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LIGHTHOUSE PREMIUM COFFEE

THIS BUSINESS PLAN IS BASED ON A SMALL COFFEE SHOP START-UP IN A CHURCH TO MAKE LIFE EASY FOR THE CONGRAGATION AND OTHER PEOPLE IN THE COMMUNITY. THANK YOU VERY MUCH SIR, PLEASE STAY SAFE.

BUSINESS PLAN

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**Executive summary**

Creating a meeting place for ministry

A coffee shop will be among many firsis for lighthouse, as the church continues to expand its focus for growing ministries. The new coffee shop will add a unique identity to the overall church ministry focus, while providing customers in the area an opportunity to find premium coffee in a relaxing environment.

The coffee shop will take advantage of its position within the ministry centre as a stopping point for parents of children in the after school program, or sports event, as well as individuals who will utilize the fitness centre. The coffee shop will also be a destination point after dinner clientele due to variety of freshly baked pies and premium coffee.

The coffee shop will strive for financial viability through the coordination of the other areas within the ministry centre, implementing the strategies to incorporate the neighbouring community and filling a need within the existing congregation. By leveraging the position within the ministry center the coffee shop can become a stopping point for individuals visiting the ministry center for other reasons.

**Objectives**

* To serve the local community by our involvement in coffee
* To serve the best tasting premium coffee in town
* To introduce a branded coffee to the community and develop awareness for the brand
* To build relationship through the coffee shop that will carry over to other ministry areas.

**Mission Statement**

To build relationship with the community through excellent service, fair prices and the highest quality coffee in town.

Keys to success

* Developing a friendly and relaxed atmosphere
* Store operators that are designed speed and accuracy
* Effective training programs established for consistency and quality throughout the product line
* Marketing strategies aimed at building loyal customers as well as maximizing sales on the most profitable products.
* Courteous and responsive customers service

**Company Summary**

In order to appeal to variety of ages, the coffees shop will have a unique and electric atmosphere conductive to young and old alike. There will be couches and easy chairs to relax in as well as tables to sit and eat at. Artwork will be provided by local artist in exchange for free advertisement and exposure and the mood will always be laid back and low key. The coffee shop will be a place to hang out, spend a quiet evening with a special someone or meet with a business associate over a hot cup of coffee. Through its versatility, the coffee shop will attract a wide variety of customers.

As a part of the non-profitministry center the coffee shop will retain certain tax benefits as well as provide the ability to rent our location in the ministry center and all of our equipment from the church. After all financial obligations are met monthly, the remaining profit will be used to support other ministry both inside and out of our church.

**Product Summary**

The primary product of the coffee shop will be coffee and selected deserts, which will include both hot and cold specialty drinks, pies, cookies, etc. this recommendation comes as a result of observing several area coffee shops that have a steady and somewhat loyal client base. In order to differentiate our shop from our competition and better saturate the market we will diversify and not only focus on selling top quality blended coffee drinks, but also trademark, fresh-baked deserts for which our shop will become known.

The deserts in which we will specialise are pies and specialty cakes. To do this the standard fruit filled pies and cheesecakes can be purchased in bulk from wholesale retailer, while a handful of special cakes and pies are baked fresh on site. We are operating under the advisement that the average pie will last three to four days after baking if necessary and can be heated if served hot. Depending on the type of specialty cake and its ingredients we expect shelf life of around two to four days when kept in a refrigerated case. Obviously, the average cost of these products will vary with the size and ingredients but most of our cakes should cost between 3500 to 5000 naira and will serve 10 to 15 people.

In addition to selling coffee drinks and desserts, the coffee shop will provide fountain drinks, smoothies, tea, and hot chocolate for those who don’t appreciate the coffee flavour. Although the menu will be finalized at a later date, the shop will have weekly specials, which include blended drinks and desserts. Other retail items will include packages of roasted beans, featuring blends sold in our shops and shirts and mugs printed with our logo or that of the church.

**Market Summary**

According to a nation-wide survey conducted by the National Coffee Association, among all beverages consumed in Nigeria, coffee ranked third in daily consumption. Only two beverages water and soft drinks are consumed more on daily basis. Coffee is no longer considered a drink for older generations who “like it black”. Now, over half of the adult population drinks coffee everyday. As a result several major coffee companies reported first earnings well over 100 million U.S dollars.

“The industry trade group specialty coffee associate of America (SCAA) reports that the industry is not even set to peak until the year 2025”.

**Product Strategies**

In choosing a products strategies there two options that are being pursued

1)To develop an exclusive relationship with an already well known chain (seatte’s Best) to sell their coffee through the ministry center location. This has several advantages including developed set of products and marketing tools for increased portability. By implementing the proven techniques of the existing brand, the exposure will be instant and the work of developing a new line will be unnecessary.

2) The second option then is the development of the new brand from the coffe to the product line and menu. Building brand has distinct advantages in that the individual profitability becomes greater without a third party, the customization of coffee and product is up to the discretion of the church and specialization for a particular target market can occur without set menus and product lines built as a standard.

While developing a new brand from scratch is more expensive the profit potential becomes greater without the restrictions of a third party. Additionally, product quality can’t be more readily improved or developed when working with supplier for fresh coffee beans.

**Start-up Cost Summary**

Preliminary start-Up cost to consider include furniture (chairs, tables couch), display cases, menu boards, appropriate licences and permits, computer system, coffee shop POS hardware/software, cleaning supplies, office supplies, uniforms, signage and training systems.

Recurring expenses items would be food inventory (including coffee beans, drinks ingredients and desserts items) and paper inventory (including napkins, coffee cups, etc.) inventory items will have securing cost of five hundred thousand naira per months depending upon hours of operations, and product usage patterns. Additionally payroll expenses are calculated initially at 275000 naira per month for the first quarter and include one manager one part time employee along with a volunteer start-up help for total of 26 men hours per week not including volunteers based on a 14 hours initial weekly open-to closetore operation schedule.

Recommended start-up budget would include non-recurring cost items as well as initial month inventory purchase and 3 month advance employee payroll. This total 12 million. Additionally , recommended would be that rent and utility bills for the coffee shop be deferred for a period of one year. This along with the start-up budget and initial payroll advance should give the coffee shop a legitimate ramp-up period before monthly bills become due on a recurring basis. By decreasing the outflow of cash expenditure in the beginning, the coffee shop will have the breathing room to focus on marketing efforts and business buildings for the critical first period.

**Financial Projections**

Lighthouse coffee shop at 880 square feet is poised to become the signatures “spot” in the new ministry center. This location should eventually thrive on the traffic flow from other areas of operation within the building which will also help gain initial exposure within the community. In developing the financial section many factors were taken into account including size of location within town, traffic to other areas of the ministry center and congregation support. In addition several assumption were made based upon demographic research, industry averages and market analysis. The assumption are listed below:

**Annual sales**

Forecast is based upon the hours of operation per week, with estimated customer count per day. Forecast assumes a 1500 naira per customer order. Our research indicates an average per customer ticket of 1200- 1700 naira at most coffee shops with variance by location. This will include dessert sales, coffee sold by the pound and specialty drinks. Merchandise sales are calculated separately

**Product cost**

Product cost throughout the industry vary greatly depending upon the clientele and specialty on the types of drinks that are primarily sold (espresso drinks have a much higher mark-up). Overall industry average indicates a 30-40% product cost base, in a financially healthy location.

Merchandise cost are self-sustaining with additional product being purchased from the profit of the initial inventory and is therefore not calculated in the cost of the goods.

For illustrative purposes the pro-forma scenario is broken up into four quarters colour. Initial projected hours of operation are scheduled predominantly on the weekends and then expanding before the holidays to accommodate seasonal traffic. Sunday and Wednesday operating would be primary on the church schedule with fairly consistent hours of operation during weekdays. If community traffic is indeed one of the ministry goals it will be important to maintain some consistent off-church hours of operation preferably those which would be int the other areas of the ministry center.

Sales are expected to remain steady for the first year with annual sales of over 15 million. The staffing arrangement would introduce a combination of paid staff and volunteer help.