. Skills and capabilities this business will be relying on heavily is passion for coffee, business acumen, entrepreneurial skills, and trained employees. Sustaining that unique value won't be easy but constantly innovating and offering new coffee blends, maintaining high quality standards, and actively seeking feedback from customers will lead to the improvement of the customer experience.

Some marketing tactics Raul's Coffee Shop will be executing on is hosting events promoting our social media, jump on a holiday, and optimize the website for local searches. No better way to attract customers than by giving them something for free. Raul's coffee shop can offer the first 50 customers that show up to the grand opening a free cup of coffee. Can also host new roast tasting events and get a little preview on what's new.

Jumping on the trend of a holiday is so ideal. "With marketing, every day offers a reason to celebrate." (Brandenburger, 2023)

Raul's Coffee shop keep up to date with coffee related events to celebrate, like for a clear example, National Coffee Day.

To optimize the website for local searches, Raul Coffee shop is going to make sure the listings on sites like Yelp and Google My Business are up to date and accurate as often as possible. This will allow Raul's Coffee shop to appear on Maps or Google Maps when searched.



## **Design and Development Plans**

Starting a coffee shop is definitely no easy process. The development status and task assignment for launching Raul's Coffee Shop include many things like defining the concept and target audience, researching and selecting a location, developing a menu of products and services offered, designing the interior and exterior of the coffee shop, acquiring necessary permits and licenses, and recruiting and hiring employees. Despite the excitement of starting a new business, there are challenges and risks associated with product creation, identifying and managing competition in the local market, ensuring consistent quality of products and services, managing inventory and supply chain to avoid stockouts, making sure there's enough staffing to meet demand during peak hours, and managing cash flow and financials to maintain profitability. To improve the Raul Coffee Shop's products and services offered, they must obtain and respond to customer feedback, experiment with new products such as specialty drinks or baked goods, and stay up-to-date with industry trends and best practices to remain competitive. In addition to the costs associated with starting a coffee shop, such as equipment, supplies, and rent, ongoing costs such as labor and utilities must be figured out, and pricing strategies must be developed to maintain profitability while remaining competitive. Ownership issues such as trademarking Raul's coffee shop and logo, which one thing that could that may impact Raul's coffee shop's products or services. Not to mention developing policies to protect customer data and intellectual property must also be addressed. By addressing these tasks and challenges, Raul's Coffee Shop can successfully launch, grow, and thrive in the competitive coffee industry.

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## **Operations Plan**

Identify the location of the proposed facility and the type of facility required to produce/deliver the proposed product/service. What size footprint is necessary to accommodate the volume planned for production? Will the labor force work a single shift, or is there a plan to work multiple shifts or schedule weekend teams? What management staff will be required to operate each shift? Inventory controls must be established to manage minimum on-hand inventory levels. Will the workforce manufacture the entire product? If not, what part is manufactured outside the facility and therefore NOT under direct control? Just-in-time operations must be described with schedules to ensure the products manufactured outside the facility arrive in time to be used in the development of the product. Too much inventory, and there is a risk of tying up operating capital. Too little inventory and the ability to deliver the correct number of units for a customer's order may be delayed, which translates into lost sales. Either occurrence can expose the business to undue monetary pressure.

If this is a start-up, when will these facilities be ready for prime time? Will construction lead time be adequate to keep the order commitments on schedule? Investors will want to know, so be prepared to address these issues BEFORE getting in front of the "money people."

## **Management Team**

The management team of any business is as critical as the product or service itself. The greatest product possible could be manufactured; however, if the management team fails to execute the company plan, lost sales could occur, which may prove fatal.

Describe each management position on the team, their role, responsibilities, and required compensation. Is the management team willing to accept lower compensation given the start-up nature of the business? If so, this is worth noting when presenting the plan. Has the talent been balanced on the team? Does the team possess adequate technical skills, leadership skills, and a proven track record of success? Beyond their salary compensation, what other perks will be offered? Does the business intend to provide profit sharing, stock options, or bonus plans? What is the strategy for holding on to intellectual property, especially after the management team proves successful? Many companies go to exhausting lengths to ensure sustainable, successful management teams. Good management personnel are hard to come by. Finding them is an incredible challenge; however, it pales in comparison to retaining them once they have proven their worth.

## **Sustainability and Impact**

All business plans must address sustainability and impact. Every business developed has had some impact on the economy, society, and the environment. Investors will want to know how the proposed business venture can/will impact all these areas.

If the business positively impacts any of the above, the chance of sustainability is significantly increased. In keeping with this theme, think about the type of potential waste that the business may generate. Will the company adequately and compliantly recycle or dispose of the waste it creates? Review and discuss the impact on the planet's green initiative to include carbon reduction and effective waste management. If there are suppliers, there is a need to include the supplier list in the plan and explain how they intend to address their impact on the environment. Be sure also to consider the impact on the local community and society.

Often, how a company addresses these issues can create separation from its competitors. All things being equal, if the production environment of the proposed business proves to be a greener, more planet-friendly alternative, it could create separation from competitors on this element alone. Forward think on this issue and try to project future impact on the company and product line growth. Is the company poised and on track to improve the environment, or is there a risk of falling back to the pack?

Finally, this section should address the potential exit strategies of the venture. Exiting does not mean leaving the venture; it is a liquidity event as it achieves certain milestones, which should be analyzed and presented. Investors typically want a plan to capitalize on their gains and leave your business. How long do you need them to remain engaged, and what's the plan for paying them when the time comes?

## Overall Schedule

Scheduling is critical and can quickly become the deciding factor in the success of the pursuit of funding. Investors want to see a meticulously formulated plan with realistic goals and objectives, alternative strategies in the event specific mid-term goals are missed, as well as remediation plans should a major “show-stopper” occur. This is the time to think out of the box, demonstrate solid forward-thinking, and show just how creative this plan can be. Leave nothing to the assumption of the reader or audience. Walk them through the elements in the order envisioned for the events. As an example:

- Lay out a cash conversion cycle for each product or service
- Create a month-by-month schedule that shows the timing of the product development, market planning, sales programs, production
- Display critical milestones essential in achieving success to include:
  - Incorporation of the venture
  - Completion of design and development
  - Completion of proto-types
  - Securing sales representatives
  - Trade Show displays
  - Contracts with distributors and suppliers
  - Material orders in quantities indicative of production volumes

This is a time to demonstrate copious adherence to every detail. Leave no stone unturned, and when those in attendance walk away, they should think, “Wow, what a presentation. This idea is solid, and I need to be part of this business”.

## **Critical Risks, Problems, and Assumptions**

The Entrepreneurial spirit is based on a risk-reward mindset. The willingness to assume such risks is at the very core of every entrepreneur. Although it is believed the business creator accepts these risks, those who consider investing in the business need more assurance. Often, investor comfort levels can be heightened simply by observing the care with which the business plan identifies and addresses these risks. Be thorough in reviewing all the risks, problems, and obstacles perceived to be in the path of operating a successful business and, by extension, the path of all stakeholders.

Identify each risk and its potential impact on the business. Will it affect personnel, product delivery, development, and market appeal? Drill down through the Sales assumptions made in the projections. Talk about how and why such predictions have been offered, and provide insight into how the numbers were determined (in many cases, appendices and exhibits should be used to support many of these sections). Address potential “show-stoppers”; why they may be considered such, and how they could be managed. It has long been a standing rule that most potential investors will read the “Management Team” section and then immediately turn to this section. The omission could prove fatal, with the reader concluding a belief that they may be stupid or naïve, that the plan is attempting to pull the “wool over their eyes”, or that there is insufficient critical thinking to have thought of these exposures. Any of these conclusions may result in a refusal to engage and not achieve the goal. Be thorough in the review and consider some, if not all, of the following:

- Running out of cash before orders are secured

- Potential price cutting by competitors
- Unfavorable industry trends
- Design or manufacturing costs exceeding original estimates
- Sales projections not achieved
- Raw material lead-time longer than anticipated
- Challenges in obtaining bank credit

Weigh these risks placing higher weights on the most critical down to the least vital to demonstrate a stronger sense of impact. Do not take this section lightly. Be sure to demonstrate deep critical thinking in this area. It can and will separate the plan from competitors.

## **The Financial Plan**

In this section, the proverbial “rubber meets the road”. It is here where many potential investors and/or bankers will focus on uncovering the business’s true financial requirements. Accurate presentation of the estimates results in increased validity of the business plan. The business viability and timetable will be on display in this section.

The use of financial exhibits will be expected. Financial statements should cover five-year projections, including income statements, balance sheets, and cash flow statements. Many of these can be discussed and described here while providing the full statements in appendices and exhibits. In most cases, start-ups will use pro forma financial statements. Use sales forecasts and the accompanying production or operations costs when preparing the pro forma. Be sure to review/discuss the assumptions made in these reports entirely. The income and cash flow statements should show a monthly analysis for at least the first six months or minimally until the business becomes profitable.

A discussion must be provided on worst-case, most likely, and best-case scenarios. Describe how certain assumptions may cause any of these scenarios and what that will do to specific performance indicators. The worst-case and best-case expectations should be based on your PESTLE, SWOT, and Portal’s analysis.

## **Proposed Funding Requirements**

Now that the business idea has been fully described and presented, it is time to identify precisely how much funding is being sought after. Identify how the plan intends to invest this money in the business and the rate of consumption. Potential investors will want to hear about how and when their investment dollars will be repaid. A detailed plan will be required showing how the expected rate of return will be achieved. Understand that those investors who are serious about investing in your business will be the ones most concerned with the content in this section. Be prepared for the potential investors to counteroffer ideas on how to pay back the money with a few rather creative ideas of their own. If you are considering offering equity in the company, what percentage of the company will be surrendered to investors? Note also that this will require you to perform a valuation on your company to justify the equity percentage. Will controlling stock be retained, or is there a willingness to sell more than half of the interest in the business?

All investors want to know how their money is going to be spent. Be prepared to provide a list of items planned to purchase. How much will be spent on creative design, market research, development, and the creation of production facilities? The more data provided, the greater your investors' comfort level will feel.

## References

"Coffee Shop Marketing Ideas to Bring in More Customers." [www.constantcontact.com](http://www.constantcontact.com),  
<https://www.constantcontact.com/blog/coffee-shop-marketing-ideas/>. Accessed 2  
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Relative impacts from product quality, service quality, and experience quality on customer  
perceived value and intention to shop for the coffee shop market  
<https://www.tandfonline.com/doi/abs/10.1080/14783360802351587>

## **Appendix**

NOTE: Appendices should be included that support the discussion within the business plan and referenced herein; this may include but not be limited to financial statements, charts, diagrams, org charts, etc.

