

BUSINESS PLAN

LET'S CHILL COFFEE CAFÉ BUSINESS PLAN IN BANGKOK, THAILAND



JIRATCHAYA PRAYADZAP

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE GRADUATE SCHOOL
STAMFORD INTERNATIONAL UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION
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**The Business Plan has been approved by
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EXECUTIVE SUMMARY

Coffee café with the new concept under Let's chill brand is not just selling coffee only. We also have popular dessert menus, such as Honey Toast and Bingsu, to provide customers with a variety choice. By the way, we have selected quality of raw materials to use in production to make customer happy and provide the satisfaction of target audience as much as possible. We also offer a new service to create a co-working space for adapting to our coffee café. The share space of Let's chill coffee café can be rented daily, weekly, monthly or yearly. The work area consists of a common area, a small meeting room, a large meeting room that serves a wide range of customers. There are also other facilities, a lounge and a garden coffee corner to welcome guests. We provide best coffee and quality of service, customer satisfaction and service with warmth and home-like comfort. Along with our café will open 24 hours to touch the point of convenient concept that means whenever you come we can provide you.

For the investment, the Let' chill coffee café will be invested with a budget 4,050,000 Baht with details as follows:

1. For all of Owner's Equity is 4,050,000 Baht
2. For the net income in the first year of the business will be 415,662 Baht and in the next year will be 812,415 Baht. So, we expect to have more and more customers every year.
3. We will get the payback period within 3 years.

However, if it won't be in the planned, we well prepare the strategy to solve the problem that might happen such as if the sale is decrease, we will do more promoting or making some new promotion to attract the attention of customers to join our place.

ACKNOWLEDGMENT

This independent research and business plan was prepared for the partial fulfillment of Masters in Business Administration program. It is a pleasure to thank to all those people who made this study possible. I am grateful that I chose Stamford International University for my Master program, and had chance to meet all professors I had during my studying, I am grateful for their consultancy and valuable feedbacks. This study would not have been possible without the guidance of my advisor, advises from other professors and also help from my family and friends.

I would like to express my deep gratitude to Professor Dr.Budsabawan Maharakkhaka, my research supervisors, for their patient guidance, enthusiastic encouragement and useful critiques of this research work. I would also like to thank Dr. Budsabawan Maharakkhaka, for her advice and assistance in keeping my progress on schedule. Finally, I wish to thank my parents for their support and encouragement throughout my study.

Jiratchaya Prayadzap

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This business plan is a proposal for opening a coffee café with the new concept called Let's Chill. This café is designed to be a resource for creative professionals located in Bangkok area near Kasertsart University. The place where offers coffee, dessert and the workspace or meeting area that is well designed, trendy, comfortable, and inspiring. One the biggest challenges for a creative freelance professional is finding an inspiring place to work or to be the place that the student come to book tutor with the relax feel and less stress and make everyone feel like read book at home.

Now a day coffee is a valuable commodity for human consumption and coffee still has a bearing on the global economy. The current continues to be popular with more and more people. The expansion of coffee café is continually increased and the focus on the needs of the food and beverage industry is important. Even the coffee café was run business in Thailand for a long time, but the style and popularity and adventurous coffee of the Thai people are unique to different countries. Together with current alternatives include coffee shops, libraries, and at home office. The concept of co-working is quickly growing in Bangkok, Thailand. Co-working is attracting many individuals from a range of professions looking to take advantage of shared workspaces. The target market is very specific in term of needs and the marketing approach will include generating awareness of the workspace, and brand primarily through word of mouth, and social networking. From all of this, we have seen the opportunity how to invest in new café where provide a share space for working with the nurture style. Although this business was already full of intense competition in the present.

Coffee café with the new concept under the Let's chill brand is the place is a coffee shop with mellow coffee and delicious desserts. And not just that, because our café is also be a share space to lecture or to be the workplace that is designed to serve the need of student, startup community in Bangkok area near Kasertsart university. It offers a workspace and meeting place that is designed to inspire creative freelancers,

entrepreneurs, and web developers working together in comfort, fun, and relax. The space is design with resources for independent creative professionals to work.

Let's chill coffee café has two floors. The first floor is all part of the coffee café. In the second floor will be allocated for Co-working space. There are many kinds of services, such as the meeting room or the conference room that provide in small size and big side. It includes the services of customizations of customer requirements. Our café is renovated to a warm style and make you feels like working in the nature. Because it so difficult to fine the green area in Bangkok today, so we want to make our guests feel relaxed and comfortable. For the decoration of the café is decorated with natural wood furniture. The table is made of natural wood, made up of chairs, counters and bars. We choose use the color of earth tones are used by focusing on green color because the research found that green is the most eye care and helps to be relax. Our lounge area is for relaxing, reading, or surfing the Internet. We come out with the slogan “Let’s chill feel like home”.

Our café with the new concept come from the seeking to drink coffee and dessert and including finding a workplace to build an inspiration of mine. It has come to the idea of investing in a new coffee café where not just unique coffee and desserts, but it also creates a collaborative space to meet the needs of people with similar needs of me.

Today's coffee cafe business is growing up steadily and there are many coffee consumers. Because coffee has its own unique aroma and flavor, and each has a different taste and market. And the way to make us different and stand out from others is the idea and sees the way to do this business that because our café has more workspace. It may attract the attention of consumers who do not want just coffee but want to find somewhere to work in a relaxed place. For each month, we will do new promotions to catch up consumer attention. So, it is thought that this café will satisfy the consumer. Moreover, the decision to choose a business under the brand name “Let’ chill” because it is a memorable word and it also means comfort and creates a relaxation for consumers.

1.2 Objective

- To study the feasibility of the Let's chill coffee café
- To study the opportunities and obstacles in conducting business in Bankhen area near Kasetsart University.
- To reduce business risk caused by internal and external environment.
- To take this business plan to create a coffee café with new concept that is an alternative choice for consumers who like to drink coffee and find a relaxed workplace.

1.3 Expected Benefits

The results of this study will make sure the coffee cafe business in Bankhen area near Kasetsart University is feasible.

1.4 Scope of study

- Scope of content: Study the feasibility of running the Let's chill coffee café.
- The period of time: The study period is from January to March 2017.

1.5 Framework for education

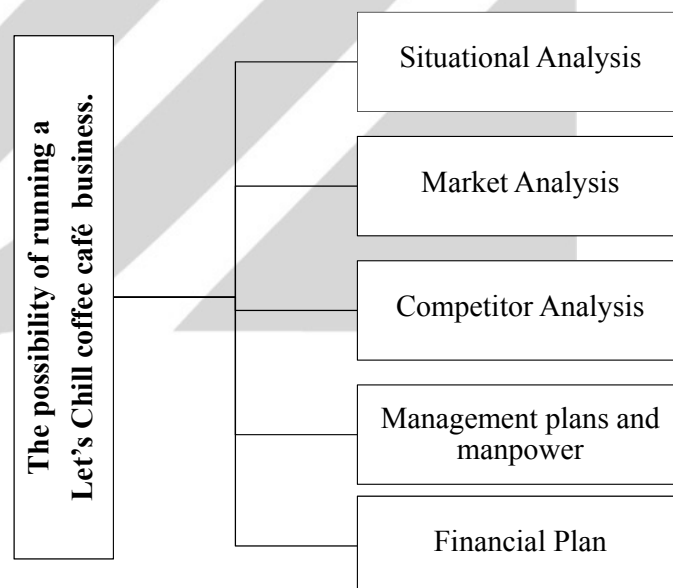


Figure 1.1 Framework for education

Source: Google My Map, 2017

CHAPTER 2

COMPANY SAMARY

2.1 Background

Nowadays many people find it difficult to fit in an established company and try to bring changes into that company. It is becoming more and more difficult for skillful people who have a potential to manage a whole company as they want it, but rather working under the supervision of somebody else's. Young entrepreneurs are seeking a different way to work independently with people who share the same values and they also look for synergy that a co-working space shared with talented people. This is a reason why co-working space is rising because there is a constant need for people who would want to independently, rent an inexpensive office, and a more collaborative area.

Let's chill coffee café is a coffee shop where combined with workplace that is designed to serve the need of students and startup community in Bangkok Area. It offers coffee, dessert and workspace, that are designed to inspire creative students, freelancers, entrepreneurs, and web developers working together in comfort, fun, and relax. The space is design with resources for independent creative professionals to work.

We have an idea and see the way to do this business that because our café has more work space. It may attract the attention of consumers who do not want just coffee, but want to find somewhere to work in a relaxed place. For each month, we will do new promotions to catch up consumer attention. So, it is thought that this café will satisfy the consumer. Moreover, the decision to choose a business under the brand name "Let's chill" because it is a memorable word and it also means comfort and create a relaxation for consumers.

For The location that we choose to invest the business is Bangkok area near Kasetsart University. Bangkok is the best location for building this business as following these reasons.

As you know, around the Kasetsart University has a lot of coffee café and very high competitive advantage, but there is low supply of co-working, only a few co-worker spaces in the neighborhood at this time. This area has many business companies and a

university but still have no co-working space that can provide to people who want to have this service in this area. Second, it is located not far from BTS, MRT, bus stop and taxi stand. It takes a few minutes to get anywhere around this area and we also provide a car park. It's so easy to come to our place. Next, there is affordable rental space. Bangkok Neighborhood is not overly expensive because it's up and coming area. It's not going to be super costly like Thonglor or Asoke for example. Finally, Bangkok is near several shopping malls; central plaza, major Rachayothin, Union square, JJ mall. Due to there will be many potential customers around and combined with marketing efforts we can achieve high acquisition.



Figure 2.1 Bang khen Area

Source: Google My Map, 2017

Every day, we go to work hoping to do two things to serve the best coffee and dessert taste together with share a good workplace with our friends and to make people feel more relaxed while they are working. We are not just a coffee shop, but we are the place that links everyone to meet up, we focus on the full relaxation and value of the service. We also have many services and events to serve customer. The atmosphere of café is well design, in order to make you feel relaxed and feel like working at home.

It's not uncommon to see people coming to our space to work, meet up or even create new idea. We are an outside meeting place; this makes you feel more relaxed than the Main office. Because if you join with us, you will see that we have more than coffee, dessert or space, but we are your second home. We are confident that everything we allocate to our customer comes from our commitment to provide the highest quality

of service and space. Including to the way we engage our customers and community with friendliness.

2.2 Company Ownership

Co-working space is a privately held company, co-owned by Jiratchaya Prayadzap and two partners.

2.3 Vision/Mission Statement

Vision: “To be the best of new style coffee cafes and be the one in mind of the customer.”

Mission: “To be leader in creating happiness for customers who like to drink coffee and participate in the community.

Short-term goals

Making the brand “let’s chill” to be popular in the short time.

Medium-term goals

Our businesses must be able to increase sales at least 20% within a maximum of 2 years to pay back.

Long-term goals

To be stable coffee café business and developing the let’s chill brand to be different from the competition. Increased potential to expand the branch to another area in Bangkok and he demand and can get the consumer loyalty for long.

2.4 Products/Services

We provide best coffee and quality of service, customer satisfaction and service with warmth and home-like comfort. Along with our café will open 24 hours. To touch the point of convenient concept that means whenever you come we can provide you.

Logo and Slogan

We come out with slogan “Stay with us, like working at home”



Figure 2.2 The logo of “Let’s Chill” Co-working space

Source: Jiratchaya, 2017

Products and service

Let's chill coffee café has two floors. The first floor is all part of the coffee café. We are not just selling coffee only. We also have many kinds of drinks and popular dessert menus, such as Honey Toast and Bingsu, to provide customers with a variety choice. By the way, we have selected quality of raw materials to use in production to make customer happy and provide the satisfaction of target audience as much as possible.

In the second floor will be allocated for lease space to work. There are many kind of services, such as the meeting room or the conference room that provide in small size and big side. It includes the services of customizations of customer requirements. We also have the garden outside. We will open 24 hours every day. The service area is divided into 2 zones as follows:

1. Common zone (1st floor: The common coffee café)

For this floor, we will welcome everyone who came to enjoy our coffee and dessert. We will provide the best menu of drinks and popular dessert menu to our customer.

Let’s chill coffee space menu:

-Drinks menu: hot drinks, cold drinks and frappe

-Dessert menu: Honey toast, Bingsu and special dessert menu of the month.

2. Private zone (2nd floor: Working private area)

And for the 2nd floor, we allocate extra space for tenants to work areas to make more enhance personal feeling. You can come individual or grouped ever you want to.

The space service that we provide as below:

- a.Lecture space.
- b.Small meeting room.
- c.Big meeting room.

We will provide the space and environment for customer to make them feel more and more relax when they are working. Our space focusing on concept of making people who come feel woke at home but there is more inspiration.

2.5 Start-up Plan

Start-up plan expenses for Let's chill coffee café are focuses primarily on renovate expenses equipment for our co-working space. Jiratchaya Prayadzap will invest 49 %of start-up costs and two partners will invest 51% of it. The following initial capital need to start up co-working space.

Estimated startup cost:

The Let's chill coffee café business has the following major investment characteristics:

We decide to rent space in the beginning stage. It is an independent building with 2 floors. The first floor will invest in the equipment and furniture in café. And in the second floor will invest in the workspace.

The largest portion of estimated startup costs goes into interior design, renovations, and labor costs. Since the focus on the business is design and inspiration, more attention has been allocated to this area. Website development and branding will be another major cost component. The estimated startup costs are shown in a table below:

Table 2.1 Start-up expenses

Let's chill coffee café**Required Start-Up Funds for a New Business or
Opening Balance Sheet for an Existing Business**

Required Start-Up Funds	Amount	Totals
Fixed Assets		
Real Estate-Land	\$ -	
Buildings	-	
Renovation	2,000,000	
Equipment	500,000	
Furniture and Fixtures	500,000	
Landscape	400,000	
Other Fixed Assets	200,000	
Total Fixed Assets		3,600,000
Operating Capital		
Rent Deposits	120,000	
Utility Deposits	30,000	
Supplies	100,000	
Working Capital (Cash On Hand)	200,000	
Total Operating Capital		450,000
Total Required Funds		\$ 4,050,000
Sources of Funding	Amount	Totals
Owner's Equity	49.51%	2,005,000
Outside Investors	0.00%	
Additional Loans or Debt		
Commercial Loan	50.49%	2,045,000
Commercial Mortgage	0.00%	-
Credit Card Debt	0.00%	-
Vehicle Loans	0.00%	-
Other Bank Debt	0.00%	-
Total Sources of Funding	100.00%	\$ 4,050,000

Findings from Table 2.1 , according to non-recurring costs associated with setting up a Let's chill coffee café business, such as renovate cost, land rental, technical cost and salary expense. Our Let's chill coffee café business has beginning cost equal 4,050,000 Baht.

2.6 Business Model

LET'S CHILL COFFEE CAFÉ BUSINESS MODEL				
Partner	Main activity	Value	Customer reation ship	Target group
Supplier	Quality of coffee	Delicious coffee	Promotion	Students Working people Business start-p
Land renter	Quality of Service	Many choice	Collect card	
Equipment shop	Environment of café	Excellent service	customer service	
	resource	Atmosphere	Distribution channels	
	Good Barista		Shop	
	Coffee bean		Social media	
	Coffee make			
	atmosphere			
	brand			
Expenses		Income		
Land rental expense		Sale of drinks, dessert and service		
Renovation expense		Advertising		
Material expense		Event		
Salary expense				
Equipment Expense				

Figure 2.3 Business plan of Let's chill coffee café

Source: Jiratchaya, 2017

2.7 Goal

The goal of the business is to make Let's chill coffee café known to target customers. Along with making our customer fun and empowered for learning or working while drinking coffee or enjoying the dessert and getting new inspiration in our space. Because our café is a new business, it is strategically planned with the low price when compared to many competitors. To attract more customers to interested the service in the café. The atmosphere in the café will be decorated by the color of the eye, focusing on the main green colour that makes you feel clear ant comfortable. When customers step inside the café, they will experience a sense of relaxation and friendly service. Our café also has wireless internet, plugs and reading corners for those who love to read. Including the new service is the share space that we really recommend to offer a variety of options for customers to use the service.

CHAPTER 3

INDUSTRY ANALYSIS

3.1 Industrial Situation

In the past, coffee was only the main food in the morning, especially for people who wanted fast food. But nowadays, there is a growing popularity of coffee, consumer of coffee groups and times. Consumption is still wider than ever, so today's coffee market in Thailand grows rapidly. Together with the changes in the innovation of many businesses against the new technologies that can be imported. It is an important element in supporting and creating a business selling point, so many entrepreneurs are investing in this business.

According to Kasikorn Thai research, it was found that the premium coffee shop in 2015, the value of premium coffee shop was 5,100 million baht, compared to 2016, it increases 4.1 percent. Business overview of premium coffee shop has slowed down since 2015. This is expected to grow in 2016. It will be at 5 percent close in 2015, from the previous 3-4 years ago, the expansion of the premium coffee business is up to 15-20 percent.

However, the premium coffee business is still a noteworthy business. By large premium coffee shops focus on selling the bakery, food, drinks and ice cream by adding the special menu, including the differences between brands. Interesting issues during the year 2558 is a premium coffee shop that is emerging as a distinct brand comes from the original business. Especially business quick service restaurants or food stores or create a new brand of premium coffee original brand. Focusing on the customer-level is changed, that they focus more on customer of middle class than high class by adding a tiny booth as or kiosk. This is to increase sales of their business.

Surprisingly the premium coffee shops new born this year will be less than during 2-3 years ago. But the casual dining category, which includes food, bakery and beverage shop, is likely to grow high. By follow the popular of fresh coffee, and more of the people as the main Thai style. Append to extinguish the idea to have a wide range of products within the store. To support the needs of consumers, and developing new products to meet consumer that contributes new restaurant under the original investors that effect to new investors interested.

Examining the General Market

Thailand's economy will perform moderately in 2017. An expanded fiscal stimulus is a major driver. A modest rebound in exports along with steady growth of private consumption provides additional support. Weaknesses in fixed investment are a drag. Rates of growth in real GDP will average about 3.3% per year in the medium term. Public investment will be a major driver though there is a danger that it could crowd out private investment. (Thailand Country Report, 2015)

Bangkok is the capital and most populous city of Thailand, with the population of over 8 million people representing 12.6 %of the whole population in this country (Thailand Country Report, 2015)

A coffee café can be roughly divided into 3 patterns by investors:

- The coffee franchise from abroad.

This kind of coffee franchise from abroad is most focusing on upper-level customers. Starbucks may be regarded as a leader in this market, with a reputation and a brand. Starbucks is from the United States. The selling point of a coffee shop is the several of raw material from abroad. Inside the shop have many types of media publicity pamphlets to educate the various matters involved tight coffee customers. Starbucks is the consumer's hearts in the coffee market, the top level (Starbucks, 2017). Currently, there are approximately 133 branches. And the other brand in this market include Suzuki, Au Bon Pain, Gloria chin coffee pi, etc.

- The coffee shop for foreign investors who build a brand in Thailand.

For example Coffee beans and tea leaf and Coffee world. So, the coffee world is quite a famous shop in this group. Coffee World focuses more on business man and working people. Currently, Coffee World has branches in shopping centers such as Central, Big C and Lotus. For the style decor is modern. The coffee shop has a coffee and tea in Thailand and imported from abroad. In present, The Coffee World has a number of branches to 81 branches in Thailand.(Gfacorp, 2016). And as a brand that people, Thailand is ranked 3 in 1 until they want to sit in a coffee shop. (SBIC Research from suan Dusit rajabhat University 2015)

- The coffee shop of a Thai people and investment branch in Thailand.

Coffee shops in this group come in many sizes. Featured stores and most successful franchise system is Black Canyon. Black Canyon coffee shop has a tear,

different from the original. By opening a coffee shop with a tightly coupled restaurant, Black Canyon was aimed at penetrating the customer group for intermediate to upper level that is groups of workers and family groups. Black Canyon a first-class sales of fresh coffee. 1 sachet per coffee with 1 glass (Blackcanyoncoffee, 2016). Others café in this group include Coffee Maker, 94 coffee, The Barista Coffee Shop sells these quality coffee similar to big brand but cheaper. This is make opportunity for the consumer has choices for coffee increases.

In currently, there are 4 style of coffee café by type of shop:

- Coffee Conner: This kind of coffee café sells coffee as the main menu and elaborates other snacks.
- Quick restaurant: This coffee shop is expanding its audience to include families. The services offered in the restaurant.
- Coffee Conner & snack bar: Focus coffee with bakery and moved to seize its office buildings to focus working people.
- Coffee booth: Coffee with an emphasis on fresh coffee and more others drinks that making the convenience for consumers.

What is remarkable is Coffee shop of 3 styles can be considered a major adjustment of the coffee café to be globally competitive.

Impact of the expansion of coffee business in Thailand, there are the following:

- Changing the behavior of Thai people drinking coffee. there is more coffee café for now, that make a Thai people who has knowledge of a secret involving Thailand coffee roasting and more able to change people's attitude towards Thailand blended coffee shop. Due to in the past, Thai people commonly consumed instant coffee more than fresh coffee, because they think that the fresh coffee whit sale at the shop is expensive. In fact, the price of coffee roasting in the coffee shop is follow the quality and freshness of the product. Therefore, the chance to run coffee café business still open for investors.
- A lot of fresh coffee booth in Bangkok, especially in the central business and shops along the road to the other provinces. The small coffee booth is selling freshly brewed coffee, a new business opened a lot, but they add to the sale of fresh coffee to provide more alternatives to customers, especially fresh coffee for sale.

- The coffee produced in Thailand is getting more popular, especially high-quality coffee produced in the North of Thailand, such as the coffee capital of the DOI wawee coffee project, Doi Chaang, etc. Because of the unique taste of coffee, the coffee café investors in Thailand are bringing the coffee in the country. In addition, ground coffee is produced in the country will be known more, then Thailand nationals spotted a country start to accept the taste of roasted coffee grinder is made in Thailand until ordered to visit a coffee shop, a premium in a foreign country with e-mail, which will help increase the export value of coffee grew up.
- Imports of instant coffee are rapidly expanding, because of the rapid expansion of the cafe business, especially a coffee franchise from other country. It makes instant coffee imports have grown exponentially.

3.2 Market segmentation

For the segmentation of coffee café business will focus on marketing activities to reach students and faculty who work in offices close to sophisticated coffee shops and teens. Our market research shows that these customers are the ones who always buy delicious coffee products. Due to the consumption of coffee in each category, the revenue and most of it depends on the higher education level. Close proximity to Kasetsart University will help reach the target market. The segmentation of coffee café business is divided into the following.

1. Demographics

- Age: Persons aged 15 and over
- Occupation: Students, working people, Freelancers and etc.
- Income: Moderate

2. Behavioral

- Estimated usage: 3-4 times per month.
- The most times customer used services: 12:00 to 19:00 hrs.
- The time of day: Friday, Saturday and Sunday.

-Consumer groups are 3 groups.

Economy: A consumer group that values value. They compare the price advantage with the value of the product.

Health Concern: A healthy consumer group focuses on importance to nutrition and wants a product that is healthy.

Taste (Good Tasting): This group, they focus on the taste of food.

3.3 Targeting

The coffee café business is very high competition and so easy to come to this business. So, the target of Let's chill coffee café is students and working people around Kasetsart university. Because they have much purchasing power and passion for new things and experiment together with patterns of living that meets our target groups the deficiency. It can be easier to attract a strategic marketing and promoting appropriate and interesting.

3.4 Positioning

The positioning of the Let's chill coffee café has been positioned as a coffee shop with a variety of products. There are many products available to serve the needs of consumers.

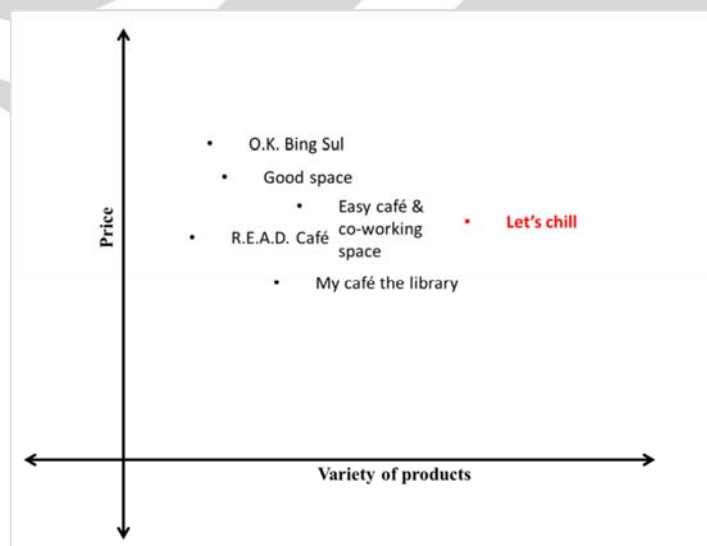


Figure 3.1 Positioning

Source: Jiratchaya, 2017

Target Market.

The target customer of Let's chill coffee café is a group of students, start-ups, business men and including freelancers around Kasetsart University. Include people who have a passion of coffee and mouthwatering bakery and beverage with unique taste. The estimated average income from 7,000-10, 000baht, includes those who passed it around to find a meeting point.

Market need

It is undeniable that the development of communication has played a major part in changing the way people work. Especially with professionals such as designers, architects, IT engineers, auditors, etc. These people start turning their backs on being human beings. And step into the "freelance" path as much as you see, many people choose to work at home for convenience. The people go out to work or find a coffee shop with a WIFI called to change the coffee area to a private meeting table.

The question is, can a home or a coffee shop serve as an effective workplace? This may be the start of a new concept of working space that intertwines between home and coffee. Which new freelance or SMEs should be familiar with the name "Co-working Space".

Size and trends

The estimated market of co-working space in Bangkok Thailand is 140 co-working space from 2012 to 2016 which shows a potential growth because according to statistic the global co-working space market size is 1400 spaces across US and Europe. Thailand startup ecosystem is as wellbeing supporting by the ICT minister to boost to the number of start up in the near future which means there is a potential growth in co-working space business environment in Thailand because there are currently more 8000 startups in Thailand and the number is increasing.

The customer characteristics

The target customer of ' Let's chill coffee cafe is a group of students, including working people with the life forms like the convenience, modern, and have their own

style. These customers have high Purchasing power and they focus on the quality of coffee and reasonable prices. Our cafe is emphasized put strategy and promotion to this target customer and also putting another strategy for other customer target group.

3.5 Competitor analysis

Competitive environment of the coffee business is highly competitive because of the cafe business is classified as competitive with many vendors list. Competition in business is quite violent as well. Due to the coming of the new entry of coffee café business is easy. For the competitors of our café is a coffee shop and bakery shop located nearby Kasetsart University. There are 5 main competitors as follows:

- Good space
- Easy café & co-working space
- R.E.A.D. Café
- My café the library
- Launchpad
- FitB – Fuel in the Blank
- TREAT Cafe & Hangout
- Sweet December Café
- O.K. Bing Sul
- McDonal's

The competitors will have the advantage of being famous and popular among students. But we believe that our target customer is teens who always want to try something new, they don't like anything that is repeatedly. And include the service, the atmosphere and decoration of cafe together with a new service that allocates to create work space that we proudly offer in the cheaper price.

We survey 5 competitors by using 4 decision criteria as 4P: Product, Price, Place and Promotion. Then we will design our product and service to be cheapest and be the best. The Competitive land scape is shown in a figure below:

Table 2.2 The Competitive land scape

Criteria \ CAFE	Good space	Easy café	R.E.A.D. Café	My café the library	O.K. Bing Sul	Let's chill café
Product and service						
Coffee	o	o	o	o	o	o
variety of manu	o	o		o		o
BAR		o				
Meeting room	o		o	o		o
Workshop and seminar space	o					o
Private office			o	o		
Hot Desk	o		o			o
Community	o					o
Wifi connection	o	o	o	o		o
Phones	o					
Stationary	o			o		o
Printing service						o
Parking Space	o		o	o	o	o
Relax Area						o
Price						
High	o			o		
Meduim		o	o		o	o
Low						
Place						
Convenience	o	o		o		o
Unconvenience			o		o	
Promotion						
Facebook	o	o	o	o	o	o
Wongnai applications						o
Instagram		o	o		o	o
Birth day's promotion						o
Inviting friends				o		o
Free trial using						o

3.6 Competitive environment

SWOT Analysis

Strengths

- A quality of coffee at a reasonable price, our drinks and desserts menu always fresh. We use of high-quality of raw materials that are fresh and clean at all times.
- There is a wide range of drinks suitable for customers who like to drink coffee or who want other drinks. Expose consumers have more choices, and never feel bored.
- For our dessert menu, we have Honey and Bigsu, because both are very popular in Students and working people, we also have special dessert menu for each month.
- There is a beautiful decoration arrangement. We focused on providing a natural for customer with greater choice and make them feel relaxing.
- There is the share space to work together, and also have private zone to serve the needs of the co-operative approach to personal who want to work alone or group.
- Preparation of promotional campaigns at any time. We focus on PR through social network and doing some activities with our café.

Weaknesses

- Because the shop has just started. This store may not be known much, may enter the market during the first.
- In the first stage, there may be a high cost because there is a wide variety of menu. And we do not know the exact requirements of the customer the items within the café and bakery needs to have a daily production.
- We are still young and have less experience in this type of business. It could disadvantage with other competitors who has more experience.
- The coffee business requires an investment and may slowly return.
- Employee competence, Because of our coffee café is still new. Employees must accumulate experience and take time to practice, it may also be disadvantageous competitors.

Opportunity

There is a quality source of raw materials for domestic addresses, because in the present area of the north of Thailand has a cultivated coffee, coffee beans, good quality. To import coffee beans is different from another countries

- Consumers are drinking coffee increased from the part, And interest to use the service of the coffee shop more and more to talk about a job or have a meeting at a coffee shop, etc.
- The coffee business market is likely to grow higher as the company announces coffee shops and the number of new coffee shops.
- Government support for small and medium businesses (SMEs), to increase their employment opportunities and stimulate the economy.
- There is a lot of university and company around there, so this is main reason for our opportunity.

Threats

- A modern life demands rapid increase. Instant coffee market is likely to grow higher as well. So, this is the main drawback of the business.
- The competition is huge and the growth of the market is growing.
- Coffee market cannot be expanded quickly. Due to the culture of coffee drinking. It takes time to learn and develop acceptance.
- No coffee business partners. Due to this business is very high competitive. All business owners need to develop their own products to be better to others and want to get the most market share.

Five-Force Model

- Threat of substitutes (High)

Coffee is a product that can replace by many products. Such as fruit juice, milk tea or even instant coffee. They can all be purchased easily and these alternatives are also lower priced.

- Threat of new entrants (High)

The coffee business can easily enter the business and high demand, the market is wide open, even this kind of business has high investment. But if anyone who has the ability and good marketing, they can enter in the business.

- Rivalry among existing firms (High)

The coffee business is a relatively entrepreneurial market, resulting in intense competition as numerous of coffee shops in the present. Both cafes are foreign brands or Thai brands. And the all of product are likely similar. Although there are different recipes, but coffee is the same. It is necessary to make a difference in other aspects, such as the atmosphere of the decoration, variety of products and other services.

- Bargaining power of suppliers (Low)

The bargaining power of suppliers has low bargaining power. For now Thailand is able to grow high quality coffee. It can reduce the import of coffee beans from abroad and there are many choices to buy the coffee bean. But on the other hand, there are many entrepreneurs in the coffee shop business. It can make raw material suppliers have a high bargaining power as well.

- Bargaining power of buyers (High)

Because there are many kind of coffee products, such as canned coffee, instant coffee and roasted coffee, which can be bought in the market. There is also many substitute product, that make bargaining power of buyers is high. Together with this kind of business is so many competitors that make more choice for customers, the will compare and decide to buy the best product and quality.

CHAPTER 4

MANAGEMENT PLAN

4.1 Business detail

Name of business: Let's chill coffee café.

Logo:

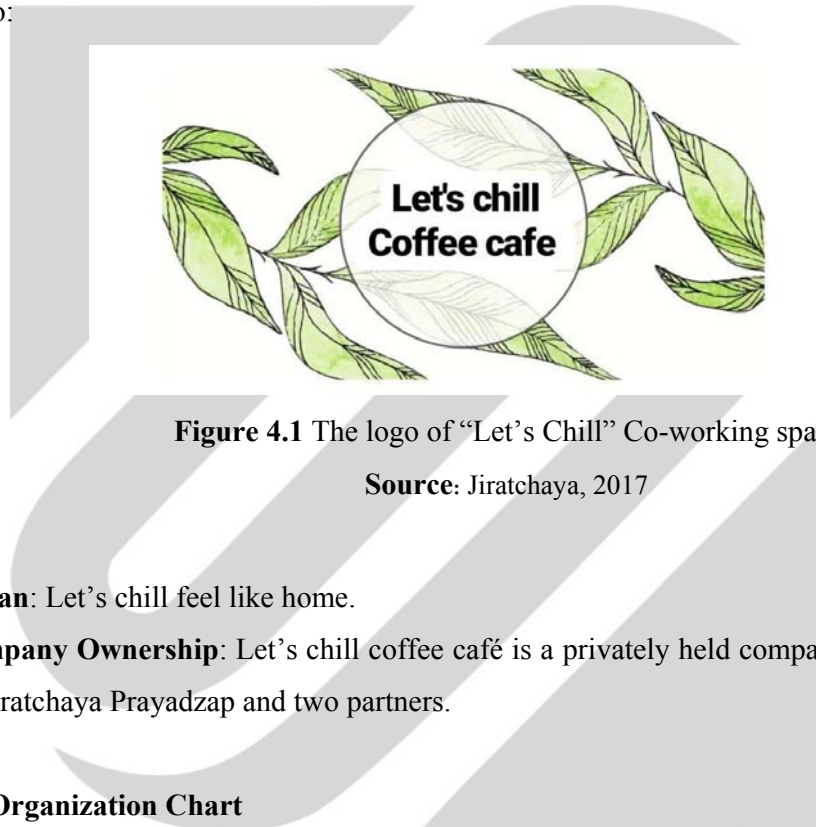


Figure 4.1 The logo of “Let’s Chill” Co-working space

Source: Jiratchaya, 2017

Slogan: Let's chill feel like home.

Company Ownership: Let's chill coffee café is a privately held company, co-owned by Jiratchaya Prayadzap and two partners.

4.2 Organization Chart

This chart is the first phase of our co-working space organizational structure it is based on functional organization structure of the co-founder our business. The operational functions are divided into a specialized functional area such as managing director and the sub operational division manager who would have hands on everyday business operation. Every co-founder has a specialized function to fill for the business success.

MANAGEMENT TEAM

Let's chill coffee café is a privately held company, consists of three co-founders Jiratchaya Prayadzap and two partners with unique expertise and connection among the entrepreneurs and freelancers in Bangkok. So, our cafe has a total of 9 Employees. And because our café is open 24 hours, we need to divide our employees into 3 shifts.

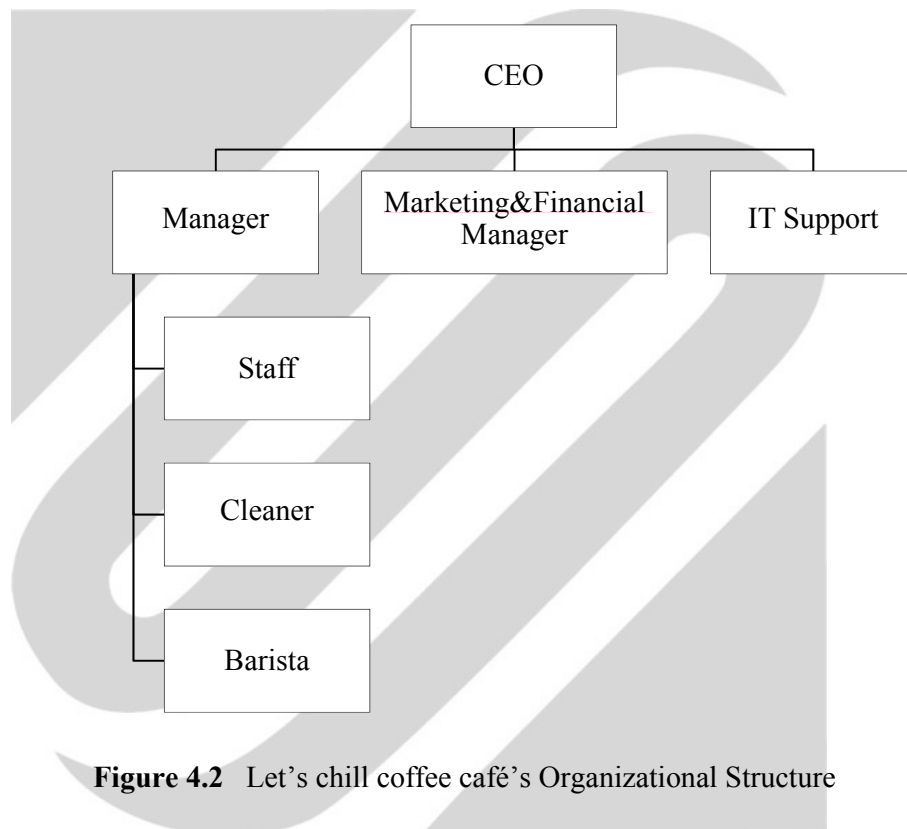


Figure 4.2 Let's chill coffee café's Organizational Structure

List of CEO, Manager and employees

- Jiratchaya Prayadzap.

Position: CEO
Education: Bachelor of Business Administration Program in Industrial Management of Thai-Nichi institute of technology

- Responsibilities: Highly experienced business development and communication expert who serves as a consultant in many co-working

businesses in the past years where she developed an interest in the co-working space business.

- Akesuwat Jongmankantawat (Partner1)
 - Position: Manager.
 - Education: Bachelor of Communication Arts.Assumption University
 - Responsibility: An accomplished business operation manager and experienced process mapping professional who works as an operation management manager in a few industries to improve their business processes.
- Witawad Sukcharoenponkul (Partner2)
 - Position: Marketing&Financial Manager.
 - Education: B.A., Sociology and Anthropology Ramkhamhaeng University Bangkok Campus
 - Responsibility: A developed an incredible skill in financial accounting management during his course of studies with couple of financial analysis certificates such Bloomberg alongside his business degree.

Table 4.1 Base salary of employee

BANDING	JOB POSITION	Number	Shift	Salary	Total Salary
CEO	Setting strategy and direction	1	1	0	0
Manager	Operation strategic planning	1	1	18,000	18,000
Marketing & Financial Manager.	Budget Planning and analyze transaction and prepare sales and marketing strategy	1	1	0	0

IT ENGINEER	Security analysis and Control network	1	1	12,000	12,000
Staff	Welcome to the ground floor, two people and one upstairs.	2	3	8,500	51,000
Barista	Make a cup of coffee	2	3	9,000	54,000
Cleaner	Cleaning	1	1	7,500	7,500
Total		9	11		142,500

4.3 Action Plan

Table 4.2 Action plan of Let's chill coffee café

Action Plan		
No.	Activity	Operation time
1	Study about the industrial analysis, competitor, cost and etc.	3 months.
2	Renovation	3 months.
3	Contacting with supplier	1 month.
4	Recruitment	2 months.
5	Promote	2 months.
	Total	11 months.

4.4 Competitive Advantage

We believe that the style of our café is unique. By the way, the drink is a recipe and popular dessert menu. We select the best materials in the production to make high quality coffee. Including the café is also rotating and updating the dessert menu depend on seasonal and festive.

Another highlight and what we intend to do is share space of area. To be a new coffee café which is not just drinking coffee, but customers can come to work in a relaxed atmosphere with paying the same price but get more things. For the service of the café is a book corner and wireless internet to serve customers. And we have the

intention of equally serving customers. To have a good relationship with the customer and make customers come back to mind and want to return to use our service again.

Let's chill coffee café is located near Kasetsart University, the area that has a middle-class consumer in urban society on a good potential location and people have high purchasing power in Bangkok. There are near BTS & MRT that more than 100,000 people use the service for each day, including people around here 500,000 people per day, this area has a lot of offices, hotels, schools and universities. It is also a heavily populated area. These reasons make we has a lot of advantages in terms of location.

4.5 Process of service

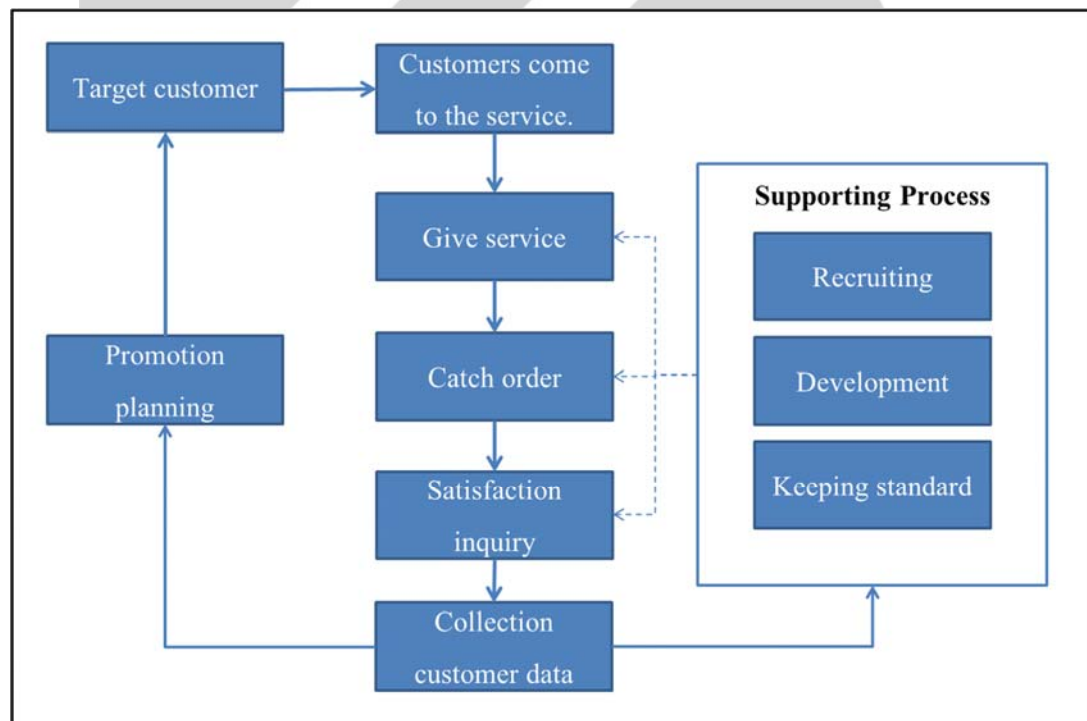


Figure 4.3 Let's chill coffee café's Process of service

Customer relationship (CRM)

Our café will always have a collection of information satisfaction to improve service and develop product, include providing the promotion plan to the needs of the customer as much as possible. To create a brand loyalty of customer and keeping customers to be with us forever.



CHAPTER 5

MARKETING AND SALES PLAN

We decide to run the coffee café business under the brand name “Let’ chill” because it is a memorable word and it also means comfort and create a relaxation for consumers. And we come out with slogan “Stay with us, like working at home”

5.1 Product and service

We provide best coffee and quality of service, customer satisfaction and service with warmth and home-like comfort. Along with our café will open 24 hours. To touch the point of convenient concept that means whenever you come we can provide you.

Let's chill coffee café has two floors. The first floor is all part of the coffee café. We are not just selling coffee only. We also have many kinds of drinks and popular dessert menus, such as Honey Toast and Bingsu, to provide customers with a variety choice. By the way, we have selected quality of raw materials to use in production to make customer happy and provide the satisfaction of target audience as much as possible.

In the second floor will be allocated for lease space to work. There are many kind of services, such as the meeting room or the conference room that provide in small size and big side. It includes the services of customizations of customer requirements. We also have the garden outside. We will open 24 hours every day.

5.2 Target customer targeting

Target customers are the students group and including working people who has a passion for coffee and eating a bakery with a novelty. Including those who find the place to work where open 24 hours. The customers with a lifestyle modern, convenience and having their own style.

By the main target customer will be the people to buy products and services around Kasetsart University and people who living in Bangkok and nearby areas. The

ages range from 15 to 40 years. The most anticipated service period is 12.00a.m. - 19.00 p.m.

5.3 Marketing strategy

- **Product Strategy**

The café has developed a variety of coffee drinks to serve the needs of consumers and we also have a unique flavor. It offers both hot and cold and smoothly. Everything is clean and have standard in the production process to take ensure of consumer.

Products and service

Let's chill coffee café has two floors. The first floor is all part of the coffee café. In the second floor will be allocated for lease space to work. There is many kind of service, such as the meeting room or the conference room that provide in small size and big side. It includes the services of customizations of customer requirements. Our café is renovated to a warm style and make you feels like working in the nature. Because it so difficult to fine the green area in Bangkok today, so we want to make our guests feel relaxed and comfortable. For the decoration of the café is decorated with natural wood furniture. The table is made of natural wood, made up of chairs, counters and bars. We choose use the color of earth tones are used by focusing on green color because the research found that green is the most eye care and helps to be relax. Our lounge area is for relaxing, reading, or surfing the Internet. We come out with the slogan “Let’s chill feel like home”. We also have the garden outside. We will open 24 hours every day. The service area is divided into 2 zones as follows:

1. Common zone (1st floor: The common coffee café)

For this floor, we will welcome everyone who came to enjoy our coffee and dessert. We will provide the best menu of drinks and popular dessert menu to our customer.

Let's chill coffee space menu:

- a. Drinks menu: hot drinks, cold drinks and frappe



Figure 5.1 Drinks menu.

- b. Dessert menu: Honey toast, Bingsu and special dessert menu of the month.

Types of desserts and snacks, this can be divided into four categories.



Figure 5.2 Desserts and snacks menu.

I. HONEY TOAST

Toast is baked bread in the oven with butter aroma there are variety of flavors. It is eaten with jam and mixed with ice cream.

II. BINGSU

Bingsu is the popular menu for the customer, there is variety of flavors. It is served with a sauce and topped with cheese cake inside.

III. Special menu of the month, for example: PANCAKE is a dessert that has a beautiful make-up before serving. Milk and butter aromas, there are many flavors for consumers to choose. It is served with a sauce and topped with ice cream.

IV. Snacks are savory foods such as eggs, pancakes, breads holly with ham-cheese.

2. Private zone (2nd floor: Working private are)

And for the 2nd floor, we allocate extra space for tenants to work areas to make more enhance personal feeling. You can come individual or grouped ever you want to.

From our research, we found that there are problems associated with working at home or at a coffee shop such as suffering the feeling of isolation. Most of us have internet connection at home or can go to a coffee shop to work online, yet with the social support system that is created in a Let's chill co-working space that is vastly different from a traditional work place as which has supervisors, being in such a work environment greatly enhances productivity as each coworker goes about with their independent activity.

For our product, we will provide 2 zones for our customer. First, common zone this zone will be able to support about 30 people. the second zone is private zone that we will provide the customer who come to our space with their group and need to work

in private. We will have 2 option room to provide them consist of the small meeting room and the big meeting room.

There are 4 small meeting rooms in Let's chill co-working space, for each room can support maximum 4 people and we also have 2 big rooms to provide customer, for each big room can support maximum 10 people.

The working space service that we provide as below:

- a. Lecture space.
- b. Small meeting room.
- c. Big meeting room.



Figure 5.3 The working space service.

We will provide the space and environment for customer to make them feel more and more relax when they are working. Our space focusing on concept of making people feel woke at home but there is more inspiration.

We also have the special service to provide more comfortable and convenient of work as below:

Special service

- Stationery
- Office equipment
- Even party
- IT support
- Printing service

Price Strategy

The price is not high when compared to other café in the same category which has a very high pricing. Customers can make a purchase decision is not difficult. We use a variety of standard pricing and use High-Value Strategy. Our price is moderate when comparing with higher product quality. There is a difference in prices for each product.

Table 5.1 Drinks and Dessert menu.

Drinks	
Hot Drinks Price	Price/Baht-
- Hot Tea	49-
- Hot Americano	49-
- Hot Latte	49-
- Hot Espresso	49-
- Hot Cappuccino	49-
- Hot Blue Sky	59-
Cold Drinks	
- Iced Americano	59-
- Iced Latte	59-
- Iced Cappuccino	59-
- Iced Espresso	59-
- Iced Mocha	59-
- Iced Chocolate	59-
- Iced Lemon Tea	59-
- Iced Green Tea	59-
- Pink/Green Milk	59-
- Italian Soda	59-
Frappe	
- Honey/Caramel/Vanilla Milkshake	69-
- Chocolate Frappe	69-
- Banana Frappe	79-
- Oreo Milkshake	79-
- Chocolate Banana	79-
- Chocolate Kit Kat	79-

Desserts	Price/Baht-
Toast	99-
Bigsu	119-
Special menu	79-
Snacks	
Pan-fried egg with toppings	69-
Breads holly with ham-cheese.	69-

The price of the co-working space (2nd floor)

The objective of the pricing is to offer a service that is competitive within the range of co-working spaces and office rentals in Bangkok while providing with a viable, sustainable revenue source. The strategy for the pricing is to be perceived as simple to understand and easy to see value shown in the shown in the table below:

General Package	
Quick Use 2hr	100/person
All day(24 hrs.)	200/person
Flexi Package (only at 08.00 a.m. - 12.00 p.m.)	
10 flexi day use within 30 days	1800/person
20 flexi day use within 60 days	3200/person
30 flexi day use within 90 days	4200/person

Small Meeting Room Package(4Person)		
Quick Use	Hour By Hour	300/room
All day	Day By Day	2400/room

Big Room Package(10Person)		
Quick Use	Hour By Hour	480/room
All day	Day By Day	3600/room

Figure 5.4 The package of Let's chill Co-working space

Place Strategy

Let's chill coffee café is located near Kasetsart University, the area that has a middle-class consumer in urban society on a good potential location and people have high purchasing power in Bangkok. There are near BTS & MRT that more than 100,000 people use the service for each day, including people around here 500,000 people per

day, This area has a lot of offices, hotels, schools and universities. It is also a heavily populated area. These reason make we has a lot of advantages in terms of location.



Figure 5.5 Bang khen Area

As you know, around the Kasetsart University has a lot of coffee café and very high competitive advantage, but there is low supply of co-working, only a few co-worker spaces in the neighborhood at this time. This area has many business companies and a university but still have no co-working space that can provide to people who want to have this service in this area. Second, it is located near BTS, MRT, bus stop and taxi stand. It takes a few minute to get anywhere around this area including parking car. It's so easy to come to our place. Next, there is affordable rental space. Bangkhen Neighborhood is not overly expensive because it's up and coming area. It's not going to be super costly like Thonglor or Asoke for example. Finally, Bangkhen is near several shopping malls; central plaza, major Rachayothin, Union square, JJ mall. Thus there will be many potential customers around and combined with marketing efforts we can achieve high acquisition.

Promotion Strategy

The objectives of the promotion will be to create awareness for our co-working space. The strategy of the promotion will be to be to have maximum impact on the market using aggressive integrated marketing communication strategy with high social media and online marketing tools. Marketing and communication efforts will be highly focused at Let's chill coffee café to reach its intended target segment of creative freelancers and professionals. The mission of this will be to create buzz and attract

potential customer customers to become member of workspace. Sales promotions to attract members will be early registration incentives, community contribution services, and design contests. Public relations efforts will include developing press releases and contributing to educational seminars promoting the co-working concept. Promotions will be targeted to various businesses, schools, and other community groups. The overall strategy of promotion efforts will be to target the creative freelancers' niche. Let's chill co-working space is looking to call members that values inspiration and creativity in the visual arts and technology. Key messages will be focused on being a part of a design oriented, knowledge sharing.

- Media Advertising

In the first year of business, we hope that our café will be well-known and will generate sales from customers around Kasetsart University and nearby areas. So advertising through the media is in the nature of viral marketing is a social network marketing by speaking or sharing via Facebook Instagram or Twitter.

Facebook is the one internet service that allows users to contact and engage in an activity, or many activities with Facebook users, whether it is to set up questions, post pictures and video clips even writing an article or blog. (DMC, 2017)

Instagram is a photo and video editing application on a smartphone. Comes with the ability to add color to images with filters that allow us to choose a variety of images and beautiful. Adjust the mood of the picture as you want. (DMC, 2017)

CHAPTER 6

FINANCIAL PLAN

7.1 Financial Projections

A financial plan is a comprehensive evaluation of Let's Chill coffee café's future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Most individuals work in conjunction with a financial planner and use current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing financial plans. These metrics are used along with estimates of asset growth to determine if a person's financial goals can be met in the future, or what steps need to be taken to ensure that they are.

The financial part of Let's Chill coffee café business plan includes various financial statements that show where our co-working space in the future, and where it intends to be. This information will determine how much financing in Let's coffee café business needs and helps financiers determine whether lending money or investing in this business is a prudent use of funds.

If Let's Chill coffee café business plan is for the expansion of an existing business, our statements will be based on business's existing financial data.

Let's Chill coffee café financial plan should include 4 key financial statements we will show you consist of the beginning cost, the income statement, assumption and the breakeven point. Let's look at what each statement is.

7.2 Estimated startup cost:

The largest portion of estimated startup costs goes into interior design, renovations, and labor costs. Since the focus on the business is design and inspiration, more attention has been allocated to this area. Website development and branding will be another major cost component.

According to non-recurring costs associated with setting up a Let's chill co-working space business, such as renovate cost, land rental, technical cost and salary expense. Our Let's chill coffee café business has beginning cost equal 2,005,000 Baht.

Let's chill coffee café

Required Start-Up Funds for a New Business or Opening Balance Sheet for an Existing Business

Required Start-Up Funds	Amount	Totals
Fixed Assets		
Real Estate-Land	\$ -	
Buildings	-	
Renovation	2,000,000	
Equipment	500,000	
Furniture and Fixtures	500,000	
Landscape	400,000	
Other Fixed Assets	200,000	
Total Fixed Assets		<u>3,600,000</u>
Operating Capital		
Rent Deposits	120,000	
Utility Deposits	30,000	
Supplies	100,000	
Working Capital (Cash On Hand)	200,000	
Total Operating Capital		<u>450,000</u>
Total Required Funds		<u>\$ 4,050,000</u>
Sources of Funding	Amount	Totals
Owner's Equity	49.51%	2,005,000
Outside Investors	0.00%	
Additional Loans or Debt		
Commercial Loan	50.49%	2,045,000
Commercial Mortgage	0.00%	-
Credit Card Debt	0.00%	-
Vehicle Loans	0.00%	-
Other Bank Debt	0.00%	-
Total Sources of Funding	100.00%	<u>\$ 4,050,000</u>

Let's chill coffee café

Salaries and Wages

Salaries and Related Expenses	Assumptions	Wage Base	Monthly	Year One	Year Two	Year Three
Percent Change					3.00%	3.00%
Salaries and Wages						
Owner's Compensation				-	-	-
Salaries			142,500	1,710,000	1,761,300	1,814,139
Total Salaries and Wages			142,500	1,710,000	1,761,300	1,814,139
Payroll Taxes and Benefits						
Social Security	6.20%	\$ 102,000	8,835	106,020	109,201	112,477
Medicare	1.45%		2,066	24,795	25,539	26,305
Federal Unemployment Tax (FUTA)	0.80%	\$ 7,000	-	-	-	-
State Unemployment Tax (SUTA)	2.70%	\$ 7,000	-	-	-	-
Employee Pension Programs	0.00%		-	-	-	-
Worker's Compensation	0.00%		-	-	-	-
Employee Health Insurance	0.00%		-	-	-	-
Other Employee Benefit Programs	4.00%		5,700	68,400	70,452	72,566
Total Payroll Taxes and Benefits			16,601	199,215	205,191	211,347
Total Salaries and Related Expenses			159,101	1,909,215	1,966,491	2,025,486

Let's chill coffee café

Fixed Operating Expenses

Fixed Operating Expenses	Monthly	Year One	Year Two	Year Three
Percent Change			3.00%	3.00%
Expenses				
Advertising	\$ 10,000	120,000	123,600	127,308
Sales & Marketing	10,000	120,000	123,600	127,308
Taxes-Other	-	-	-	-
Telephone and Communi	-	-	-	-
Travel	-	-	-	-
Utilities	-	-	-	-
Total Expenses	20,000	240,000	247,200	254,616
Other Expenses				
Depreciation	48,095	577,143	577,143	577,143
Interest				
Commercial	11,586	139,035	121,656	103,022
Total Other Expenses	59,681	716,177	698,799	680,165
Total Fixed Operating Expenses	79,681	956,177	945,999	934,781

Let's chill coffee café

Projected Sales Forecast - Page 1

Products and Services	Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
%														
Drinks														
Price Per Unit	\$ 69.00													
Variable Cost Per Unit	\$ 22.00													
Gross Margin Per Unit	\$ 47.00													
Projected Unit Sales														
Seasonality Factor		8.15%	8.04%	7.49%	7.82%	9.14%	9.36%	8.15%	8.04%	7.49%	7.82%	9.14%	9.36%	100.00%
Year One		2,220	2,190	2,040	2,130	2,490	2,550	2,220	2,190	2,040	2,130	2,490	2,550	27,240
Year Two Growth	25.00%	2,775	2,738	2,550	2,663	3,113	3,188	2,775	2,738	2,550	2,663	3,113	3,188	34,050
Year Three Growth	25.00%	3,469	3,422	3,188	3,328	3,891	3,984	3,469	3,422	3,188	3,328	3,891	3,984	42,563
Overhead Exp Allocation	40.00%													
Projected Revenue	\$ 1,879,560													
Variable Costs	599,280													
Gross Margin	1,280,280													
Overhead Expenses	1,146,157													
Profit	134,123													
Breakeven Sales Revenue	\$1,682,655.94													
Breakeven Sales Units	24,386													
%														
Desserts&Snacks														
Price Per Unit	\$ 99.00													
Variable Cost Per Unit	\$ 40.00													
Gross Margin Per Unit	\$ 59.00													
Projected Unit Sales														
Seasonality Factor		6.82%	6.82%	6.82%	9.09%	10.23%	10.23%	6.82%	6.82%	6.82%	9.09%	10.23%	10.23%	100.00%
Year One		720	720	720	960	1,080	1,080	720	720	720	960	1,080	1,080	10,560
Year Two Growth	10.00%	792	792	792	1,056	1,188	1,188	792	792	792	1,056	1,188	1,188	11,616
Year Three Growth	10.00%	871	871	871	1,162	1,307	1,307	871	871	871	1,162	1,307	1,307	12,778
Overhead Exp Allocation	15.00%													
Projected Revenue	\$ 1,045,440													
Variable Costs	422,400													
Gross Margin	623,040													
Overhead Expenses	429,809													
Profit	193,231													
Breakeven Sales Revenue	\$ 721,204.69													
Breakeven Sales Units	7,285													

Let's chill coffee café
Projected Sales Forecast - Page 2

Products and Services	Assumptions	%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
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Working space

Price Per Unit	£ 200.00	100.00%													
Variable Cost Per Unit	\$ 30.00	15.00%													
Gross Margin Per Unit	\$ 170.00	85.00%													
Projected Unit Sales															
Seasonality Factor			0.00%	5.71%	8.57%	8.57%	8.57%	11.43%	11.43%	8.57%	8.57%	8.57%	8.57%	11.43%	100.00%
Year One			300	450	450	450	600	600	600	450	450	450	450	600	5,250
Year Two Gr	10.00%		-	330	495	495	660	660	660	495	495	495	495	660	5,775
Year Three C	10.00%		-	363	545	545	726	726	726	545	545	545	545	726	6,353
Overhead/Exp Allocation	22.50%														

Projected Revenue	\$ 1,050,000
Variable Costs	157,500
Gross Margin	892,500
Overhead/Expenses	644,713
Profit	247,787 23.60%

Breakeven Sales Revenue	£758,486.21
Breakeven Sales Units	3,792

Meeting room

Price Per Unit	£ 390.00	100.00%													
Variable Cost Per Unit	\$ 45.00	11.54%													
Gross Margin Per Unit	\$ 345.00	88.46%													
Projected Unit Sales															
Seasonality Factor			0.00%	7.25%	7.25%	8.70%	8.70%	10.14%	10.14%	10.14%	10.14%	8.70%	10.14%	8.70%	100.00%
Year One			150	150	180	180	210	210	210	210	210	180	210	180	2,070
Year Two Gr	10.00%		-	165	165	198	198	231	231	231	231	198	231	198	2,277
Year Three C	10.00%		-	182	182	218	218	254	254	254	254	218	254	218	2,505
Overhead/Exp Allocation	22.50%														

Projected Revenue	\$ 807,300
Variable Costs	93,150
Gross Margin	714,150
Overhead/Expenses	644,713
Profit	69,437 8.60%

Breakeven Sales Revenue	£728,806.32
Breakeven Sales Units	1,869

**Let's chill coffee café
Projected Income Statement - Year One**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Drinks	153,180	151,110	140,760	146,970	171,810	175,950	153,180	151,110	140,760	146,970	171,810	175,950	1,879,560
Desserts&Snacks	71,280	71,280	71,280	95,040	106,920	106,920	71,280	71,280	71,280	95,040	106,920	106,920	1,045,440
Working space	-	60,000	90,000	90,000	90,000	120,000	120,000	90,000	90,000	90,000	90,000	120,000	1,050,000
Meeting room	-	58,500	58,500	70,200	70,200	81,900	81,900	81,900	81,900	70,200	81,900	70,200	807,300
Total Income	224,460	340,890	360,540	402,210	438,930	484,770	426,360	394,290	383,940	402,210	450,630	473,070	4,782,300
Cost of Sales													
Drinks	48,840	48,180	44,880	46,860	54,780	56,100	48,840	48,180	44,880	46,860	54,780	56,100	599,280
Desserts&Snacks	28,800	28,800	28,800	38,400	43,200	43,200	28,800	28,800	28,800	38,400	43,200	43,200	422,400
Working space	-	9,000	13,500	13,500	18,000	18,000	13,500	13,500	13,500	13,500	18,000	18,000	157,500
Meeting room	-	6,750	6,750	8,100	8,100	9,450	9,450	9,450	9,450	8,100	9,450	8,100	93,150
Total Cost of Sales	77,640	92,730	93,930	106,860	119,580	126,750	105,090	99,930	96,630	106,860	120,930	125,400	1,272,330
Gross Margin	146,820	248,160	266,610	295,350	319,350	358,020	321,270	294,360	287,310	295,350	329,700	347,670	3,509,970
Salaries and Wages													
Owner's Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	142,500	1,710,000
Payroll Taxes and Benefits	16,601	16,601	16,601	16,601	16,601	16,601	16,601	16,601	16,601	16,601	16,601	16,601	199,215
Total Salary and Wages	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	1,909,215
Fixed Business Expenses													
Advertising	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Sales & Marketing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Total Fixed Business Expenses	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Other Expenses													
Amortized Start-up Expenses	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
Depreciation	48,095	48,095	48,095	48,095	48,095	48,095	48,095	48,095	48,095	48,095	48,095	48,095	577,143
Interest	12,221	12,108	11,994	11,879	11,764	11,648	11,532	11,415	11,297	11,178	11,059	10,939	139,035
Taxes	-	-	-	-	16,068	23,885	16,508	11,150	9,763	11,395	18,289	21,907	128,916
Total Other Expenses	68,649	68,536	68,422	68,308	84,261	91,912	84,469	78,993	77,489	79,002	85,777	89,275	945,093
Net Income	(100,931)	523	19,086	47,941	55,988	87,007	57,700	36,266	30,720	37,247	64,822	79,294	415,662

Let's chill coffee café
Projected Cash Flow Statement - Year One

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	200,000	136,100	173,539	229,429	314,058	422,688	530,084	640,634	724,273	763,442	848,071	967,051	967,051
Cash Inflows													
Income from Sales	224,460	340,890	360,540	402,210	438,930	484,770	426,360	394,290	383,940	402,210	450,630	473,070	4,782,300
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	224,460	340,890	360,540	402,210	438,930	484,770	426,360	394,290	383,940	402,210	450,630	473,070	4,782,300
Cash Outflows													
Investing Activities													
New Fixed Assets Purchi	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Addition to Bal:	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	77,640	92,730	93,930	106,860	119,580	126,750	105,090	99,930	96,630	106,860	120,930	125,400	1,272,330
Operating Activities													
Salaries and Wages	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	159,101	1,909,215
Fixed Business Expense:	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
Taxes	-	-	-	-	-	39,903	-	-	37,421	-	-	-	51,591
128,916													
Financing Activities													
Loan Payments	31,619	31,619	31,619	31,619	31,619	31,619	31,619	31,619	31,619	31,619	31,619	31,619	379,430
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	288,360	303,450	304,650	317,580	330,300	377,374	315,810	310,650	344,772	317,580	331,650	387,711	3,929,891
Cash Flow	(63,900)	37,440	55,890	84,630	108,630	107,396	110,550	83,640	39,168	84,630	118,980	85,359	852,409
Operating Cash Balance	136,100	173,539	229,429	314,058	422,688	530,084	640,634	724,273	763,442	848,071	967,051	1,052,409	1,052,409
Line of Credit Drawdowns	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	136,100	173,539	229,429	314,058	422,688	530,084	640,634	724,273	763,442	848,071	967,051	1,052,409	1,052,409

Let's chill coffee café
Balance Sheet - Year One

	<u>Base Period</u>	<u>End of Year One</u>
Assets		
Current Assets		
Cash	200,000	1,052,409
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	300,000	200,000
Other Current	-	-
Total Current Assets	<u>500,000</u>	<u>1,252,409</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	-	-
Renovation	2,000,000	2,000,000
Equipment	500,000	500,000
Furniture and Fixtures	500,000	500,000
Landscape	400,000	400,000
Other Fixed Assets	200,000	200,000
Total Fixed Assets	<u>3,600,000</u>	<u>3,600,000</u>
Less: Accumulated Depreciation	-	577,143
Total Assets	<u><u>4,100,000</u></u>	<u><u>4,275,266</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Loan Payable	2,095,000	1,854,605
Line of Credit Balance	-	-
Total Liabilities	<u>2,095,000</u>	<u>1,854,605</u>
Owner's Equity		
Common Stock	2,005,000	2,005,000
Retained Earnings	-	415,662
Dividends Dispersed	-	-
Total Owner's Equity	<u>2,005,000</u>	<u>2,420,662</u>
Total Liabilities and Owner's Equity	<u><u>4,100,000</u></u>	<u><u>4,275,266</u></u>

Let's chill coffee café

Year End Summary

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
Income						
Drinks	1,879,560		2,349,450		2,936,813	
Desserts&Snacks	1,045,440		1,149,984		1,264,982	
Working space	1,050,000		1,155,000		1,270,500	
Meeting room	807,300		888,030		976,833	
Total Income	4,782,300	100.00%	5,542,464	100.00%	6,449,128	100.00%
Cost of Sales						
Drinks	599,280		749,100		936,375	
Desserts&Snacks	422,400		464,640		511,104	
Working space	157,500		173,250		190,575	
Meeting room	93,150		102,465		112,712	
Total Cost of Sales	1,272,330	26.60%	1,489,455	26.87%	1,750,766	27.15%
Gross Margin	3,509,970	73.40%	4,053,009	73.13%	4,698,362	72.85%
Salaries and Wages						
Owner's Compensation	-		-		-	
Salaries	1,710,000		1,761,300		1,814,139	
Payroll Taxes and Benefits	199,215		205,191		211,347	
Total Salary and Wages	1,909,215	39.92%	1,966,491	35.48%	2,025,486	31.41%
Fixed Business Expenses						
Advertising	120,000		123,600		127,308	
Sales & Marketing	120,000		123,600		127,308	
Utilities	-		-		-	
Total Fixed Business Expenses	240,000	5.02%	247,200	4.46%	254,616	3.95%
Operating Income (before Other Expenses) [EBITDA]	1,360,755	28.45%	1,839,318	33.19%	2,418,260	37.50%
Other Expenses						
Amortized Start-up Expenses	100,000		100,000		100,000	
Depreciation	577,143		577,143		577,143	
Interest						
	139,035		121,656		103,022	
Taxes	128,916		228,104		347,619	
Total Other Expenses	945,093	19.76%	1,026,903	18.53%	1,127,784	17.49%
Net Income	415,662	8.69%	812,415	14.66%	1,290,476	20.01%

Let's chill coffee café**Breakeven Analysis**

Breakeven Analysis	Baht	Percent
Annual Sales Revenue	\$ 4,782,300	100.00%
Cost of Sales	<u>1,272,330</u>	<u>26.60%</u>
Gross Margin	3,509,970	73.40%
Salaries and Wages	1,909,215	
Fixed Operating Expense	<u>956,177</u>	
Total Fixed Business Exp	2,865,392	
Breakeven Sales Calcula	<u>2,865,392</u>	
	73.40%	
Breakeven Sales in Baht	<u>\$ 3,904,069</u>	

CHAPTER 7

RISK ASSESSMENT

Risk assessment

For the risk assessment plans exist to allow businesses to adjust to the situation as expected in the master plan at the time. To reduce business damage if a business has decreased sales or failed to meet its goals. Merchants will be modified by the promotion by advertising the shop to be more known, the price will drop, or the product is set menu. Think of new products to motivate customers to buy more. In the event of a recession and high capital costs, it will directly affect the production of capital. Storage will be modified by reducing capacity to fit the situation. To avoid inventory, there may be raw materials used. Produce or find new sources of raw materials for distribution to customers. Can also buy the original price does not push the burden on customers.

Suggestion

In term of Customer Relation Management is quite important so we should focus more about this concern in order to get higher volume of customer and get the customer satisfaction with our service. As well as the management factor that we must control the quality of the service if we want to hire more staff especially the therapist. Moreover, feedback of the customer is really important for the service business which we have to collect their feedback in order to improve the service of the business to get the highest customer satisfaction in the future.

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