**Boulevard-KOFFI**

**BUSINESS PLAN – A MOBILE/DRIVE THRU COFFEE CAFE**

Contents

[**1.0 BRIEF BACKGROUND** 2](#_Toc462321144)

[**2.0 EXECUTIVE SUMMARY** 3](#_Toc462321145)

[2.1 SUMMARY 3](#_Toc462321146)

[2.2 MANAGEMENT TEAM 3](#_Toc462321147)

[2.3 PRODUCTS AND SERVICES 3](#_Toc462321148)

[2.4 CUSTOMERS 4](#_Toc462321149)

[2.5 FINANCIAL FORECAST 4](#_Toc462321150)

[2.6 REQUIRED FUNDS 4](#_Toc462321151)

[**3.0 COMPANY AND FINANCING** 4](#_Toc462321152)

[3.1 COMPANY OVERVIEW 4](#_Toc462321153)

[3.2 MANAGEMENT TEAM 4](#_Toc462321154)

[3.3 REQUIRED FUNDS 5](#_Toc462321155)

[3.4 EXIT STRATEGY 5](#_Toc462321156)

[3.5 MISSION STATEMENT 5](#_Toc462321157)

[3.6 COMPANY HISTORY 5](#_Toc462321158)

[3.7 MILESTONES ACHIEVED 5](#_Toc462321159)

[3.8 LOCATION AND FACILITIES 6](#_Toc462321160)

[3.9 KEYS TO SUCCESS 6](#_Toc462321161)

[**4.0 PRODUCT AND SERVICES** 6](#_Toc462321162)

[4.1 COFFEE BEVERAGES 7](#_Toc462321163)

[4.2 COFFEE PRODUCTS 7](#_Toc462321164)

[4.3 PASTRIES 7](#_Toc462321165)

[4.4 COMPETITORS 8](#_Toc462321166)

[**5.0 SOURCING AND FULFILLMENT** 8](#_Toc462321167)

[5.1 Coffee Beans 9](#_Toc462321168)

[5.2 Paper Cups 9](#_Toc462321169)

[5.3 Cup Sleeves 9](#_Toc462321170)

[5.3 Technology 9](#_Toc462321171)

[**6.0 INDUSTRY AND MARKET ANALYSIS** 10](#_Toc462321172)

[6.1 Coffee quality – increasing competition 10](#_Toc462321173)

[6.2 Market Trends 11](#_Toc462321174)

[6.3 Increasingly important role in the UK 11](#_Toc462321175)

[6.4 Coffee connoisseurs 11](#_Toc462321176)

[6.5 Market Growth to 30,000 outlets 12](#_Toc462321177)

[6.6 The Future Marketplace 12](#_Toc462321178)

[6.7 World Coffee Portal 12](#_Toc462321179)

[**7.0 STRATEGY AND IMPLEMENTATION SUMMARY** 13](#_Toc462321180)

[7.1 STRATEGY PYRAMID 13](#_Toc462321181)

[7.2 VALUE PROPOSITION 14](#_Toc462321182)

[7.3 COMPETITIVE EDGE 14](#_Toc462321183)

[7.4 Marketing Strategy 14](#_Toc462321184)

[7.5 Promotion strategy 14](#_Toc462321185)

[7.6 Distribution strategy 15](#_Toc462321186)

[7.7 Marketing Programmes 15](#_Toc462321187)

[7.7.1 Distinctive Logo 15](#_Toc462321188)

[7.7.2 Distinctive Caravan/Drive Thru Mobile Facilities 15](#_Toc462321189)

[7.7.3 Advertising and Promotion 15](#_Toc462321190)

[7.8 Positioning Statement 16](#_Toc462321191)

[7.9 Pricing Strategy 16](#_Toc462321192)

[7.10 Sales Strategy 16](#_Toc462321193)

[7.11 Sales Forecast 16](#_Toc462321194)

[8.0 Financial Speculations 17](#_Toc462321195)

# **1.0 BRIEF BACKGROUND**

Over half of Londoners over the age of 18 drink coffee every day. The average Londoner spends over £8 a week on coffee and nearly 20% of coffee drinkers consume more than two cups a day. Although, the coffee shop industry is dominated by brand names such as Starbucks and Pret a manger’ Donuts, independent coffee shops have found ways of acquiring a solid market share to net over £7 billion annually. This is in part due to the relatively high profit margin on coffee. In general, the price of coffee includes a mark-up of around 80%. Depending on the volume, a coffee shop can be a highly profitable endeavour.

Boulevard-KOFFI is a limited liability corporation located XX street. The idea of Boulevard-KOFFI was conceived with the goal of providing rich taste of coffee beverage, handmade and from the finest beans around the world. The purpose of this business plan sample is to obtain a £40,000 commercial bank loan in order to setup the store location and cover initial costs.

The mobile/Caravan/Drive Thru facilities will provide a substantial value proposition in that the customer does not have to find a parking place, exit the vehicle, stand in line to order, wait for the beverages ahead of him to be produced, pay a premium price for average product, find a place to sit, clean up the previous patron's mess, then enjoy their coffee, assuming they have sufficient time to linger over the cup.

# **2.0 EXECUTIVE SUMMARY**

## 2.1 SUMMARY

Boulevard-KOFFI is a mobile/Caravan coffee Cafe which offers high quality organic coffee, healthy fresh smoothies and hand made fresh juice to consumers in London. The main strategy is to provide a drive thru mobile café which access customers with an on time custom made coffees.

We are more than just an average run-of-the-mill coffee shop and offers more than just coffee. Our concept is unique; combining the sale of coffee and raw products will be sold under the same roof. The method of brewing our coffee is demonstrated whiles serving our clients. This will give clients the urge to also try the method at home by themselves. The purpose of this plan is to raise £50,000 to set up our shop and begin our marketing campaign.

## 2.2 MANAGEMENT TEAM

Boulevard-KOFFI is owned and operated by Goia Dragos. Dragos has a background in marketing within the food service industry, with previous experience working for various coffee shops in Europe and around the world.

## 2.3 PRODUCTS AND SERVICES

Boulevard-KOFFI mobile (Caravan/drive thru) Coffee Cafe will offer three products: coffee beverages, coffee products, and pastries (Croissant). Coffee beverages will be our main seller and sold by the cup in two sizes (regular and medium). All our beverages will be made from organic fair trade coffee beans sourced worldwide such as from Ethiopia and Columbia. We will also offer coffee products such as grinders and French presses for those who want match the quality of Boulevard-KOFFI’s in their own home. For our special offers, any size of our fresh coffee will come with a free croissant. Due to being mobile, Boulevard-KOFFI will serve customers in a different market segment and geography in London including busy markets, public front courts, business premises and road side.

## 2.4 CUSTOMERS

Our target customers are the coffeeholics, and young professionals in London. Our longer hours of operation will allow us to widen our customer base within each segment. Our large part of our marketing strategy will be to hold an open coffee brewing lesson throughout the weekend. Using the social media profiles of our changing location will allow us to reach a wider audience and increase traffic into our shop.

## 2.5 FINANCIAL FORECAST

Our business model projects that our company will generate over £50,000 in revenue in its first year of operation. Going forward, we expect to pass the breakeven point and become profitable near the end of our second year at a gross margin of 20%. In the third year there is a 35% profit expected.

## 2.6 REQUIRED FUNDS

Our capital structure is set up to be 30% of equity investment and 70% of debt financing. The equity investment will come entirely from the owner who will invest £10,000 during this round of investment. In terms of debt financing, Mr. Drago is seeking to obtain a 4-year £50,000 bank loan. The investment will be required to meet the company’s first major milestone, which is to become consistently cash flow positive by month 6 of operations.

# **3.0 COMPANY AND FINANCING**

## 3.1 COMPANY OVERVIEW

Boulevard-KOFFI is a limited liability company located in London. The company was originally conceived in July 2015 when founder Drago, realized that some parts of London was lacking an organic, handmade and organic coffees. Drago came to London in 2014 and upon visiting main stream coffee shops in London, he realised that quality of it was not up to the global standard. This is where interest for coffee shop grew and passion to set up a Caravan Coffee shop was materialised.

## 3.2 MANAGEMENT TEAM

Drago has a background in marketing within the food service industry, with previous experience working for various coffee shops in Europe and around the world. In the last 7 years Drago has accumulated a lot of experience and also two degrees in Bar tending. Drago has also trained to be a professional barista and a professional mixology. One more person will be employed to manage the Drive thru/Mobile facility so that whiles the business owner (Drago) manages the mobile Caravan, the Drive thru’s can be taken care by one more staff.

## 3.3 REQUIRED FUNDS

Boulevard-KOFFI is seeking to obtain a 4-year £50,000 bank loan.

The investment capital will be used for the following:

* £30,000 material resource acquisition (Including Mobile Caravan facilities)
* Marketing campaign to promote business launch
* Manager’s initial salary – minimum wage

The investment will be required to meet the company’s first major milestone, which is to become consistently cash flow positive by the 6th month of operations. Boulevard-KOFFI will also invest £10,000 during this round of investment.

## 3.4 EXIT STRATEGY

In the event of a loss, no profits will be paid to the owner or to the business. Owner will also forfeit equity investment. Assuming the venture is able to meet its financial projections, Mr. Drago intends to further expand to more retail locations across the greater London area. Drago intends to run the business until he decides to retire, at which point he will package the entire chain of coffee shops and sell them to a third party. There are several holding companies in the region that have a history of acquiring successful franchises with a revenue exceeding £500,000.

## 3.5 MISSION STATEMENT

Boulevard –KOFFI will provide the most stimulating coffee shop experience by providing a relaxed space for excellent coffee to be consumed, and culture to be enjoyed.

## 3.6 COMPANY HISTORY

Boulevard –KOFFI- first conceptualized the business was in October of 2015, when he realized that there were no local coffee shops that emphasized organic and handmade beverages as well as freshly toasted-handmade coffees. As an avid lover of coffee, Mr Drago (CEO of Boulevard-KOFFI-) dreamed of marrying his two interests into a mobile-moving-caravan coffee shop that can meet target customer’s needs

## 3.7 MILESTONES ACHIEVED

In the last 7 years I have accumulated a lot of experience and also two degrees in Bar tending. I have also trained to be a professional barista and a professional mixology.

## 3.8 LOCATION AND FACILITIES

Boulevard –KOFFI is a Caravan Coffee Shop that will choose the best market target and serve coffee to customers. Initially the following places are targeted:

* Seven Sister Station,
* Canary Wharf,
* Regent Street,
* Oxford street,
* Sloane Square

Boulevard –KOFFI plans an initial 7 types of special coffee beverages, as well as an assortment of pastries (mainly croissant). In addition, it will also sell coffee related products, such as beans sourced worldwide, French press coffee machines, and coffee grinders.

## 3.9 KEYS TO SUCCESS

There are four keys to success in this business, three of which are virtually the same as any food service business:

1. The greatest locations - visibility, high traffic pattern, convenient access.
2. The best products - freshest coffee beans, cleanest equipment, premium serving containers, consistent flavour.
3. The friendliest servers - cheerful, skilled, professional, articulate.
4. The finest reputation - word-of-mouth advertising, promotion our unique services.

# **4.0 PRODUCT AND SERVICES**

Mr Drago plans to sell all types of coffee beverages, as well as an assortment of pastries. In addition, it will also sell coffee related products, such as beans sourced worldwide, and coffee grinders. Drago will be using Brazilian/Mexican/Ethiopia/Columbia/Kenyan AA fair trade, organic coffee beans.



Although these beans will come at a premium price, it ensures high quality coffee that is economically exploitation free. All beverages will be available in medium or large size cups only.

## 4.1 COFFEE BEVERAGES

* Latte
* Espresso
* Cappuccino
* Double Espresso
* Machiatto
* Mocha
* Tea

## 4.2 COFFEE PRODUCTS

* Coffee beans
* Coffee grinders
* French presses
* French press, Aero press, Syphon, and Classic type

## 4.3 PASTRIES

* Fresh Fruits
* Croissant

## 4.4 COMPETITORS

In terms of size and target clientele, Boulevard –KOFFI’s primary competition is Starbucks Coffee. Starbucks Coffee’s brand is famous, having been a household name nationally for over a decade. There are, according to the company's own website, 246 Starbucks cafes in Greater London: nearly half of these (119) are in the central Zone One. The use of a mobile Caravan will be comparable to one single Starbucks coffee location in a city suburb (assuming Caravan is moved in 3 places within the city per a day), however it will provide fewer products and present a different atmosphere.

Our secondary competition is Pret a manger, another individually owned coffee establishment that caters to a socially conscious clientele. As of February 2014, there were 289 UK shops, 187 in London. They build kitchens in (or very near) every shop. Truthfully one’ll won’t find ‘sell-by’ dates on their fresh sandwiches and salads. Their milk and coffee is 100% organic. They offer their unsold food to charity at the end of each day rather than keeping it to sell the next day. Pret opened its Little Veggie Pop Up shop on Broadwick Street, Soho on 1st June, 2016. These are some unique selling details about Pret amanger which possess as a competitive threat to upcoming coffee shops.

Apart from the above Fast Food and Convenience Storesare two industries where Boulevard KOFFI will experience a certain level of competition. The national fast food chains and national convenience store chains already serve coffee, soda, and some breakfast foods. The national fast food chains obviously know the benefits and value to customers of drive-thru. We know that within the specialty coffee and tea market, the quality of the products sold will be much greater than what can currently be purchased at fast food and convenience stores. The addition of domestic soda sales for these stores is a large part of revenue. Boulevard KOFFI knows the quality of our products, along with the addition of domestic soda and the ease of drive-thru, gives it a competitive edge over fast food and convenience stores.

# **5.0 SOURCING AND FULFILLMENT**

**SOURCING**

## 5.1 Coffee Beans

Boulevard –KOFFI plans to source the majority of its coffee beans from Guatemala, Kenya, Ethiopia, Colombia and Brazil. The overall cost of this sourcing strategy will be higher than using local or non-fair trade suppliers, however these costs will be offset by increased and consistent business from economically and environmentally conscious customers who would otherwise avoid a normal franchise coffee shop.

## 5.2 Paper Cups

Paper cups will be sourced from Big Stock Shop Suppliers, who we have negotiated favourable terms with.

## 5.3 Cup Sleeves

Blank yellow cup sleeves will be also being sourced from Big Stock Shop Suppliers, which we will stamp individually with our logo.

**FULFILLMENT**

All products will be make-to-stock: each day’s supply will be modified based on forecasted demand. Over time the company will be able to forecast with precision the amount quantity to produce on a daily basis.

## 5.3 Technology

As a large scale mobile coffee shop, Boulevard-KOFFI-will rely on several pieces of technology to reliably serve its customers a consistent and delicious product.

* Caravan/Drive Thru/Mobile Caravan
* Boiler capacity of 12 litres
* Automatic Espresso Machine
* Water softener
* Automatic Espresso Grinders with doser/coffee hopper
* 1 Decaf
* 1 Regular
* Full Scale Bulk Coffee Grinder
* Automatic Coffee Maker (drip)
* Under Counter Refrigerator
* Storage Refrigerator
* Ice Maker
* Freezer
* Credit Card Machine

# **6.0 INDUSTRY AND MARKET ANALYSIS**

Estimated at 20,728 outlets the total UK coffee shop market shows significant sales growth of 10% on last year and a total turnover in 2015 of £7.9 billion.  According to the latest report from Allegra World Coffee Portal: Project Café2016 UK, the branded coffee chain segment recorded £3.3 billion turnover across 6,495 outlets, following impressive outlet growth of 12%, adding 714 stores during 2015 and delivering sales growth of 15%.

After 17 years of considerable growth, the coffee shop sector continues to be one of the most successful in the UK economy.  Costa Coffee (1,992 outlets), Starbucks Coffee Company (849) and Caffè Nero (620) remain the UK’s leading brands with 53% share of the branded chain market.  Physical expansion by leading chains is a strong driver of growth, particularly market leader Costa which added 171 UK outlets and had sales growth of 14% in calendar year 2015.

## 6.1 Coffee quality – increasing competition

Coffee quality is now expected and is being constantly improved across the sector due to the influence from both artisan chains and independents.  In Allegra’s survey of over 16,000 consumers, artisan chain Harris + Hoole was ranked number one for coffee quality.  Increasing competition provides consumers with better choice of quality coffee at home, at work and from non-specialists, with consumer choice now based on far more criteria than ever before.

A greater commitment to coffee credentials by the non-specialist sector, such as pubs, fast food outlets, supermarkets and retail stores, has also generated wider consumer interest while adding to competitive pressures.  This sector has experienced outlet growth of 10.5%, reaching 7,976 establishments with a strong coffee offering (excluding branded chain partnerships).  Supermarkets also fuelled growth, adding a further 322 outlets, driven mainly by Morrison’s commitment to a competitive coffee experience, adding a further 270 cafés to reach 398, second to Tesco with 481 coffee shops and cafés.

The non-specialist sector took a further 2% share of the market and now represents 39% of the total coffee shop market, compared to the branded chains with 31% share and the independents with 30% share.

## 6.2 Market Trends

The UK coffee shop market is dynamic and rapidly growing and the report shows that the UK is becoming a nation of coffee connoisseurs.  Compared with last year, daily visits to coffee shops have increased and 16% of coffee shop visitors frequented a coffee shop at least once a day in 2015 compared with 14% in 2014.

With coffee widely available out of home, coffee shop visitors drink an estimated 2.2 billion cups of coffee per year in coffee shops.  Costa is the number one seller of speciality coffee with an estimated 169 million cups sold annually.  Costa has also, for the sixth year in a row, been voted the nation’s favourite chain by Allegra’s independent panel of consumers, ahead of Caffè Nero and Starbucks**.**

## 6.3 Increasingly important role in the UK

Coffee shops are playing an increasingly important role in the UK, enhancing the social vibrancy of a community as well as being a large contributor to employment and the economy. The significant growth of medium-sized artisan chains such as Coffee#1 signals a new era of competition for the branded chains.

The third wave/artisan coffee has profoundly helped to raise consumer expectations about coffee quality and store design and the most successful brands are responding to this trend.  The artisan independent segment is becoming far more regionalised than ever before, with cities such as Bath, Edinburgh, Manchester and York boasting strong artisan independents.   Furthermore, these strong artisan independents are expanding into small chains with the support of consumer funding and traditional investment, following the success of leading small chains such as Taylor St. Baristas, Department of Coffee & Social Affairs and Grind & Co.

## 6.4 Coffee connoisseurs

The gradual decline of instant coffee consumption at home and the subsequent premiumisation of the at-home segment further increase the availability of speciality coffee and intensify the competition.  Consumers are becoming increasingly knowledgeable about coffee and brewing at home is on the rise, with 7% of consumers now having a range of third wave equipment (V60, aeropress, chemex and so on) compared with 2% in 2014.

While outside of the report scope, Allegra notes that gourmet vending units are now outnumbering branded chains, with 6,838 machines representing growth of 29% in 2015 and an estimated £280 million turnover.

## 6.5 Market Growth to 30,000 outlets

Allegra predicts the total UK coffee shop market will comfortably exceed 30,000 outlets and £15 billion turnover by 2025, driven by branded coffee chain expansion and non-specialist operator growth.  The branded coffee shop segment is forecast to exceed £5.7 billion with more than 8,500 outlets by 2020, with outlets predicted to grow at 6% compound and revenue at 12% compound over the next 5 years.

## 6.6 The Future Marketplace

The future coffee shop marketplace will be shaped by further increasing consumer participation and the desire for premium quality coffee anywhere at any time.  This will drive improved coffee offers across a broader set of channels.  UK consumers will become even more informed about the subtleties of coffee preparation and delivery from bean to cup, in particular origin and roast, as well as the importance of milk foaming and water quality.  Allegra expects to see a significant increase of multi-brand strategies by leading operators and increased investment in artisan brand concepts.

Jeffrey Young, MD of the Allegra Group commented, “The strong market growth of the past 12 months has exceeded our own estimates.  This provides further evidence of the growing importance of coffee shops to the British economy and more importantly their impact on the daily lives of everyday consumers.  With a market now valued at £7.9 billion, no-one can ignore the fact that coffee is big business.”

The Project Café2016 UK Report is now available to purchase from Allegra Strategies Limited and its new division Allegra World Coffee Portal Limited.

## 6.7 World Coffee Portal

The Allegra World Coffee Portal is destined to become the premier global information platform for senior decision makers across the coffee and related retail and foodservice sectors.  Building upon the unparalleled coffee expertise of Allegra Strategies, the World Coffee Portal is in advance stages of development and will be available to clients in Q2 2016.  The portal will deliver real-time data, coffee trend information, brand profiles and strategic analysis on some of the most important coffee markets across the world including more than 20 European Markets, USA, Australia and several Asian markets.

# **7.0 STRATEGY AND IMPLEMENTATION SUMMARY**

Boulevard-KOFFI will penetrate the commuter and captive consumer markets by deploying Drive-thru Caravan/Mobile Cafes in the most logical and accessible locations in London. The Drive-thrus are designed to handle two-sided traffic and dispense customer-designed, specially ordered cups of specialty beverages in less time than required for a visit to the locally owned cafe or one of the national chains.

Boulevard-KOFFI has identified its market as busy, mobile people whose time is already at a premium, but desire a refreshing, high quality beverage or baked item while commuting to or from work or school.

In addition to providing a quality product and an extensive menu of delicious items, to ensure customer awareness and loyalty, as well as positive public and media support, Boulevard-KOFFI could be donating up to 2.5% of revenue from each cup sold to the charities of the customers' choice.

## 7.1 STRATEGY PYRAMID

Boulevard-KOFFI strategy is to show people that they have an excellent product, convenient accessibility, and with a community benefit. To execute on this strategy, TDP is placing the Drive-thrus and Mobile Cafes at easily accessible locations throughout the metropolitan area. Boulevard-KOFFI is pricing its product competitively and training the production staff to be among the best Baristas in the country. Then, through coupons and display ads at the locations, we will involve the customers in community support efforts by explaining that a portion of their purchase price will be donated to a charity of their choosing.

In so doing, Boulevard-KOFFI will:

1. Provide customers with a quality product at a competitive price.
2. Provide the customer with a more convenient method for obtaining their desired coffee beverage product.
3. Demonstrated how Boulevard-KOFFI appreciates their loyalty and patronage by donating money to their personal cause.

## 7.2 VALUE PROPOSITION

The mobile/Caravan/Drive Thru facilities will provide a substantial value proposition in that the customer does not have to find a parking place, exit the vehicle, stand in line to order, wait for the beverages ahead of him to be produced, pay a premium price for average product, find a place to sit, clean up the previous patron's mess, then enjoy their coffee ... assuming they have sufficient time to linger over the cup.

Boulevard-KOFFI concept is that the customer drives up, places the order, receives a high quality product at a competitive price, and drives away, having wasted little time in the process.

## 7.3 COMPETITIVE EDGE

Boulevard-KOFFI's competitive edge is simple; provides a high quality product at a competitive price in a convenient accessible environment that saves time.

## 7.4 Marketing Strategy

First and foremost, Boulevard-KOFFI will be placing its Mobile Coffee facilities in locations of very high visibility and great ease of access. They will be located on high traffic commuter routes and close to shopping facilities in order to catch customers going to or from work, or while they are out for lunch, or on a shopping expedition. The Drive-thru are very unique and eye-catching, which will be a branding feature of its own.

Boulevard-KOFFI will be implementing a low cost advertising/promotion campaign which could involve drive-time radio, but not much more.

Boulevard-KOFFI will rely on building relationships with schools, charities and corporations to provide significant free publicity because of its community support programmes it will engage in. By giving charitable contributions to these institutions, they will get the word out to their students/faculty/employees/partners about our Mobile Coffee Café’s. Word of mouth has always proven to be the greatest advertising program a company can instil.

## 7.5 Promotion strategy

The long-range goal is to gain enough visibility to leverage the product line into other regions and generate inquiries from potential inventors. To do that, The Boulevard-KOFFI needs:

* Advertising at £,200 per month concentrating on drive time radio. The Daily Perc will experiment with different stations, keeping careful track of results. As with the school fundraising programmes, Boulevard-KOFFI expects the facilities and signage to be a substantial portion of our advertising. However, in the start-up phase, Boulevard-KOFFI needs to let people know where to look for the Mobile Coffee facility at any point in time.

## 7.6 Distribution strategy

Boulevard-KOFFI will locate their Mobile/Caravan/Drive Thru facilities in high traffic areas of the city where it knows working commuters will be passing. Boulevard-KOFFI will also make arrangements for the Mobile Cafes to be at as many schools, businesses, and events as possible every year, so that new customers, those who come in from areas where Boulevard-KOFFI may not have a Mobile Café facility, can be reached and those who didn't have the time to stop off that morning at their favourite Boulevard-KOFFI.

## 7.7 Marketing Programmes

7.7.1 Distinctive Logo


Boulevard Koffi

7.7.2 Distinctive Caravan/Drive Thru Mobile Facilities
Boulevard-KOFFI will use distinctive Caravans and Mobile Carriers which will efficiently deliver the services proposed. The Mobile Cafe will be a key marketing tool. The similarities between the Mobile Cafes and the Drive-thru facilities will be unmistakable. The exposure these units will provide cannot be measured in monetary terms. Boulevard-KOFFI will negotiate visits with the Mobile Units at schools, hospitals, corporations and other entities. In the case of schools and certain corporations, a portion of all sales made while on their campus could go to a programmes of their choice. The organization would promote its presence to their constituency and encourage them to frequent the Drive-thru establishments so that their charitable cause is nurtured. This will give those patrons an opportunity to taste the products and become a regular customer of the Drive-thru facilities. The Mobile Cafes will also be appearing at community events such as fairs, festivals, and other charitable events.

7.7.3 Advertising and Promotion
In the first year, Boulevard-KOFFI plans to spend moderately on advertising and promotion, with the programmes beginning in January, 2017, after the opening of the first Drive-thru. This would not be considered a serious advertising budget for any business, but Boulevard-KOFFI feels the exposure will come from publicity and promotion, so most of the funds will be spent on a good publicist who will get the word out about the charitable contribution programme and how it works in conjunction with the website. Boulevard-KOFFI also believes that word-of-mouth advertising and free beverage coupons will be better ways to drive people to the first and second locations.

In the second year, Boulevard-KOFFI is increasing the budget, since it will need to promote several locations, with particular emphasis on announcing these openings and all the other locations. Boulevard-KOFFI will continue to use publicity as a key component of the marketing programme, since Boulevard-KOFFI could be contributing over $10,000 to local schools and charities.

In the third year, The Boulevard-KOFFI will double its advertising and promotion budget, with the majority of the advertising budget being spent on drive time radio. As in the previous years, Boulevard-KOFFI will get substantial publicity from the donation of nearly £20,000 to local schools and charities.

## 7.8 Positioning Statement

For busy, mobile people whose time is already at a premium, but desire a refreshing, high quality beverage or baked item while commuting to or from work or school.

## 7.9 Pricing Strategy

Boulevard-KOFFI pricing will be comparable to the competition, but with the value-added feature of immediate, drive-thru service and convenience.

## 7.10 Sales Strategy

There will be several sales strategies put into place, including posting specials on high-profit items at the Caravan window for example. The Baristas will also hand out free drink coupons to those who have purchased a certain number of cups or something similar. Boulevard-KOFFI will also develop window sales techniques such as the Baristas asking if the customer would like a Fresh-Coffee beans to take home.

## 7.11 Sales Forecast

In the first year, Boulevard-KOFFI anticipates having one Mobile Café/Drive-thru locations in operation. This location will open in the third month of this plan and be fully operational beginning on the 1st day of January, 2017. The Mobile Café will generate £50,000 in the first year of operation.

In the second year, Boulevard-KOFFI will add one more Mobile/Caravan facility and, in the third year, Boulevard-KOFFI will add an additional 2 Mobile/Caravan/Drive-thru facilities. The addition of these facilities will increase the revenue with a total of over £70,000 in the second year and £150,000 revenue in the third.

# 8.0 Financial Speculations

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sales Forecast (£) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sales ForecastUnit Sales |  | Nov’16 | Dec’16 | Jan’17 | Feb’17 | Mar’17 | Apr’17 | May’17 | Jun’17 | July’17 | Aug’17 | Sept’17 | Oct’17 |
| Drive-thru #1 |  |  £0 | £0 | £1,500 | £1,700 |  £1,800 | £1,800 | £1,900 |  £1,000 | £1,500 |  £1,500 |  £1,900 | £2,500 |
| Mobile Cafe #1 |  |  £0 | £0 | £2,200 |  £2,300 |  £2,300 |  £2,500 |  £2,500 |  £2,600 |  £2600  |  £2,700 | £2,700 | £3,000 |
| Coffee Raw Material Sales |  |  £0 | £0 |  £100 |  £100 |  £100 |  £100 |  £100 |  £100 |  £100 |  £100 |  £100 |  £100 |
| Total Unit Sales |  |  £0 | £0 |  £3800 | £4,100 | £4,200 |  £4,300 | £4,400 |  £3,700 |  £4,200 | £4,300 |  £4,700 | £5,600 |
| Unit Prices |  | Nov’16 | Dec’16 | Jan’17 |  Feb’17 | Mar’17 | Apr’17 | May’17 | Jun’17 | July’17 | Aug’17 | Sept’17 | Oct’17 |
| Drive-thru #1 |  | £0 | £0 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 | £1.85 |
| Mobile Cafe #1 |  | £0 | £0 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 | £2.45 |
| Coffee Raw Material Sales |  |  £0 |  £0 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 | £1.95 |

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| Total Unit Sales |  | £0 | £0 | £6.25 | £6.25 | £6.25 | £6.25 | £6.25 | £6.25 | £6.25 | £6.25 | £6.25 |  £6.25 |

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| Table: Personnel |  |  |  |  |  |  |  |  |  |  |  |  |
| Personnel Plan | Nov’16 | Dec’16 | Jan’17 | Feb’17 | Mar’17 | Apr’17 | May’17 | Jun’17 | Jul’17 | Aug’17 | Sept’17 | Oct’17 |
| Drive-thru Team | £0 | £0 | £0 |  £0 |  £0 | £800 | £800 |  £800 | £800 |  £800 | £800 |  £800 |
| Mobile Cafe Team | £0 | £0 | £0 | £0 | £0 | £800 |  £800 |  £800 |  £800 | £800 |  £800 |  £800 |
| Equipment Care Specialist  | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |  £0 |
| Other | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |  £0 |
| SubtotalSales and Marketing Personnel | £0 | £0 | £0 |  £0 |  £0 |  £1,600 |  £1,600 |  £1,600 |  £1,600 |  £1,600 |  £1,600 |  £1,600 |
| Bookkeeper/Office Administrator | £0 | £0 | £0 | £0 | £0 |  £0 |  £0 | £0 |  £0 |  £0 | £0 | £1,500 |
| Marketing/Advertising | £0 | £0 | £50 | £50 |  £50 |  £50 | £50 | £50 | £50 |  £50 |  £50 | £50 |
| Total People |  2 | 2 | 2 | 2 |  2 |  2 |  2 |  2 | 2 | 2 | 2 |  2 |
| Total Payroll |  £0 |  £0 |  £50 |  £50 |  £50 |  £1,650 | £1,650 | £1,650 | £1,650 | £1,650 | £1,650 | £1,650 |

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| General Assumptions |  |  |  |  |  |  |  |  |  |  |  |  |
| General Assumptions | Nov’16 | Dec’16 | Jan’17 | Feb’17 | Mar’17 | Apr’17 | May’17 | Jun’17 | Jul’17 | Aug’17 | Sept’17 | Oct’17 |
| Current Interest Rate | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Long-term Interest Rate | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| Tax Rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| Pro Forma Profit and Loss |  | Nov’16 | Dec’16 | Jan’17 | Feb’17 | Mar’17 | Apr’17 | May’ 17 | Jun’17 | Jul’17 | Aug’17 | Sep’17 | Oct’17 |
| Sales |  |  £0 | £0 |  £3800 | £4,100 | £4,200 |  £4,300 | £4,400 | £3,700 |  £4,200 | £4,300 | £4,700 | £5,600 |
| Direct Cost of Sales (Personnel) |  |  £0 |  £0 |  £50 |  £50 |  £50 |  £1,650 | £1,650 | £1,650 | £1,650 | £1,650 |  £1,650 |  £1,650 |
| Production/Purchases  |  | £0 | £0 | £500 |  £500 |  £550 |  £580 |  £480 |  £450 |  £450 |  £450 |  £400 |  £400 |
| Total Cost of Sales |  | £0 | £0 | £550 |  £550 |  £600 |  £2,230  |  £2,130 | £2,100 | £2,100 | £2,100 | £2,050 | £2,050 |
| Gross Margin |  | £0 | £0 |  £3,250 | £3,550 | £3,600 | £2,070 | £2,270 | £1,600 | £2,100 | £2,200 | £2,650 | £3,550 |
| Operating Expenses |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General Purchases |  | £0 | £0 |  £100 | £80 |  £50 |  £50 |  £50 |  £50 |  £50 |  £50 |  £50 |  £50 |
| Leased Equipment/Caravan/Motorbike |  | £120 | £120 |  £120 | £120 |  £120 |  £120 | £120 | £120 | £120 | £120 |  £120 |  £120 |
| Utilities |  | £0 | £0 |  £30 |  £30 |  £30 |  £30 |  £30 |  £30 |  £30 | £30 |  £30 | £30 |
| Insurance |  | £0 | £0 |  £10 |  £10 |  £10 |  £10 |  £10 |  £10 |  £10 |  £10 |  £10 |  £10 |
| Rent |  | £0 | £0 |  £150 |  £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |  £0 |

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| Total Operating Expenses | £120 | £120 | £410 | £240 | £210 | £210 | £210 | £210 | £210 | £210 | £210 | £210 |
| Profit Before Interest and Taxes | (£120) | (£120) |  £2,840 | £3,310 | £3,390 | £1,860 | £2,060 | £1,390 | £1,890 | £1,990 | £2,440 | $3,340 |
|  Taxes Incurred | £0 | £0 | £0 |  £0 | £0 | £0 | £0 | £0 |  £0 | £0 | £0 | £0 |
| Net Profit | (£120) | (£120) |  £2,840 | £3,310 | £3,390 | £1,860 | £2,060 | £1,390 | £1,890 | £1,990 | £2,440 | $3,340 |
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