

TOCHUKWU JAVA AND BAKERY(TJB) BUSINESS PLAN AT SOUTHWEST WASHINGTON, UNITED STATE OF AMERICA, BY TOCHUKWU IJEOMAH ENTERPRISES.

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SIGNATURE:

NAME: IJEOMAH TOCHUKWU

DATE: 8/4/2020

Matric no:18/sci01/039

Department: Computer science

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EXECUTIVE SUMMARY

Tochukwu Java and Bakery (TJB) is a start-up coffee and bakery retail establishment located in southwest Washington. TJB expects to catch the interest of a regular loyal customer base with its broad variety of coffee and pastry products. The company plans to build a strong market position in the town, due to the partners' industry experience and mild competitive climate in the area. TJB aims to offer its products at a competitive price to meet the demand of the middle-to higher-income local market area residents and tourists.

TJB is incorporated in the state of Washington. It is equally owned and managed by its two partners. Mr. Ijemoah Tochukwu has extensive experience in sales, marketing, and management, and was vice president of marketing with both Kevwe & Kevwe and Fiaka Foods. Mr. John Newman brings experience in the area of finance and administration, including a stint as chief financial officer with both Flaxfield Roasters and the national coffee store chain, BuzzCups. The company intends to hire two full-time pastry bakers and six part-time baristas to handle customer service and day to day operations.

TJB offers a broad range of coffee and espresso products, all from high quality Columbian grown imported coffee beans. TJB caters to all of its customers by providing each customer coffee and espresso products made to suit the customer, down to the smallest detail.

The bakery provides freshly prepared bakery and pastry products at all times during business operations. Six to eight moderate batches of bakery and pastry products are prepared during the day to assure fresh baked goods are always available.

The retail coffee industry in the U.S. has recently experienced rapid growth. The cool marine climate in southwest Washington stimulates consumption of hot beverages throughout the year. TJB wants to establish a large regular customer base, and will therefore concentrate its business and marketing on local residents, which will be the dominant target market. This will establish a healthy, consistent revenue base to ensure stability of the business. In addition, tourist traffic is expected to comprise approximately 35% of the revenues. High visibility and competitive products and service are critical to capture this segment of the market.

COMPANY SUMMARY

TJB is a bakery and coffee shop managed by two partners. These partners represent sales/management and finance/administration areas, respectively. The partners will provide funding from their own savings, which will cover start-up expenses and provide a financial cushion for the first months of operation. A ten-year Small Business Administration (SBA) loan will cover the rest of the required financing. The company plans to build a strong market position in the town, due to the partners' industry experience and mild competitive climate in the area.

TJB is incorporated in the state of Washington. It is equally owned by its two partners.

TJB is a start-up company. Financing will come from the partners' capital and a ten-year SBA loan. The following chart and table illustrate the company's projected initial start-up costs.

START-UP REQUIREMENTS	
Start-up Expenses	
Legal	\$3,000
Premise renovation	\$20,000
Expensed equipment	\$40,000
Other	\$1,000
TOTAL START-UP EXPENSES	\$65,000
Start-up Assets	
Cash Required	\$70,000
Other Current Assets	\$12,000
Long-term Assets	\$65,000
TOTAL ASSETS	\$147,000
Total Requirements	\$211,000
START-UP FUNDING	
Start-up Expenses to Fund	\$64,000
Start-up Assets to Fund	\$147,000
TOTAL FUNDING REQUIRED	\$211,000

Assets	
Non-cash Assets from Start-up	\$77,000
Cash Requirements from Start-up	\$70,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$70,000
TOTAL ASSETS	\$147,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$100,000
Accounts Payable (Outstanding Bills)	\$1,000
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$101,000
Capital	
Planned Investment	
Tochukwu	\$55,000
Newman	\$55,000
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$110,000
Loss at Start-up (Start-up Expenses)	(\$64,000)
TOTAL CAPITAL	\$46,000

TOTAL CAPITAL AND LIABILITIES	\$147,000
Total Funding	\$211,000

PRODUCTS

TJB offers a broad range of coffee and espresso products, all from high quality Columbian grown imported coffee beans. TJB caters to all of its customers by providing each customer coffee and espresso products made to suit the customer, down to the smallest detail.

The bakery provides freshly prepared bakery and pastry products at all times during business operations. Six to eight moderate batches of bakery and pastry products are prepared during the day to assure fresh baked goods are always available.

MARKET ANALYSIS

TJB's focus is on meeting the demand of a regular local resident customer base, as well as a significant level of tourist traffic from nearby highways.

MARKET SEGMENTATION

TJB focuses on the middle- and upper-income markets. These market segments consume the majority of coffee and espresso products which are the local residents and the tourist of the country.

MARKET ANALYSIS

The chart and table below outline the total market potential of the above described customer segments.

TARGET MARKET STRATEGY

The dominant target market for TJB is a regular stream of local residents. Personal and expedient customer service at a competitive price is key to maintaining the local market share of this target market.

MARKET NEEDS

Because Washington has a cool climate for eight months out of the year, hot coffee products are very much in demand. During the remaining warmer four months of the year, iced coffee products are in significantly high demand, along with a slower but consistent demand for hot coffee products. Much of the day's activity occurs in the morning hours before ten a.m., with a relatively steady flow for the remainder of the day.

SERVICE BUSINESS ANALYSIS

The retail coffee industry in the U.S. has recently experienced rapid growth. The cool marine climate in southwest Washington stimulates consumption of hot beverages throughout the year. Coffee drinkers in the Pacific Northwest are finicky about the quality of beverages offered at the numerous coffee bars across the region. Despite low competition in the immediate area, TJB will position itself as a place where customers can enjoy a cup of delicious coffee with a fresh pastry in a relaxing environment.

COMPETITION AND BUYING PATTERNS

Competition in the local area is somewhat sparse and does not provide nearly the level of product quality and customer service as TJB. Local customers are looking for a high quality product in a relaxing atmosphere. They desire a unique, classy experience.

Leading competitors purchase and roast high quality, whole-bean coffees and, along with Italian-style espresso beverages, cold-blended beverages, a variety of pastries and confections, coffee-related accessories and equipment, and a line of premium teas, sell these items primarily through company-operated retail stores. In addition to sales through company-operated retail stores, leading competitors sell coffee and tea products through other channels of distribution (specialty operations).

Larger chains vary their product mix depending upon the size of each store and its location. Larger stores carry a broad selection of whole bean coffees in various sizes and types of packaging, as well as an assortment of coffee- and espresso-making equipment and accessories such as coffee grinders, coffee makers, espresso machines, coffee filters, storage containers, travel tumblers and mugs. Smaller stores and kiosks typically sell a full line of coffee beverages, a more limited selection of whole-bean coffees, and a few accessories such as travel tumblers and logo mugs. During fiscal year 2000, industry retail sales mix by product type was approximately 73% beverages, 14% food items, eight percent whole-bean coffees, and five percent coffee-making equipment and accessories.

Technologically savvy competitors make fresh coffee and coffee-related products conveniently available via mail order and online. Additionally, mail order catalogs offering coffees, certain food items, and select coffee-making equipment and accessories, have been made available by a few larger competitors. Websites offering online stores that allow customers to browse for and purchase coffee, gifts, and other items via the Internet have become more commonplace as well.

STRATEGY AND IMPLEMENTATION SUMMARY

TJB will succeed by offering consumers high quality coffee, espresso, and bakery products with personal service at a competitive price.

MANAGEMENT

Ijeomah Tochukwu has extensive experience in sales, marketing, and management, and was vice president of marketing with both Kevwe & Kevwe and Fiaka Foods. John Newman brings experience in the area of finance and administration, including a stint as chief financial officer with both Flaxfield Roasters and the national coffee store chain, BuzzCups.

FINANCIAL PLAN

TJB expects to raise \$110,000 of its own capital, and to borrow \$100,000 guaranteed by the SBA as a ten-year loan. This provides the bulk of the current financing required.

CONCLUSION

Conclusively, with this business plan of mine, Tochukwu Java and bakery(TJB) yield more profit as calculated in the financial plans and going by the considerations.