

# **A Business Plan for Establishing a Coffee Shop in China**

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Bachelor's Thesis

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<p><b>Abstract</b></p> <p>This report is a business plan for opening a coffee shop in a university in China. Firstly, I introduced why I chose this topic as my final thesis. As a business plan, I needed to learn what it is and how to write a correct plan. So, I searched some information from a website about the business plan.</p> <p>I made the survey in the website to help this report. The website analyzed data. I summarized and analyzed the resulting graphs.</p> <p>The main part of the report is to make a business plan. It included details about how to open a coffee shop. It discusses product, position, budget, cost, rental, risk analysis and so on.</p>			
<p><b>Keywords</b></p> <p>Business plan</p>			

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# 1 INTRODUCTION

This report is a business plan about how to establish a coffee house in China. This has been my career dream all the time for having a romantic and distinctive shop with flower art and coffee. I wish I can design a special leisure space for people who are working hard. It is a quiet place where customers can relax after their hard work and boring studies. I love flowers and making cakes. In my future shop, I hope customers sit on the sofa and have a cake and a cup of coffee in the floral environment. They can have a chat or read a book quietly. Books will be essential in the shop.

Firstly, this thesis explains what a business plan is. This includes the definition, structure, and content of a business plan. Each section is explained by querying the relevant data. Plans are developed in the body of the business plan. This includes content, purpose, and functionality. For example, background, SWOT analysis, marketing strategy, financial planning, operational management, risk analysis will be discussed.

Then I do a questionnaire asking opinions of students in the Chinese university. By the survey, I know how to open a better coffee house around a university. The survey was designed for students of university. Of course, there are not only students but also residents, teachers, merchants and other social workers in universities. Therefore, there will be other social workers to be surveyed. The survey was based on the feasibility of the coffee shop which I designed near a university. I would like to be able to make some additions, deletions, or alterations to the concept of the coffee shop that I have designed. By investigating, I hope to find out what people think of the coffee shop. At the same time, in the survey, I will understand the consumption level of most people based on the respondents' opinions. If you want to be aware of some people in a region, I think the questionnaire is a good way to do it. In an unfamiliar place, we often don't know a lot of people. But the survey can tell us a lot about strangers' thoughts.

This report includes the following sections: first, there is the introduction of the report. On the introduction, the thesis explains the content and purpose of the report. Then, as a business plan, I need to know what a business plan is and how to make a good one. Research methods are learned through the Internet and books. The next step is to analyze the data from the survey. Data analysis is a difficult part. Because there are so many questions, it is impossible to analyze and study everything. I need to choose some important things to discuss, which can help me to make the business plan. Next step may be the most important part of this report. It's a business plan. The business plan is

meant to be submitted to investors, so that they can make a judgment on the enterprise or the project, thereby enabling the enterprise to obtain financing.

□

## 2 WHAT IS A BUSINESS PLAN?

### 2.1 The Introduction of a Business Plan

A company, enterprise or project units need a business plan to achieve investment financing and other development goals, according to a certain format and content requirements and compiled a fully display companies and projects to audience written material of current status and future development potential. (360 Baike, 2014.)

A business plan is a summary of how a business or entrepreneur intends to organize an entrepreneurial endeavour and implement activities necessary and sufficient for the venture to succeed. It is a written explanation of the company's business model for the venture in question. Business plans are developed for ventures in both business and government. Business plans are used internally for management and planning and are also used to convince outsiders such as banks or venture capitalists to invest money in a venture. Business plans are noted for often quickly becoming out of date. One common belief within business circles is that the actual plan may have little value, but what is more important is the process of planning, through which the manager gains a greater understanding of the business and the options available. A business plan is prepared for customers for they need to know whether the product serves the purpose or not and the utility of the product, for the government because it is necessary to know for the government whether the legal, economical and subsidy concerns are met or the like. (Baidu Baike, 2015.)

A business plan is also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road. The time you spend making your business plan thorough and accurate, and keeping it up-to-date, is an investment that pays big dividends in the long term. (ENTREPRENEUR, 2017.)

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## 2.2 The Structure of Business Plan

### 2.2.1 Summary of Business Plan

#### SWOT

The abbreviation SWOT is short for the following words: strengths, weaknesses, opportunities and threats. With the help of the SWOT table, you can concisely present the position of the business about its markets. The entrepreneur should describe the strengths and weaknesses of her business idea, along with possible opportunities and threats.

It is worth thinking through the SWOT table early on in the planning process, but you can also fill it in towards the later stages of writing your plan, once you have analysed the issues from a broader perspective. (BUSINESS PLAN, 2007-2014.)

### 2.2.2 Expertise

Your expertise is the foundation of the credibility of your business plan. Working as an entrepreneur is based on expertise, which yields from professional skills and education. Know-how can also be obtained through hobbies, family or other daily activity sources. Personal traits related to entrepreneurship are result-orientation, perseverance, and independence. (BUSINESS PLAN, 2007-2014.)

### 2.2.3 Products and Services

Your product or service is dependent on your knowledge of the industry, your expertise, and your know-how. For you to succeed as an entrepreneur, you must know the market situation, whom your clients are, what are their needs, and what are your client's expectations towards you and your offered product or service. Try to analyse these issues from a customer perspective. Once your know-how and your product's customer solution is in the balance, you can gain a competitive advantage in the eyes of your customers. (BUSINESS PLAN, 2007-2014.)

### 2.2.4 Customers and Markets

An entrepreneur must know her customers, and what product or service qualities they value both the highest and lowest, as well as what level meets their expectations. Grouping customers according to the industry sector, size, and the location are sensible.

End-user customers can be grouped according to age, gender, income level, education, family size and living location. In the beginning, focus on customer groups, which are most likely to purchase your product or services. (BUSINESS PLAN, 2007-2014.)

#### 2.2.5 Markets and Competition

Competition is a way of life for an entrepreneur. You must know your competitors, their products, and their modes of action. An entrepreneur should differentiate herself from the competition with a factor that holds value for customers. This way, the entrepreneur has some freedom about pricing the product or service, and this translates as a better result. It is useful to follow the marketing initiatives of competitors, and to reflect on how often they advertise, and how they advertise. You can save advertisements into a folder to gain a better understanding of your competitors' ways of action, and to develop your company to be more competitive. (BUSINESS PLAN, 2007-2014.)

#### 2.2.6 Your Company

Think through your action plan carefully. For example, location requirements of your company, and necessary marketing initiatives differ from one industry to another. It is vital, that you reach a conclusion which is in the balance with your resources, and that you consecutively follow the plan and develop your business. (BUSINESS PLAN, 2007-2014.)

#### 2.2.7 Financial Administration and Accounting

In most cases, the entrepreneur does the best in focusing on the business activities by letting an accountant take care of the bookkeeping. Listening to expert advice about the closing of the books is important. A professional auditor is important for partnerships and limited companies. However, the planning of the business activities, follow-up, and development are always the responsibility of the entrepreneur (BUSINESS PLAN, 2007-2014.)

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### 3 SURVEY RESULTS OF ESTABLISHING A COFFEE SHOP IN A UNIVERSITY OF CHINA

#### 3.1 Introduction

I did a questionnaire about opening a coffee shop near a university. The people to be surveyed included students and general staff. The questionnaire is about people's opinions about the coffee shop. The questionnaire was made by a website to be named Wen Juan Wang. I made it, then to send to some people who I know or not. I can control start and stop of the survey. Until there are enough data, I stopped it. The website helped me to analyse those data as some charts and files. I analysed data by the answer from the website.

#### 3.2 Data analyse

Here's the data analysis: there were 57 people surveyed, 34 males and 23 females. There are 45 students and 12 social workers. Half of them would like to go to a coffee shop while they are relaxing. They almost all go to coffee shops on weekdays. Half of the people who work hard at regular jobs go to coffee shops to relax. Half of them can accept a cup of coffee to cost between 20 yuan and 30 yuan. More than half want a quiet and comfortable environment in the shop. The quality of coffee, the service and the style of the storefront are considered the most important in a coffee shop.

Most people think wi-fi, books, and music as necessary elements in a coffee shop. More than 75% of people like flower art but not too much. Each person has his or her own preference for flowers, but more than half prefer a lighter colour. People often do not buy flowers for more than 200 yuan. For books, people prefer novels and literature. Most of the people like to eat cake. Everyone has their own preferences for the type of cake. For the price of the cake, the price that the interviewees can accept is about 20 yuan. Seventy-five percent of respondents wanted a couch in a coffee shop. In the survey, most people preferred classical music and quiet music. Everyone has a different opinion about the decoration of the store. Respondents thought it would be a good idea to open a coffee shop near the university and support it. People think that coffee shops are a good place to relax after work.

#### 3.3 The basic chart show

The following are some charts of the survey:

Do you usually choose a coffee shop  
in your leisure time?  
答题人数 57



Figure 1. Do you usually choose a coffee shop in your leisure time? (Wenjuan, 2017.)

when are you going to coffee house?  
答题人数 57

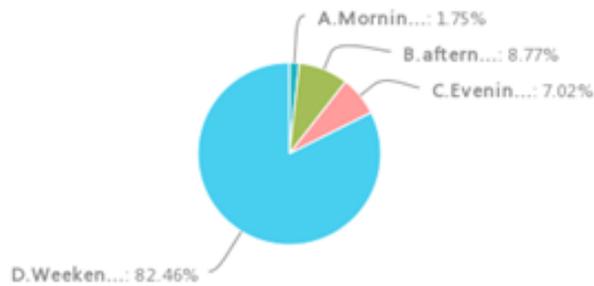


Figure 2. When are you going to coffee house? (Wenjuan, 2017.)

how much cost for a cup of coffee would you accept?  
答题人数 57



Figure 3. How much cost for a cup of coffee would you accept? (Wenjuan, 2017.)

[Type here]

what kind of style of a coffee house do you like?  
 答題人數 57



Figure 4. What kind of style of a coffee house do you like? (Wenjuan, 2017.)

what things must be in a coffee house do you think?  
 答題人數 57

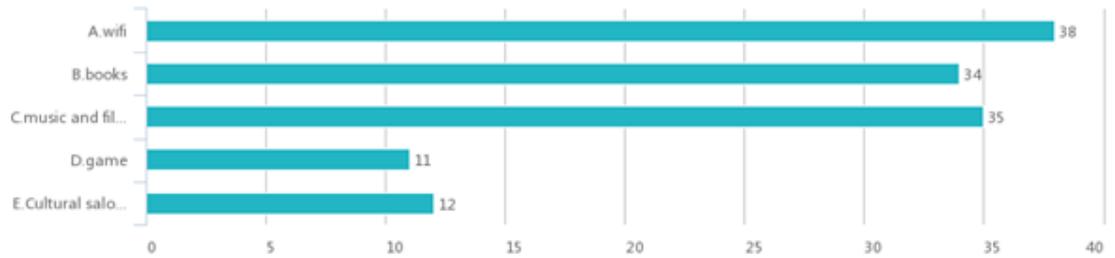


Figure 5. What things must be in a coffee house do you think? (Wenjuan, 2017.)

what kind of flowers do you like?  
 答題人數 57

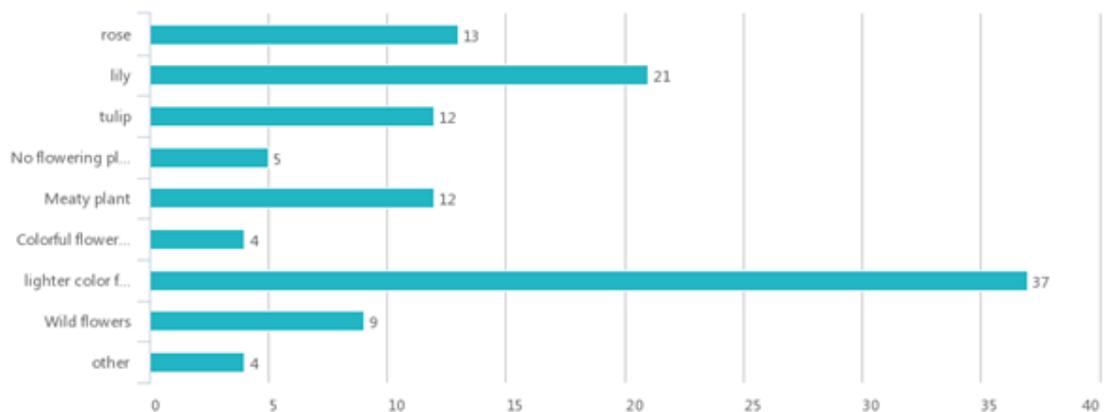


Figure 6. What kind of flowers do you like? (Wenjuan, 2017.)

how much can you accept for a flower to cost?  
答題人數 54

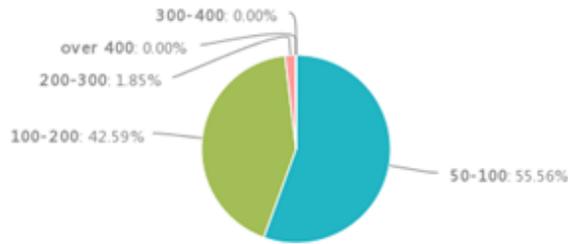


Figure 7. How much can you accept for a flower to cost? (Wenjuan, 2017.)

what kind of books do you like?  
答題人數 57

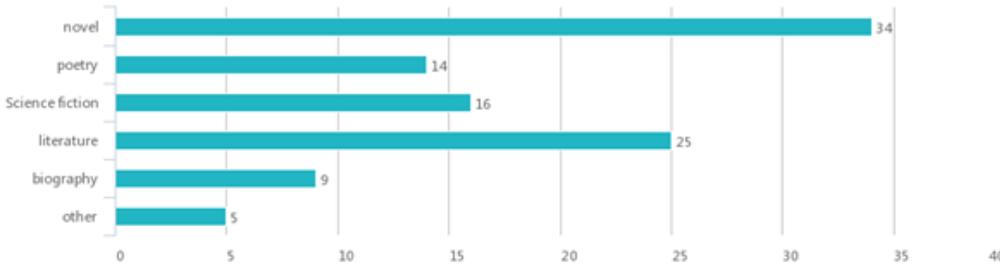


Figure 8. What kind of books do you like? (Wenjuan, 2017.)

how much are you willing to pay for the cake?  
答題人數 57

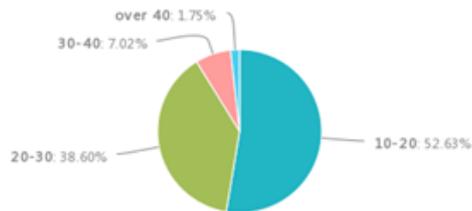


Figure 9. How much are you willing to pay for the cake? (Wenjuan, 2017.)

[Type here]

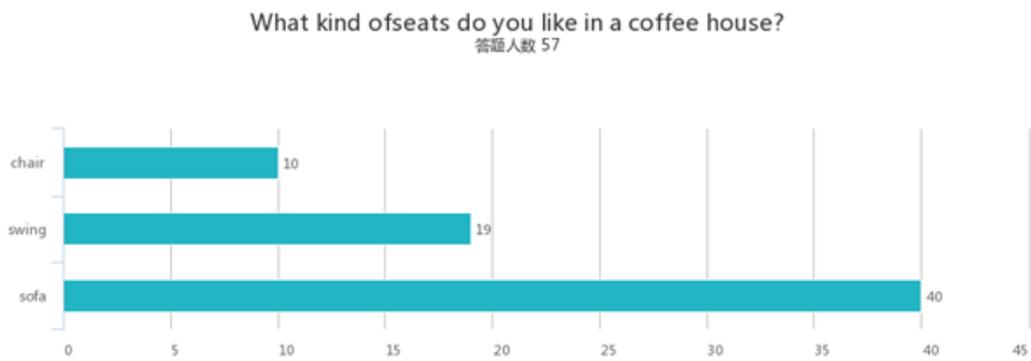


Figure 10. What kind of seats do you like in a coffee house? (Wenjuan, 2017.)

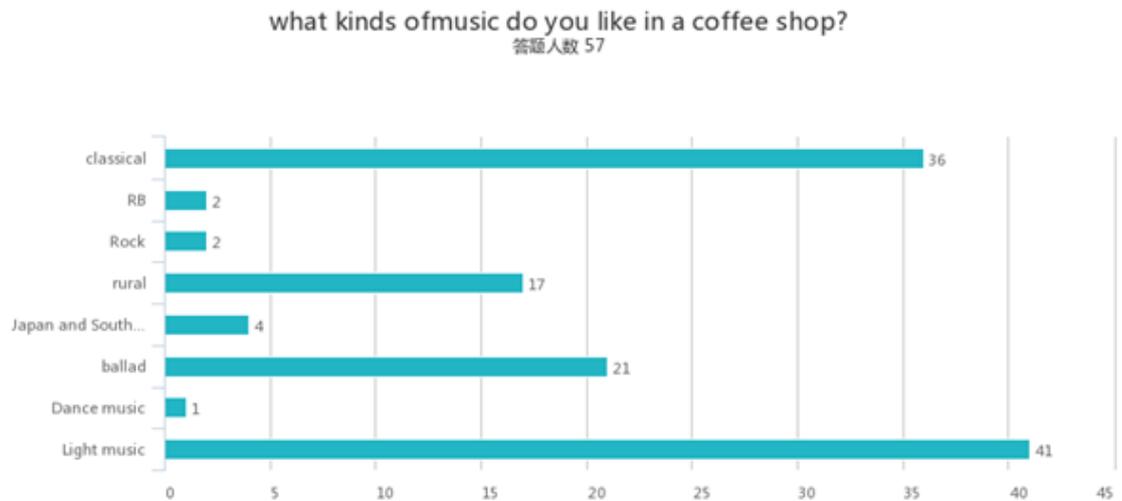


Figure 11. What kinds of music do you like in a coffee shop? (Wenjuan, 2017.)

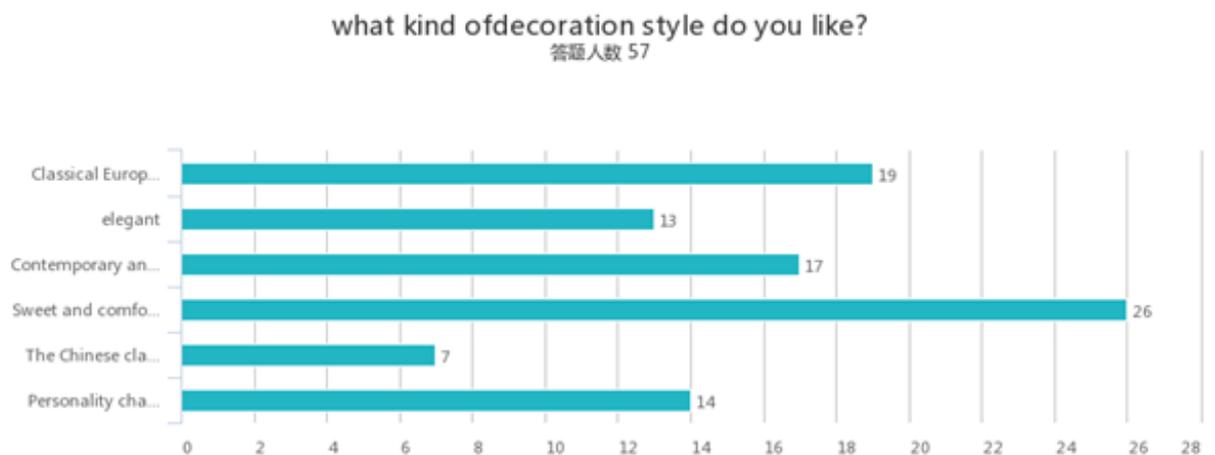


Figure 12. What kind of decoration style do you like? (Wenjuan, 2017.)

By the survey, I found it is possible to open a coffee shop near the university. I will design a comfortable coffee shop with coffee and cake, depending on the level of

consumption and preferences as students can accept. I also offer my own design of flower art, which can be sold and as decoration.

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## 4 BUSINESS PLAN

### 4.1 Introduction of Company

Name: Suomi & Lumi

Product: coffee + cake + flower

Position: West Anhui University

Area: 50 -100m<sup>2</sup>

Initial investment: 150,000 RMB

Investment recovery time: 1 year



Figure 13. Aerial view of West Anhui University (360 Picture, 2017.)

### 4.2 Background

As Suomi & Lumi, the name comes from my four-year studies in Finland. Suomi and Lumi mean Finland and snow in Finnish. Finland is in northern Europe with Sweden, Norway, Russia. (Caissa, 2016.)

During my four years in Finland, I liked to go to a coffee shop for a cup of coffee and a piece of cake with my friends in my spare time. I wanted to eat different cakes and drink different coffee at different coffee shops. We talked and played games together. We shared our stories and future dreams and plans. We left a lot of stories in different coffee shops. There I met many friends from different countries. Even if I go back to China, I

will never forget them. I will incorporate all the stories what I've learned, seen, listened in Finland into my coffee shop. During four years in Finland, I visited many countries of Europe. Each place I have experienced many stories and left many pictures. I will tell the guests and customers about my stories of studying abroad, who come to the shop. I want customers to buy not only a cup of coffee and cake. I hope it is a place where they communicate feelings with friends; a lonely person is saved from the wind and rain, let more people understand the Finnish way of life and can have a party.

### 4.3 SWOT

#### Strengths

The Nordic style of storefront design is very competitive in China. The free and relaxed atmosphere is a good adjustment for the fatigue when people have their fast-paced lives. In the process of human development, more and more attention is paid to the development of spiritual culture. Finland is a developed country, so it will be popular that a coffee house to be blended in with Finnish culture. All the facilities and decorations throughout the store will be involved with the story of my studies in Finland. For most Chinese who have not been to Finland and Europe, such a cafe will be a place of mystery. The whole cafe seems to be telling the story of Finland and Europe.

#### Weaknesses

Because of the limited cost of starting a business, the store is smaller and has poor risk tolerable. Through investigation, there already are several coffee shops near the West Anhui University. The university is on a small island with little traffic. There are several shops to make more competition. As an entrepreneur, without an entrepreneurial experience, the management of a coffee shop is challenging.

#### Opportunity

As an exchange student at West Anhui University and Savonia University of Applied Science, it is promising to open a coffee shop with Finnish characteristics in China. Nearby the university and even in the whole city, there is almost no coffee shop that has the style of northern Europe. As a traditional coffee shop, it is just coffee or cake. I will enter the market with the experiential life, which will be more attractive to those who pursue a higher spiritual life. I am going to make coffee not just for drinking, and cakes are not just food, but they are for a culture and a life.

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### Threats

Among many Chinese people, coffee is not popular. China is a country with a long history of tea culture. In this integrated world culture, many people see more threat in foreign cultures. In China, more and more coffee shops and more tea houses are a threat. Coffee shops are open near universities, and most of the customers are students. However, students, as social consumers, have no income and their spending power is poor. The fashion and taste of the coffee shop make a big proportion of emotional consumption. Consumers care a lot about brands and grades. This can also explain the fact that many consumers are looking for a coffee shop in the downtown area.

## 4.4 Planning

### Mission

Open a cafe with Nordic characteristics with two partners in West Anhui University is the mission of this business plan. I am going to integrate the Nordic culture and my student experience into the coffee house. Let more people know about European cultures. Moreover, like myself, I love a relaxed life with, which are many friends to chat and to share their stories with each other in their spare time. One part of the mission is to provide a place where friends can communicate more deeply.

### Vision

As traditional Chinese, people seem to be more accustomed to tea culture. But in the age of social development, Western culture is becoming more and more to be integrated into our lives. I hope that in my coffee shop customers will feel a different atmosphere. Hoping they have a place where their bodies and even their minds can rest after boring and tiring work. I also hope to share the good stories that I have experienced in Finland to more people. I hope to meet more like-minded friends.

### Business Goal

The plan is to be profitable within a year. Through advertising, more people know our coffee shop except for the university students and staff. By expanding publicity and daring to innovate, to attract larger customer groups is one of the goals. I hope to open similar stores in other cities or other universities after one year.

### Strategy

First, we should make a brochure. Potential customers should know about us through the Internet or campus advertising. Second, a series of activities should be made during

the trial operation, for example, a free sample of coffee and cake, a series of projects, and so on, to attract more customers. At the same time, we can leave some message books for our customers to think about our shortcomings and hopes for improvement. As a story, you should be most gracious to all customers. For the training of employees, they should also be able to understand the concept and meaning of the coffee shop. We want to make sure that all the customers really feel what we are looking for.

Through the above analysis, I will provide the specialty coffee. The decoration style will be contracted Nordic style. It also offers wireless Internet, literature, novels, etc. As a lover of flowers, we will provide the colorful flowers as storefront decoration in the shop. They will also have a price for sale. Design a big bookshelf on one wall of the store, and a few small corners also design a small bookcase. Some table and chairs are arranged neatly, some creative sofas and table are arranged casually.

Some special cakes are designed and made. As a characteristic culture, innovation is necessary. Customers also can learn how to make cakes. People who like or want to make their own cakes can make the cake they want. It is important to analyze the consumption level and set the price for the customer's consuming level. As a backdrop for music, light music and classical music will be the main options.

## 4.5 Product

### 4.5.1 Coffee

#### Finland's story

The Finnish story will be the specialty of our shop. I feel Finland, being simple and strong. The Finnish story will be blended into the coffee. A cup of coffee is made to have the meaning of the Finnish winter.

#### The zodiac signs and coffee

People with the different zodiac signs have different personalities. So, the zodiac signs make a good category for different coffees.

The zodiac signs and the coffees related with the sign are as follows:

[Type here]

Table 1: The coffees for the zodiac signs

Aquarius (1.20—2.18): Caffe Kona	Leo (7.23—8.22): Irish Caffe
Pisces (2.19—3.20): Caffe Mocha	Virgo (8.23—9.22): Blue Mountain
Aries (3.21—4.19): Italian Espresso	Libra (9.23—10.23): Espresso con Panna
Taurus (4.20—5.20): Mandheling	Scorpio (10.24—11.21): Mexico Caffe
Gemini (5.21—6.21): Cappuccino	Sagittarius (11.22—12.21): Café AuLait
Cancer (6.22—7.22): Caffe Americano	Capricorn (12.22—1.29): Turk Kahvesi
Finland's story	

We will name the twelve coffees according to the zodiac signs, for example, Aquarius coffee, and Pisces coffee. We will design cups using the different zodiac signs and use chocolate to draw the twelve zodiac signs on the surface of the coffee. In addition, we will be able to introduce the relative characteristics of the zodiac in the table and the coffee, as well as how to make a cup of coffee. Customers may choose their zodiac sign for the date of their birth. They may also be able to recognize their own zodiac signs.

### Aquarius

Ruled by shocking Uranus, Aquarius is very much epitomes the planet that inspires it. This sign has astonishing intellectual and communication skill.

TIPS: Aquarius has a lot of adaptabilities. But you may try many new things but end up mastering none.

### Pisces

Pisces is a Water element. Ruled by mystical Neptune. This sign is extremely receptive, compassionate, and other-directed.

TIPS: Lack of ego-strength can make you feel helpless.

### Aries

The fire element of Arise brings assertive “I” energy.

TIPS: Your persistence will lead you to success. But your impulsive8 temper may cause problems.

### Taurus

The Earth element of Taurus brings strength and the desire for solid ground form and structure.

TIPS: You might be a little bit slow-witted, but your consistency will make it up.

### Gemini

The Air element of Gemini brings communication, intellect and speed.

TIPS: Your mutable motivation brings adaptability.

### Cancer

Cancer’ s element is Water. Symbolic of the emotions, water signs need to give

[Type here]

<p>and receive.</p> <p>TIPS: Good memory is your born gift.</p>
<p>Leo</p> <p>Leo is Fire to the core! Fire brings a desire to create, innovate, and lead.</p> <p>TIPS: Your fixed motivation adds self-reliance. But remember to balance self-confidence with humility.</p>
<p>Virgo</p> <p>Ruled by shape-shifting Mercury, Virgo works hard to stability.</p> <p>TIPS: A good educational background is important. Diligence is your advantage.</p>
<p>Libra</p> <p>Libra represents the Air element. It is a sign that is more extroverted and active.</p> <p>TIPS: Your great need to share; to be fair and impartial will help you a lot.</p>
<p>Scorpio</p> <p>Scorpio is a Water element, and this makes it a somewhat enigmatic sign.</p> <p>TIPS: Study would never be a problem for Scorpio. You just need more confidence.</p>
<p>Sagittarius</p> <p>Sagittarius is Fire energy. This is a very active, extroverted sign.</p> <p>TIPS: You definitely have talent, but you still have to concentrate more.</p>
<p>Capricorn</p> <p>Capricorn is the leader of the Earth signs. Here is a stabilizing force, one of the hardest-working signs of the Zodiac.</p> <p>TIPS: Patience and caution are your advantages.</p>

Figure 14. The zodiac signs with characteristics (EF, 2012.)



Figure 15. Coffee (360 Picture, 2017.)      Figure 16. Coffee (360 Picture, 2017.)



Figure 17. Zodiac coffee (360 Picture, 2017.)

#### 4.5.2 Cake

Forest cake, coffee cake, cafe mocha vanilla cake, coconut cake, tiramisu, Italian cheesecake, blueberry cheesecake, matcha cake, strawberry cheesecake and coffee cheesecake are our traditional styles, the most preferred for eating when drinking coffee. Of course, there are more choices available. The cake selection will be added and replaced based on later customer feedback. In addition to the cake, I also will order different kinds of bread and biscuits from the bakery.

[Type here]



Figure 18. Forest Cake (360 Picture, 2017.)



Figure 19. Cheesecake (360 Picture, 2017.)



Figure 20. Tiramisu (360 Picture, 2017.)

#### 4.5.3 Flower Art

Flower art refers to techniques, through permutation and combination of certain materials flowers are made more pleasing aesthetically. It embodies the perfect combination of nature and people formed by the unique language of a flower, and lets people feel and be inspired.



Figure 21. Flower Arrangement (360 Picture, 2017.)

#### 4.6 Price

##### Coffee

The Finnish story costs 30 yuan per cup. The zodiac sign coffee is 25 yuan per cup.

Cake (unit: yuan per piece)

Table 2: The price of cakes and bread

Forest cake: 30	Strawberry cheesecake:20
Coffee cake: 18	Coffee cheesecake:20
Cafe mocha vanilla cake: 25	Matcha cake:18
Coconut cake: 18	Croissant:5
Tiramisu:18	Toast:2
Italian cheesecake:20	Milk bread:5
Blueberry cheesecake:20	Cheese bread:5
Cream bread:18	Other: Price based on the purchase price

##### Flower Art

The price of the flower depends on the purchase price. It is 1.5 times the purchase price.

[Type here]

## 4.7 Advertising

I plan to create a series of promotional advertisements through the Internet media. I will distribute some flyers in the university, and attach some discount cards. I will put up some flyers on university's advertisement board. I will also promote it through friends on dating apps.

### Event Marketing

We can have an advertising salon. In this way, the artistic grade and image of our shop have been enhanced, and the source of stability has been brought. This advertising salon can also be held on a regular basis. Related this area several important college student associations held some salon parties regarding activities to improve grades, to do reading activities. So, to improve grades will attract students and young adults. This way the brand is to have a certain recognition, and it is keeping a "Finnish story" active.

### Service Marketing

To establish the membership card system, the card has the name of the member and the printing is exquisite. Membership card rates are included, like a 10% discount. On the one hand, it can give consumers respect. On the other hand, it is convenient for the waiter to service the customer. At the same time, the cumulative amount of the card will be counted by the end of the year, and the cash will be returned in the form of cumulative cash return. At the same time, we will send exquisite gifts to customers who have accumulated a certain amount of consumption.

### Personalized Service

Some literature is available on the table. They are about the coffee, the story of Finland, etc. On the one hand, the good atmosphere can improve grades, and also it makes the consumer to like the brand of the store more. If the customer is interested, you can introduce the story to them.

## 4.8 Make Decoration and Facilities

### Shop Decoration

The fact that the coffee shop is decorated, in addition to providing a comfortable environment, it is more effective to attract customers and increase profits. Nordic style decorations can give a person a simple and comfortable feeling. Meanwhile, the theme

of the Finnish story creates an illusion of studying abroad in the store. After four years of studies, we are left with a lot of pictures. We can replace it regularly.

### Seating

It is planned to put a plain and simple desk and chair on one side of the shop; so it can offer customer business function. Two separate spaces are set in two corners of the store. There are two large long tables and chairs in public space. A creative sofa chair is placed in other space at random.

### Bar Decoration

There will be an open bar, with transparent window display cake. The coffee name and the corresponding price are written on the blackboard behind the bar. A cash register will be on the table.

### Kitchen Layout

The kitchen is equipped with ovens, fridges, coffee machines and kitchen appliances. Utensils and cups are indispensable.

### Bookshelf and Flowers to Put

It is planned to build a big bookshelf on the whole wall. Creative bookshelves are placed in other locations. All kinds of flowers are arranged in the shop, for example on the tables, in the bar, on the window ledge, on the bookcases, or hanging type.

### Bathroom Position

The bathroom is set up for both men and women, and it is located at a distance from the kitchen. It is necessary to keep it clean and tidy.

## 4.9 Material Supply

I plan to buy coffee beans from Europe. Other home appliance products can be purchased in China. Flowers will be bought in the local flower market. Knives, forks and spoons will be bought in the furniture market. Raw materials for cakes and other foods will be bought in the food market

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#### 4.10 Employees Recruiting

In the early days of the business, the basic business will be handled by me and the partners. We need to hire a professional barista. Later, we will recruit a baker and a waiter.

#### 4.11 License and Application for Public Affairs

##### Business Registration

The coffee shop needs to apply for business registration to the tax office for business activities. (Chinatax, 2016.)

##### Photo Shoot

Since the coffee shop belongs to the food bureau, we have to apply for a license from the department of health. (lawsjd, 2016.)

##### Industrial, commercial and public sector discharge licenses

We need to apply to the environmental protection agency for industrial, commercial and public sector emissions licenses. (hbj, 2017.)

##### Water, Electricity Application

We need to apply to the water authority to be registered as a store address. We must complete the water form and pay the fee. We would like to apply to China electric power co., LTD. For electricity supply. (slj, 2017.); (STATE GRID, 2012.)

##### The Phone Application

We need to apply for a commercial call from China telecom LTD. Although China telecom's phone service is more expensive than other companies, it can provide excellent service.

#### 4.12 Working Schedule

In China, the store's opening hours are set by the owner. The opening and closing times of each store are different. Most of our customers are college students. According to students' schedule, we can set the business hours on Monday to Friday from 10:00 to 22:00. The opening hours are 10:00 to 24:00 on the weekend. Of course, it is work time at the university. Most students return home during the Chinese holidays and annual winter and summer vacation. So, during the holidays, I am going to let the coffee shop

be closed. Specific working hours are defined according to the specific situation. For employees, their working hours will be open from opening hours on weekdays. Weekend work will be the same as the workday. Employees can take a day off each week. Employees' break time is only one day from Monday to Thursday. Specific time arrangements need to be formulated according to specific circumstances.

#### 4.13 Investment Budget Analysis

##### Rental

Located on an island, the island is shaped like a moon, so it is called a moon island. On the side of the island, there is a mass of commercial streets. Every shop has been bought by someone else. The store's rent is largely public. But the specific price needs to be discussed privately with the landlord. The rent is 2500 yuan per month. Usually, a month's rent and deposit are three months' rent. The up-front rent plus deposit is 10000 yuan.

##### Decoration Cost

Look for the decoration company will be chosen to decorate the shop, the market price is about 40,000 yuan. Among them, the design fee, the wireline change fee, the cost of the wooden ark, the kitchen and the toilet change and rectify. The floor is paved with floor tiles. First, the floor tile is cheaper than the wooden floor. Second, floor tiles are easy to clean. Third, floor tiles make the shop look bright. The two toilets and one pool will be built as men's toilet and women's toilet. There will be a sink at the door of the toilet, for men and women to share. The kitchen is a very important place for a coffee shop. The kitchen's simple commercial appliances and equipment for making cakes and cooking coffee are necessary. All the renovations cost about 70,000 yuan.

##### Decoration Tools and Other Equipment

Because of a shortage of upfront money, some electrical equipment, such as refrigerator, freezer, coffee machine, microwave oven, kettle, oven, and all equipment to make coffee and cakes, I will buy in the secondary market. But the coffee cups, knives, forks, spoons and cake dishes will be bought as new. The upfront cost is about 30,000 yuan

##### Raw Materials Purchasing Cost

We need to buy a range of raw materials such as coffee powder, flour, cream, sugar, eggs, milk, etc. At the beginning of the business, I advise against buying too much of the raw materials because of not knowing the amount of consumption. We can buy enough

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for one month first. Later, according to the sales volume, purchase quantity will be decided. A lack of experience leads to purchasing errors at the beginning. Due to too much raw materials, there is no comprehensive budget cost. There may be an error causing extra costs in the later stages. I am prepared to reserve 10,000 yuan for the first month of purchase. The following are some of the costs of raw materials.

Table 4: Price of some raw material of cakes

Coffee powder: 50 yuan / 500g	Eggs: 20 yuan / 500g
Sugar: 5 yuan / 500g	Butter: 13.8 yuan / 200g
Baking powder: 1.5 yuan / 50g	Cream: 48 yuan / L
Cream cheese: 19.5 yuan / 227g	Coconut cream: 28.8 yuan / 800ml
Cocoa powder: 40yuan /500g	Gelatine powder: 11.8 yuan / 300g
Cake powder: 16.8 yuan / 1kg	Chocolate: 34.8 yuan / 1kg
Matcha: 231.25 yuan / 500g	Vanilla: 13.8/ 28ml
Milk: 3.7 yuan / 240ml	Other: unknown

#### Advertising

I'm going to start designing some advertisements and advertise at the school gate. These paper advertising dollars are within 1,000 yuan. Second, I am going to use web tools to advertise the coffee shop. There is nothing wrong with using the network in an online age. Using douban.com and microblogs to initiate the same city activities, share coffee knowledge, life ideas, values, travel sharing and so on. The fan base is built up slowly and let more people will discover your store. In addition to having a good coffee, a good environment, and a good service, it is probably the best promotion I can think of. Small cafes are small businesses, and they cannot do any media advertising, but "Narrow AD" can be done. "Tell", is the best way to your cafe, about some fun thing happening when customers participate in these fun things, they can naturally become your loyal clients and communicators. Over time, the "narrow notice" becomes "Wide AD", and the "AD" effect is gradually achieved over time. (Zhihu, 2017.)

#### Shop Registration

According to tax regulations of the state, to open an individual shop to declare pay 4% VAT shall be submitted to the national tax department. There is a value-added tax to the local taxation bureau of city building duty. There are educational expenses to add 3%, 7% and 2% of personal income tax. If the monthly sales income is less than 5000 yuan, the exemption of VAT, urban construction tax and education fees are added. The tax authorities shall be implemented for individual businesses generally regular intervals in fixed amount to. Besides, it would press area, location, area, equipment, and so on for

approval to give you a month should pay tax. (Chinatax, 2016.) So, in the beginning, all documents can be handled within 1,000 yuan.

#### Unexpected Cost and Floating Capital

With no experience of entrepreneurship, there may be some unexpected expenses in the upfront investment budget, or beyond the present. In addition to the budget, I will prepare 20,000 yuan for the unexpected cost.

#### Electricity and Water Fee

Electricity and water fee civil Electricity and commercial Electricity price are not the same. The civil electricity charge is 0.5653 yuan per degree. The commercial electricity bill is 1.2 yuan per degree. The civil water charge is 1.9 yuan per ton. The commercial water charge is 2.7 yuan per ton. As the monthly water and electricity are delivered once a month, it can be determined according to the monthly amount after the opening. The cost of water and electricity used in the initial renovation is 5000 yuan. (STATE GRID, 2012.); (slj, 2017.)

#### 4.14 Risk Analysis

##### Lack of Research Ability

Many small cafes overlook the importance of market research and analysis before opening. They did analysis marketing by the managers of the subjective judgment and didn't get good professional guidance, for example, choosing the appropriate addresses to the effects of the cafe. At the same time, many business owners have a very low awareness of the coffee culture, which is not clear, and may also cause the coffee shop to run a crisis.

##### Poor Risk Defence

It's usually worse than the big coffee shops. If there is no detailed investment plan before investment, it is likely that all investment and effort will be wiped out. If small cafe shop does not reach expected earnings, cash flow will become very small, making it difficult to support the entire operation, resulting in bad investments. Therefore, it is very effective to reduce the risk of investment by investors details from the service provider and specialists in the field, so that to obtain the details of the process.

##### Correct Positioning and Design

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For any successful coffee shop, the composition of coffee needs a good affinity. If the price of coffee is too high or the quality is not good enough, and the amount of storage that cannot be sold, it may affect the sales. Small cafes are run not only by competition from other cafes in the region, but also by other businesses.

#### High-quality Service

The quality of service in any industry is the most direct impact on the enterprise. This is especially true for small cafes. As a result, the service staff of small cafes should have graceful and civilized behaviour when entertaining guests. They should also pay attention to the details of the appearance of the dress. At the same time, the cafe's service staff should be well versed in the knowledge of coffee and the entrepreneurial thought and background culture of the coffee shop, so that it can be explained to the customer.

## 5 SUMMARY

Writing this article has several accomplishments. First, I learned how to make a business plan. This includes the content of business plans, such as business planning, marketing strategy and financial analysis. Making a good business plan is a very important part of starting a business. It seems to have determined the success of the startup.

Second, before making a business plan, I did a survey of a coffee shop in college. The survey, based on the survey, made detailed plans for the selection of the respondents. For the type of coffee shop I have designed, I need to develop a questionnaire that will help me analyze the feasibility of entrepreneurship. The questions and the interviewees were targeted. After receiving the results of the survey, I analyzed the data I received, and selected and analyzed the results of my business plan. Through this survey, I learned how to make a proper questionnaire. I also learned the purpose of the survey. At the same time, I learned about the role of the survey in the early stage of entrepreneurship. The learning of these kinds of knowledge has helped me a lot in the future.

Thirdly, in the course of the business plan, I made relevant instructions and plans on the process of entrepreneurship. In SWOT, we analyzed the S, W, O, and T. Plan for the product, price, marketing, decoration, design, and related procedure. I also made simple analysis and formulation of financial planning. Finally, there is an analysis of the investment risk of opening a specialty coffee shop and how to analyze it with less risk.

As the result of the thesis, I got a lot of help for really opening a coffee shop like this in the future. I used to think of a coffee shop too simple. Through this report, I learned that it is not easy to get into a profitable coffee shop. A lot of people have had this idea before I have this idea. A lot of people really have a café house. Some of them succeed in entrepreneurship and others fail. There are many people who have never really started a business for many reasons. Opening a cafe is my dream. When I have venture capital, I hope that my dream is not just a dream, and I hope it will come true. Of course, the premise of realizing this dream is that there is a good plan, so that it will not lose money. I did not want to make a lot of money from the coffee shop, but I wanted to have enough money to keep the cafe going.

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## APPENDIX

### **A survey on the business of coffee shops in universities**

Dear classmate, thank you very much to participate in the questionnaire about the university coffee shop business. I hope that through this investigation, observation data, so that provide better suggestions for the coffee shop management.

1、 Gender

- A. Male
- B. Female

2、 Grade

- A. First year
- B. Second year
- C. Third year
- D. Last year
- E. Master
- F. Other

3、 Do you usually choose a coffee shop in your leisure time?

- A. yes
- B. no

4、 when are you going to coffee house?

- A. Morning of Monday to Friday
- B. afternoon of Monday to Friday
- C. Evening of Monday to Friday
- D. Weekend

5、 How often do you go to a coffee shop?

- A. Once one or two days
- B. Once three or four days
- C. Once one week
- D. Once two week
- E. Once one month
- F. Other

6、 Why do you go to coffee house?

- A. Drink coffee
- B. Relax
- C. Party
- D. Job
- E. Habit
- F. Entertainment

7、 How much a cup of coffee would you accept?

- A.10—20
- B.20—30
- C.30—50
- over 50

8、 What kind of style of a coffee house do you like?

- A. luxury
- B. Warm like home
- C. Relaxed and happy
- D. Personality and has story
- E. Quiet and comfortable

9、 What are important in a coffee house?

- A. The quality of coffee
- B. The quality of service
- C. Store style
- D. The price of coffee
- E. Other facilities
- F. Other

10、 What do you think is helpful for advertising?

- A. Outdoor advertising
- B. Online
- C. Brand promotion
- D. Friend introduced
- E. Posters and other university advertising

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11、 What things must be in a coffee house do you think?

- A. Wifi
- B. Books
- C. Music and film
- D. Game
- E. Cultural salon activity

12、 Do you like flower art?

- NO
- Yes, but do not know too much
- Yes, and know something
- Yes, and know more

13、 What kind of flowers do you like?

- Rose
- Lily
- Tulip
- No flowering plants
- Meaty plant
- Colorful flowers
- Lighter color flowers
- Wild flowers
- Other

14、 How much can you accept for a flower?

- 50-100
- 100-200
- 200-300
- 300-400
- over 400

15、 what kind of books do you like?

- Novel
- Poetry
- Science fiction
- Literature
- Biography
- Other

16、 Do you like coffee with cake?

- Yes
- It does not matter
- No

17、 What cakes do you like?

- Cheesecake
- Chiffon cake
- Tiramisu
- Cream cake
- Mousse cake
- Sponge cake
- Whatever
- Never eat cake

18、 How much are you willing to pay for the cake?

- 10-20
- 20-30
- 30-40
- over 40

19、 What kind of seats do you like in a coffee house?

- Chair
- Swing
- Sofa

20、 What kinds of music do you like in a coffee shop?

- Classical
- RB
- Rock
- Rural
- Japan and South Korea
- Ballad
- Dance music
- Light music

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21、What kind of decoration style do you like?

- Classical European style
- Elegant
- Contemporary and contracted
- Sweet and comfortable
- The Chinese classic
- Personality characteristics

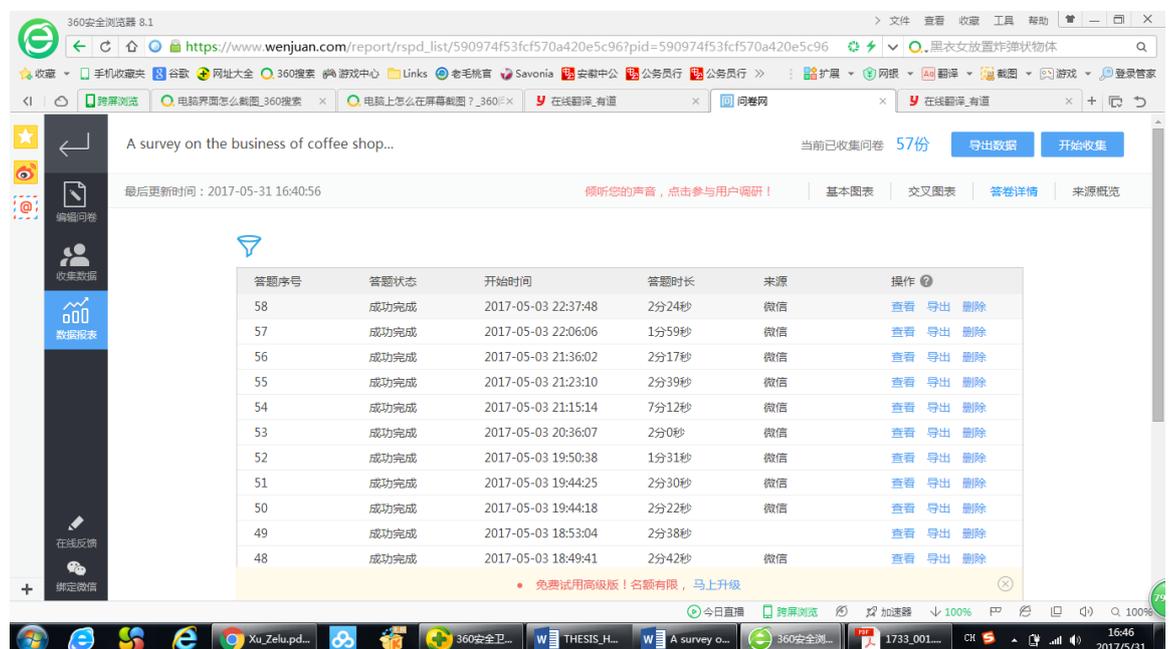
22、What do you think of to open a coffee shop that combines a flower, cake, and coffee in university?

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23、How would you like to have a rest area near your university?

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**The website page print screen of survey: include time, number, source and so on. (Wenjuan, 2017.)**



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