

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Bachelor Thesis**

**Business plan – selected topic**

**Tuan Anh Nguyen**

**@ 2021 CULS Prague**

## BACHELOR THESIS ASSIGNMENT

akad. Tuan Anh Nguyen

Economics and Management  
Economics and Management

Thesis title

**Business Model and Plan of a Selected Company**

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### Objectives of thesis

The objective of the thesis is to formulate, based on the research findings, a conceptual proposal of a business model and a business plan of the given company.

### Methodology

The thesis will consist of two parts. The first part should deal with an elementary theoretical overview. It should deal with the theory of business model, business planning, and project planning, including principles, models and evaluation. The theoretical part of the thesis will be based on the critical review of the information gained from the study and the comparison of relevant resources. The fundamental, empiric part will focus on the business analysis and planning understanding in a given company. Data for the empiric part will be gained using appropriate data collection techniques – observation, interviews, and questionnaires. Based on the research, the relevant conclusions of the thesis must be drawn.

Recommended structure of the thesis:

1. Introduction – explanation of the topic importance.
2. Thesis objectives and methodology – the main objective of the thesis will be divided into partial objectives, based on the knowledge gained from the study of the relevant academic sources. Appropriate methods of data collection and analysis will be explained in the methodology of the thesis.
3. Literature review – a critical review of current knowledge in the field of business modelling and planning and its application.
4. Specification of the selected organization – profile of the given company.
5. Practical part – analysis of data gained from own research according to the methodology.
6. Evaluation of results and recommendations – formulation of the own proposal of improvements.

7. Conclusion – review of main results and evaluation of the contribution of the theses.

8. References

9. Appendices



## The proposed extent of the thesis

30-40 pages

## Keywords

business plan, business analysis, business model, business environment

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## Recommended information sources

- ABRAMS, Rhonda, 2019. Successful business plan: secrets & strategies. 7th edition. Palo Alto, California: PlanningShop. 483 p. ISBN 978-1-933895-82-6
- ANANDARAJAN, M, & HARRISON, TD (eds). 2018. Aligning Business Strategies and Analytics : Bridging Between Theory and Practice, Springer International Publishing AG, Cham. 222 p. ISBN: 9783319932996
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- WEESE, S, & WAGNER, T 2017, CBAP / CCBA Certified Business Analysis Study Guide, John Wiley & Sons, Incorporated, Somerset. 555 p. ISBN: 9781119248842

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## Expected date of thesis defence

2020/21 SS – FEM

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Electronic approval: 1. 3. 2021

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Prague on 14. 03. 2021

### **Declaration**

I declare that I have worked on my bachelor thesis titled "Business plan – selected topic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 15<sup>th</sup> of March 2021

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**Nguyen Tuan Anh**

### **Acknowledgement**

I would like to thank Ing. Lenka Platilová Vorlíčková for her support in completing my thesis.

# **Business plan – selected topic**

## **Abstract**

Main objective of this thesis is to draw a business plan more detailed is open a Board Game Coffee shop in Hanoi called GameHouse and the thesis is divided into two main parts.

The theoretical part will provide general knowledge about the business model, more details is about the small business and the main factors to create the business plan. Finally on theoretical part, the author will take a look at the Vietnamese coffee market and the basic legal conditions to open a coffee shop in Vietnam. All knowledge will be gathered from literature and online articles research.

In the practical part, the author will use the knowledge that the author stated on theoretical part to write a reality business plan. Through market research and financial resources will come up with development strategies suitable for a Board Game Coffee. The two main tools that will assist the research authors in this essay are SWOT analysis and PEST analysis. SWOT analysis to identification of strengths, weaknesses, threats and threats for the business and PEST analysis seeks to describe the degree to which the business environment is affected by key political, economic, social and technological factors.

**Keywords:** Business plan, Coffee Industry, Coffee Board Game, PEST, SWOT

# Podnikatelský plán - vybrané téma

## Abstrakt

Hlavním cílem této práce je nakreslit podnikatelský plán. Podrobněji je otevřena kavárna deskových her v Hanoi s názvem GameHouse a práce je rozdělena na dvě hlavní části.

Teoretická část poskytne obecné znalosti o obchodním modelu, podrobněji pojednává o malém podnikání a hlavních faktorech při vytváření obchodního plánu. Závěrem v teoretické části se autor podívá na vietnamský trh s kávou a základní právní podmínky pro otevření kavárny ve Vietnamu. Veškeré znalosti budou získány z literatury a výzkumu online článků. V praktické části autor využije znalosti, které uvedl v teoretické části, při psaní realitního obchodního plánu. Prostřednictvím průzkumu trhu a finančních zdrojů přijdou s vývojovými strategiemi vhodnými pro deskovou hru Coffee. Dva hlavní nástroje, které pomohou autorům výzkumu v této eseji, jsou SWOT analýza a PEST analýza. SWOT analýza k identifikaci silných a slabých stránek, hrozeb a hrozeb pro podnikání a PEST analýza se snaží popsat, do jaké míry je podnikatelské prostředí ovlivněno klíčovými politickými, ekonomickými, sociálními a technologickými faktory.

**Klíčová slova:** Podnikatelský plán, kávový průmysl, desková hra na kávu, PEST, SWOT



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# 1 Introduction

Bachelor thesis aim is to create the business plan for a new Board Game Coffee house in Ha Noi, Viet Nam. A place where customers and friends can have meaningful times with each other through collective games that have been popular in the world such as UNO, Werewolf, ... Based on the development of Vietnam's coffee industry and with the desire to connect people closer together in reality rather than the internet world. The idea of the author's Board Game Coffee was established.

The bachelor will be divided into two main part are theoretical part and empiric part. In the theoretical part, the author will provide an overview of the business model and the basic conditions to make a business plan report that the author collects in various book resources. At the end of theoretical part an overview of the coffee market in Vietnam and the laws to open coffee shops in Vietnam. Practical part then focused on development and operating a Board Game Coffee, which include company description, product and services description as well as objective, vision of business. It is followed by research on the market and competitors, and how to manage human resources and operate the business. Finally, there will be issues related to financial analysis and risk analysis

The author's aim in this essay is to set up a business plan to stick to reality and make a profit and provide international readers a broader overview of the Vietnamese coffee market.

## **2 Objectives and Methodology**

Before referring to the theory part, will be the Objectives and methodology of the thesis. This section will provide the reader with the thesis's purpose and the methods that the author uses throughout the thesis completion process.

### **2.1 Objectives**

The objective of the thesis is to set up a coffee board game business plan in Hanoi, Vietnam, based on what the author learned at the Czech University of Life Sciences and actual knowledge of the author.

The thesis also offers an overview of Vietnam's coffee industry market and a complete plan to set up a coffee shop for board games in Hanoi, beginning with market research, including the identification potential customers, study of competitors. From there, effective plans for the store will be built depending on the amount of capital and research. Generally most specific goal of this Boardgame cafe is developing and maintaining business operations of the cafe for three years and earned a profit in the shortest time.

### **2.2 Methodology**

The thesis theory section deals with business model theory, business planning, and project planning, including principles, models, and evaluation. The thesis's theoretical part will be based on the e-book of the CZU e-library and the book that the author has collected on the internet. Google scholar analysis articles are also used to complete the theory.

The fundamental, empiric part will focus on the business analysis and planning understanding in a given company. In the market research section, the author will use primary and secondary data to analyze the market. Primary data will be collected by doing a quick survey to understand market demand better. Secondary data were picked from official government websites. Both of them will help the author identify potential customers. SWOT analysis to identification of strengths, weaknesses, opportunities, and threats of the business. PEST analysis to analyze the external business environment. All plans on human resources, operation, and financial analysis will also be used in this section.

### 3 Literature review

This section will provide a critical assessment of current knowledge in the area of business planning and business model. A careful analysis of the literature review will help the author better understand the business model background, the business plan will support throughout the author's dissertation process. First, the author will start with the term "business model".

#### 3.1 Business model

The definition of "business model" has been a topic of interest to many researchers because of its diversity, Michael Morris (2005) mentions that 'No generally accepted definition of the term "business model" has appear. Diversity in the available definitions poses substantive challenges for delimiting the nature and components of model and determining what constitutes a good model"<sup>1</sup>

The term "business model" was first mentioned in 1957 in an academic paper by Bellman, followed in 1960 by John to write his first academic paper using the 'business model.' in the title. This term was not used widely for decades until 1990, the number of articles on business models gradually increased. The 1990s was also the time when technology started to develop. It seems the definition of a business model has a relationship with technology, but not only with technology. It can also be affected by many other factors, so the business model's definition also changes from time to time. It will continue to develop in the future to suit the most appropriate context.

Perspectives on business model components

**Table 1 Specific components for business model (ordered by year and author name)**

Author(s)	Specific components	E-commerce/ general
Horowitz (1996)	Price, product, distribution, organizational characteristics and technology	General
Timmers (1998)	Product/service/information flow architecture, business actors and roles, actor benefits, revenue sources, and marketing strategy	E-commerce
Weill and Vitale (2001)	Strategic objectives, value proposition, revenue sources, success factors, channels, core competencies, customer segments and IT	E-commerce

<sup>1</sup> Michael Morris (2005:726)- Journal of Business Research

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	infrastructure	
Johnson (2010)	Job- to- be- done, Offering, Revenue Model, Cost Structure, Target Unit Margin, Resource Velocity, Processes, Business Rules and Success Metrics, Behavioral Norms	General

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Source: Author collect from research <sup>1 2</sup>

In general, we can say that the Business Model is a plan to operate profitably for a business. However, those plans need to be carefully considered always to evolve accordingly.

Wirtz (2016) *also emphasizes that business model is a simplified and aggregated representation of a company's relevant activities. It describes how marketable information, products and / or services are generated by means of a company's value-added component to securing the competitive advantage a current business model should always be critically regarded from a dynamic perspective, thus within the consciousness that there may be the need for business model evolution or business model innovation* <sup>3</sup>

### 3.2 Definition of business plan

A business plan is a report presented in the form of a detailed description of a business plan. A complete business plan will provide a well-structured plan and strategy for a business, carefully analyzed, and predict the business future. Ekanem (2017) has also described that: "A business plan is written document to describe a business opportunity, the goals of the business and the methods to achieve the goal. It is road map for your business" <sup>4</sup>.

McKeever (2010) has similarly defined: "A business plan is a written statement that describes and analyses your business and gives detailed projections about its future" <sup>5</sup>

A business plan not only provides strategies and goals but also includes a financial aspect. This aspect helps us realize whether we have enough capital to do business, better understand our finances, and predict if the company's business is profitable. In the book Writing a Business Plan, the author has written that "A business plan fulfills two main Objectives. The first objective of a business plan is that it serves as a strategic planning document for entrepreneurs. The second purpose of a business plan is to help you raise money from banks,

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<sup>2</sup> Dr. Erwin Fiert (2013:95) – Journal of Business Models

<sup>3</sup> B.W.Wirtz (2016:41) - Long Range Planning

<sup>4</sup> Ignatius Ekanem (2017:1) – Writing a business plan

<sup>5</sup> Mike McKeever (2010:6) – How to write a business plan

investors or other lenders" <sup>3</sup> also in another book, "A business plan also covers the financial aspects of starting or expanding your business-how much money you need and how you will pay it back" <sup>4</sup>

Overall, a business plan is a must for anyone looking to start a business or develop a business model in this era. A detailed and complete business plan will help its owner add more confidence to his plan.

*As a road map, a business plan helps you to spell out exactly where your business is heading and how it intends to get there. To help you have a firm control of your business, it provides a fixed set of criteria against which you test every decision in the business.* (Ignatius Ekanem – 2017) <sup>6</sup>

### 3.3 Component of business plan

The business plan structure is quite diverse. Depending on the business model, there will be different structures based on that business model. Therefore, the diversity and development of business structure are like the business model. However, it is still built according to a particular structure. These parts are seemingly indispensable parts of the structure of the business model. Below is a comparison of business structures from authors who have popular books on business plans:

**Table 2 Business plan component comparison**

Anatomy of a Business Plan (Linda Pinson -2008)	Successful Business Plan (Rhonda Abrams - 2010)	How to write a business plan (Ignatius Ekanem – 2017)
<ul style="list-style-type: none"> <li>• Cover Sheet &amp; Table of Contents</li> <li>• Executive Summary</li> <li>• The Organizational Plan</li> <li>• Marketing Plan</li> <li>• Financial Documents</li> <li>• Supporting</li> </ul>	<ul style="list-style-type: none"> <li>• The Executive Summary</li> <li>• Company Description</li> <li>• Industry Analysis &amp; Trends</li> <li>• Target Market</li> <li>• The Competition</li> </ul>	<ul style="list-style-type: none"> <li>• Cover sheet</li> <li>• Table of contents</li> <li>• Executive summary</li> <li>• Introduction</li> <li>• Business strategy</li> <li>• Marketing research</li> <li>• Finance</li> <li>• Operations</li> </ul>

<sup>6</sup> Ignatius Ekanem (2017:1) - Writing a business plan



Documents	<ul style="list-style-type: none"> <li>• Strategic Position &amp; Risk Assessment</li> <li>• Marketing Plan &amp; Sales Strategy</li> <li>• Operations</li> <li>• Technology Plan</li> <li>• Management &amp; Organization</li> <li>• Social Responsibility &amp; Sustainability</li> <li>• Development, Milestones &amp; Exit Plan</li> <li>• The Financials</li> </ul>	<p style="text-align: center;">management</p> <ul style="list-style-type: none"> <li>• Human resources</li> <li>• Risk analysis, growth and exit planning</li> </ul>
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*Source: Author collect from different books*

Looking at the table above it seems that the main structure of the business plan is similar, the authors only describe it in many different ways. Linda Pinson described it in the shortest possible way, Rhonda Abrams has divided it very specifically and in detail. However, to suit the description of each part as well as the layout, Ignatius Ekanem's division is the most suitable. The main structure of the business plan can be listed as follows and will also be the structure that the author of the essay presented in practice.

### **3.3.1 Executive summary**

The executive summary is the first part of a business plan. As the most general summary of a business plan, this summary summarizes all of the writer's plans. This summary will help readers better understand the purpose and objectives of the business plan, more specifically about the financial, marketing, and operational plans of a business organization. Linda Pinson (2008) has also mentioned in her book: "*The Executive Summary is the thesis statement of*

*business plan. It summarizes the content and purpose of your business plan, covering all of the key points*"<sup>7</sup>. Ignatius Ekanem (2017) also reminded that "*The executive summary should capture the entire business plan*"<sup>8</sup> A good executive summary is the complete summary and captivates the reader with its business plan. Although it is the first part of a business plan, this is the last part written in the report. And according to Rhonda Abraham (2010) <sup>9</sup>, The Executive Summary is divided into two categories:

- The Synopsis Summary: This version is simpler than the other, this version simply summarizes all of the partial conclusions. All aspects are expressed equally without too much emphasis on any other part. The advantage is that it is easy to prepare, the sentence does not need to be too elaborate, the downside is, of course, the sentence will be dry.
- The Narrative Summary: This version is more complicated; this kind of summary is like telling the reader a story that makes the reader feel more engaging and engaging. However, in summary, the content should not exceed the limit and need to convey necessary information. This summary is better suited to organizations with a history, or organizations that have elements that stand out.

*"A good Executive Summary gives me a sense of why this is an interesting venture. I look for a very clear statement of their long-term mission, an overview of the people, the technology, and the fit to market. Answer these questions: 'What is it? Who's going to build it? Why will anyone buy it?' (Ann Winblad – Venture Capitalist)*<sup>10</sup>

### **3.3.2 Company description**

This part, it covers all basic background information of businesses and organizations. Information should include the business's name, the business location, a slight description of the product, and the business activity and legal form. Ekanem (2017) wrote the following: "*This is the first main section of your business plan and should provide information about the background of the business, such as a brief history of the business, how the business idea was*

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<sup>7</sup> Linda Pinson (2008:22) – Anatomy of a Business Plan

<sup>8</sup> Ignatius Ekanem (2017:7) – Writing a business plan

<sup>9</sup> Rhonda Abrams (2010:55) – Successful Business Plan Secrets and Strategies

<sup>10</sup> Rhonda Abrams (2010:53) - Successful Business Plan Secrets and Strategies

*conceived, the business name, business activities, the industrial sector, the main aims and Objectives of the business, and the legal form"*<sup>11</sup>. The author of the book "Successful Business Plan" he also emphasizes that "*The object of this section is to convey information such as your legal status, ownership, products or services, company mission, and milestones achieved to date*"<sup>12</sup>. In general, this section should discuss the company's basic aspects that help the reader better understand the business before reading the more complex aspects.

### **3.3.3 Business strategy**

In this part of the plan mainly refers to the company's mission and vision in this part of the business plan. And the author must evaluate the area in which the author's business will be located, the business environment and key success factors.

- Mission statement: In this section, there will be a few sentences describing the functions, market and company's competitive advantage or in other words a short statement of business goal and philosophies. According to Ekamem (2017)<sup>13</sup> there will be four main problems solved in a mission statement:
  - The nature of the company's activities
  - Customers and how you aim to serve them
  - Values and beliefs
  - Sources of competitive advantage or distinctiveness
  
- Vision statement: In this section, the author will have to define the organization's purpose in terms of the value of the organization, not the final measure of profit. The values of the organization are the beliefs that guide how things should be done in the organization. Generally, A vision statement describes the aspirations and vision of a company, and according to Ekanem (2017)<sup>14</sup>, a vision statement will serve three functions:
  - It communicates both the purpose and the values of the organization
  - It gives employees direction about how they behave

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<sup>11</sup> Ignatius Ekanem (2017:7) – Writing a business plan

<sup>12</sup> Rhonda Abrams (2010:67) – Successful Business Plan Secrets and Strategies

<sup>13</sup> Ignatius Ekanem (2017:17) – Writing a business plan

<sup>14</sup> Ignatius Ekanem (2017:18) – Writing a business plan

- It shapes customers' understanding of why they should patronize the organization
- Objectives: In this section, you will have to identify the business's main objectives, which will probably be related to the viability of the company. Objectives will be divided into two main categories: short-term and long-term goals, which can be quantitative or qualitative, and according to Ekanem (2017)<sup>15</sup>
  - Qualitative objectives are those objectives for the business which reflect other ideals/values
  - Quantitative objectives should be SMART – specific, measurable, achievable, relevant and timely.

SMART is one of the goals defining tools for organizations and individuals. Organizations and individuals always have goals to help everything develop better. However, sometimes those goals can be too far-fetched and unattainable. The SMART tool will help solve those problems. Relying on SMART, the organizations and individuals will have a more specific and effective goal. This tool is not only applicable to business organizations, but it can also be used in many other cases. SMART can be defined differently depending on the circumstances, but usually, it is:<sup>16</sup>

- Specific: Goals should be simplistically written and clearly define what are going to do
- Measurable: Goals should be measurable so that there is tangible evidence that the goal can be fulfilled
- Attainable: Goals should be achievable and how to achieve them?
- Relevant: Goals should measure relevant outcomes
- Time-related: Goals should be linked to a timeframe that creates a practical sense of urgency, or results in tension between the current reality and the vision of the goal

*“This section of the plan should discuss the vision and mission statements of the business. It should also discuss the strengths, weaknesses, opportunities and threats of*

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<sup>15</sup> Ignatius Ekanem (2017:19) – Writing a business plan

<sup>16</sup> Baylor University

*business. The location of the business as well as the names and addresses of the directors should be provided in this section of the plan” (Ekanem-2017:7)*

### **3.3.4 Market research and marketing**

#### **3.3.4.1 Market research**

Market research is a collection of studies about the market size analysis that the organization targets. Help businesses better understand the external market situation by identifying target markets, analyzing competitors in the same field. Linda Pinson (2008) wrote that “*The Market Analysis section contains information about your target market, competitors and marketing trends.*”<sup>17</sup> Ekanem has similarly defined “*In this section, you will report the results of your market research, both secondary and primary research analysis, comprising the market size, your target market, competitors, advertising and promotion techniques and selling strategy*”<sup>18</sup> Based on the above analysis, you can develop appropriate strategies to improve the efficiency of your business. as well as marketing. Therefore, market research is vital in providing evidence of the company’s viability, especially in determining potential demand, reinforcing understanding of customer needs. To research the market, there are two broad types of research:

- Primary research is data collected directly based on methods such as interview, survey, and data
- Secondary research involves collecting and reviewing existing sources of data relevant to business

And these two types of research will serve the following analysis:

- a) Target market: Targeting the market is an essential part of any business organization. An organization or business enterprise needs to clearly define its market goals to understand its customers' needs. An organization may have different target markets based on the sector in which the organization is active. According to Rhonda Abraham (2010), the definition of target market must meet these criteria:

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<sup>17</sup> Linda Pinson (2008:47) – Anatomy of a Business Plan

<sup>18</sup> Ignatius Ekanem (2017:7) – Writing a business plan

- Definable: It should have specific characteristics identifying what the potential customers have in common
- Meaningful: The characteristic must meaningfully relate to the decision to purchase
- Sizable: It must be large enough to profitably sustain business.
- Reachable: Both the definition and size must lead to affordable and effective ways to market to potential customers.

To understand and identify potential customers, need to analyze through factors. Linda Pinson has listed the following elements: Demographics, Psychographics, Niche markets. As for Rhonda Abrams, they are Demographics, Psychographics, Geographic. In general, the elements are basically the same, but the Rhonda Abrams division is more general when it comes to three primary factors such as demographics, psychology, and geography. Linda Pinson's division seems more detailed but lacks geographical elements.

- Demographics: Demographic is referring to statistical data of the population, mean age, income and education. The data are often obtained from government census data
- Psychographics: Is to determine the attitudes and tastes of a specific part of the population. Defining the lifestyle of a specific segment of the population and that lifestyle will be the focus that organizations aim to develop their products and services.
- Geographic: Geographical factors will be analyzed to determine the target of the market. Each business will cater to different areas based on geographic location, and weather conditions.

**b) Market Size and Trends:** This section is an assessment of trends that are likely to affect both market size and customer behavior in the near future. For an enterprise to maintain its business, the market size must be large enough for that business. The small market will make it difficult for that business. Moreover, equally critical to the analysis of the current market size is evaluating trends that may affect the market. Trends are continually changing over time, and this can change the living habits and needs of customers. Sticking to trends helps that business survive and grow longer. Rhonda Abrams (2010) said, “*Analysis Trend will give you a sense of your company's*

*continuing viability, the strategic opportunities the market presents, and how the company must plan to respond to changing behavior of customers”*

- c) Competitors analysis: Is an analysis of the competitors in the same industry of a business. Ekanem (2017) wrote that *“Competitor analysis - in terms of number of competitors and their locations, distribution channels, suppliers, pricing strategies and competitive advantages”*<sup>19</sup> Evaluating competitors helps businesses better understand their position, as well as understand. Strengths and weaknesses of the opponent. From there, businesses can plan to improve their weaknesses compared to competitors in the same industry and learn from competitors’ strengths to improve their business operations. Rhonda Abrams (2010) also stressed that *“Honestly evaluating your competition will help you better understand your own product or services and give investors a reassuring sense of your company’s strengths”*<sup>20</sup>

#### 3.3.4.2 Marketing

Marketing is a process of effectively identifying, predicting and delivering customer requirements and achieving profitability that can also be understood as creating and providing more profitable value for customers than competitors. More specifically, *“marketing includes activities such as advertising, creating brochures, social networking, and public relations; sales encompass telemarketing, sales calls, and e-commerce sales”*<sup>21</sup> Nowadays marketing strategy has played a huge role in maintaining the business operation, a good marketing strategy to help the number of customers of the business reach the level. Stability may even increase. Because the cost of setting up a campaign is very high, the marketing strategy should be considered in many aspects and prepared in the most meticulous manner. According to the lecture on Marketing management of Czech University of Life Sciences, it is mentioned that *“The essence of Marketing is a transaction, an exchange, intended to satisfy human needs and wants and there are three elements in marketing process: Marketers, What is being marketed and target market”*<sup>22</sup> In the marketing process, just understanding and analyzing the above factors is a successful marketing process step. And also, in the lecture

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<sup>19</sup> Ignatius Ekanem (2017:30) – Writing a business plan

<sup>20</sup> Rhonda Abrams (2010:116) – Successful business plan

<sup>21</sup> Rhonda Abrams (2010:149) – Successful business plan

<sup>22</sup> Marketing management lecture of Czech University of Life Sciences

*"There are five competing concepts under which organizations conduct their marketing activities"<sup>22</sup>:*

- The production concept: Consumers often prefer widely available and low-cost products. Businesses can increase output and cut costs and build profits through volume
- The product concept: In this case, consumers prefer products that provide the most quality, performance or innovative features. Businesses can improve product quality to increase sales and profitability
- The selling concept: This is also one of the essential aspects, if you do not have the selling concept, the number of customers buying products from your business will be deficient. Businesses have to drive sales to profit through revenue forcefully.
- The marketing concept: Identify the target market's needs and wants and deliver desired satisfactions more efficiently and effectively than competitors. The whole point is to build profits through customer satisfaction and loyalty.
- The social marketing concept: Organizations must define the needs, wants, and benefits of the target markets to satisfy society's desires more effectively with their competitors.

The following are main types of promotional tools according to Ekanem(2017)<sup>23</sup>:

- Advertising: place an advert in a suitable media, either advertising the product as available
- Mail shots: send details to a sample of potential customers
- Leaflet distribution: sample a target group, and gauge the response
- Demonstration: arrange to give demonstrations of product/ service, and use these to gauge the level of interesting
- Small-scale trading: purchase or manufacture a small number for sake
- Sale by samples – samples only are made and shown or exhibited to potential customers. Responses are gauged. Provision can be made against firm orders.
- Trade exhibitions: these can be a useful way to make contact with potential customers and gauge their interest and also to see what competitors are doing

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<sup>23</sup> Ignatius Ekanem (2017:28) – Writing a business plan



### 3.3.5 Financial plan

If it were qualitative analysis from the outset, this would be all about quantitative analysis. Financial planning gives an existing company a glimpse of an existing company's health, while for companies preparing to start, it is the initial cost of capital, sale forecast. The numbers clearly show the company's quality, though those numbers can tell a company's real situation. Linda Pinson said that "*Well-executed financial statement will provide you with the means to look realistically at business in term of profitability*"<sup>24</sup>. Financial planning not only helps to define the strategy to help the organization, but a good financial plan can also attract investors for the business. Since the numbers clearly show the company's situation, a good shape company certainly shows it all. This helps investors to have more confidence in the business. Ekanem (2017) also stated that "*Apart from serving as a strategic planning document, the business plan will help you to raise finance for your business*"<sup>25</sup> More details in this section will cover start-up costs, income statement, balance sheet, sources and use of funds, cash-flow forecast and finally break-even analysis.

- Start-up costs: All initial costs will be listed here. To start a realistic business idea, one needs to know how much it will cost to set up. In this section will be a list of service costs and equipment costs. "*You need to show in detail how you plan to spend the money raised to start your business.*"<sup>26</sup>
- Income statement: This is the expected income report, this report will help you to understand the profit situation of the business. This is the profit after all costs are deducted. "*It involves adding up all trading income and subtracting the costs of goods sold to get the gross profit and loss.*"<sup>27</sup> However, this report only assesses the company's profit, Rhonda Abrams (2010) emphasizes that "*Income Statements does not give a total picture of what your company is worth overall, or its cash position*"<sup>28</sup>
- Balance sheet: The table provides an overview of the overall financial value of a business. This table can clearly know the assets that the business owns or the debt that

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<sup>24</sup> Linda Pinson (2008:78) – Anatomy of a Business Plan

<sup>25</sup> Ignatius Ekanem (2017:32) – Writing a business plan

<sup>26</sup> Ignatius Ekanem (2017:36) – Writing a business plan

<sup>27</sup> Ignatius Ekanem (2017:40) – Writing a business plan

<sup>28</sup> Rhonda Abrams (2010:278) – Successful business plan

the business has to pay. Abrams also said, “*Only on the balance sheet can one see the worth of existing property and equipment*”<sup>29</sup>

- Cash-flow: As a company's cash in or out, cash flow analysis is the most important financial assessment for businesses. A company may not be profitable but will survive in the short term because it has enough cash to keep it in reserve. Ekanem (2017) also said “*Remember that profit is not cash and that cash is not profit*”<sup>24</sup> and even Rhonda (2010) said similarly “*The cash flow projection is not about profit - about how much money you have in the bank.*”<sup>30</sup> The cash flow forecast shows how much cash a company actually has, and it represents both the income and the expenses of the business.
- Break-even point: This is also one of the key analyses of a business plan. Break-even analysis helps that business know precisely how many products it needs to sell to break even. Based on that business will have specific plans to achieve the goals. “*At the break-even point you are neither making a profit not losing money*”<sup>31</sup>
  - Break-even point in total units in multi-product firm = Total Fixed Costs / Average Contribution Margin per Unit<sup>32</sup>

Basically, there are two categories of financing: debt financing and equity financing

- Debt financing: This is money borrowed (usually from a bank to get the business started) which will have to pay interest on the loan. As far as debt finance is concerned, banks may be the first port of call and probably the only financial institution for most start-ups.
- Equity financing: This is money put into the business by the owner or shareholders through an initial public offering (IPO) if it is a public company. Shareholders may withdraw their money, and they expect the directors to increase the value of their shares and provide a stream of dividends. Equity finance for small businesses or start-ups is usually mainly through personal investment by the founder or family. Equity finance can also be in the form of money left in the business by way of retained profit.

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<sup>29</sup> Rhonda Abrams (2010:289) – Successful business plan

<sup>30</sup> Rhonda Abrams (2010:288) – Successful business plan

<sup>31</sup> Rhonda Abrams (2010:297) – Successful business plan

<sup>32</sup> Government of Western Australia (2020:4) – Accounting and finance atar course specifications booklet

It is important to mention here that if the business is a completely new venture or a start-up, there will not be any retained profit to use at this stage

### 3.3.6 Operations management

Operations management is to manage all of the operations of that business daily. More specifically are business premises, layout, equipment, supplies, manufacturing processes, and customer service. Rhonda Abrams also emphasized that “*This chapter describes most of subjects commonly included in an Operations section of a business plan*”<sup>33</sup> and even Ekanem has a similar definition “*Operations management or service operations simply refer to the control of the day-to- day running of the business. It concerns the activities and decisions which are needed for the efficient delivery of products and services*”. Ekanem (2017)<sup>34</sup> mentioned that the main functions controlled by the service manager are:

- Inputs – these will vary from business to business. If you're making something, you'll need to buy raw materials. The key inputs also need to be defined if you have a service.
- Throughput – This is the heart of the system and the mechanism by which the simple inputs are converted into services/products to be marketed to the consumer. A schedule of activities must be provided by the operations manager to indicate what to do when and who is to do it, typically on a daily basis, particularly if shift work is involved. It will be important to design office/business unit/manufactory layout and create a diagram showing where equipment, computers, storerooms/shop layout will be located.
- Output – This concerns providing the consumer with the finished product or service by shipping, packaging, over-the-counter service, or whatever is needed. Again, the operations manager will be expected to create a schedule of events, a distribution system and an invoicing system.
- Feedback loop – Where the customer's attitude to the service or product is evaluated to provide information that will affect the system and, if appropriate, contribute to changes. This is also considered to be part of the quality management system.

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<sup>33</sup> Rhonda Abrams (2010:180) – Successful business plan

<sup>34</sup> Ignatius Ekanem (2017:52) – Writing a business plan

### 3.3.7 Human resources management

Human resource management is the impact on the employees of an organization to help the organization's operations remain regular. Human resource management to ensure the quality and ability of each employee to achieve good results. *“Human resources management (HRM) is a series of integrated decisions that form the employment relationship; their quality directly to the ability of the organization and the employees to achieve their objective”*<sup>35</sup> The role of HR management has become more and more important in business strategies, especially in corporate and big factories.

According to Ekanem (2017)<sup>36</sup> this section should have the following main ideas:

- Organizational chart
- Key people and their functions
- Background details of directors
- Recruitment procedure
- Training

*“There are lots of companies to be created, lots of technologies to be built. There’s an excess of money to fund those companies. The limiting asset is still people”* (Andrew Anker – Venture Capitalist)<sup>37</sup>

### 3.3.8 Risk Analysis

Risk analysis of a business is part of an organization's business strategy. The risk prediction and analysis help the organization plan timely and avoid negative impacts, providing a more stable and balanced working environment. Affect the organization's operational processes, influence. Depending on the impact that affects different aspects of the organization.

Or more detailed listed Rhonda Abrams (2010)<sup>38</sup> as follows:

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<sup>35</sup> Human resource management lecture of Czech University of Life Sciences

<sup>36</sup> Ignatius Ekanem (2017:78) – Writing a business plan

<sup>37</sup> Rhonda Abraham (2010:216) – Successful business plan secrets & strategies

<sup>38</sup> Rhonda Abrams (2010:141) – Successful business plan secrets & strategies

- Market Risks: the market will not respond to products or services, because either there is no real market need or the market isn't yet
- Competitive Risk: the competition changes, new competitors entering the market or long-standing competitors will reposition their products or services more effectively.
- Technology Risk: are technical and technological risks
- Product Risk: products that have not been perfected in the time it takes, or are not performing as expected
- Execution Risk: cannot effectively manage the operation and development of the business. The reasons may be inadequate time, inability, not working in the right place, and many more
- Capitalization Risk: The risk is a budget issue, mainly because investors subjectively underestimate the costs or overestimate incomes.
- Global Risk: It is a risk when doing business internationally, which will disrupt or even stop business activities of that international business organization.

### 3.4 S.W.O.T

A business organization wants to perform well, and it needs to have an effective strategic plan. Strategic planning can help the organization to be more productive, predict the risks. In fact, it is the key to organizing that business successfully. SWOT analysis is one of the most effective support tools in maintaining and managing a strategy. SWOT analysis has been around for more than 50 years. Researchers have gradually developed the foundations of what is now known as SWOT analysis. SWOT Analysis stands for Strengths, Weaknesses, Opportunities, and Threats. This is a tool used to evaluate an organization, a plan, a project, or a business activity. The analysis will evaluate the external and internal factors of the organization. Internal factors are the strengths and weaknesses of the organization, and external factors are opportunities and threats. SWOT analysis will include four elements and is usually presented as a 2x2 matrix; the elements are:

- Strengths: Strength is an advantage, and it makes something that possesses that strength more special than anything else. *"Strength at organizational level involves properties and abilities by which an organization gains an advantage over other organizations and competitor deals that are revealed as a result of analysis of its*

*internal environment. In other words, organizational strength defines the characteristics and situations in which an organization is more effective and efficient compared to their competitors*"<sup>39</sup>. Strength analysis in SWOT is the analysis of the advantages in the internal environment of an organization. An organization's strengths are judged by five criteria: Market performance, financial structure, asset capacity, Export and engineering, research and development potential, human capacity. Strength analysis helps the organization use its advantages to deal with threats from the external environment.

- **Weakness:** Weakness is a more disadvantage when compared to other things. The weak point here is the unfavourable focal length. An organization's weakness is the weakness in a certain aspect of an organization compared to the competition. "*Weakness at organizational level to the situations in which the current existence and ability capacities of an organization are weaker compared to other organization weakness means the aspects or activities in which an organization is less effective an efficient compared to its competitors.*"<sup>18</sup> The factors for weak analysis are more similar to the analysis of specific strengths than facilities, financial resources, manageability, and marketing skills. Therefore, weak point analysis is even more important when it helps managers recognize the organization's weaknesses and timely giving solutions to overcome or improve the weaknesses.
- **Opportunity:** The opportunity is the moment, the right condition for an activity. "*An opportunity is the convenient time or situation that the environment presents to the organization to achieve its goal*"<sup>18</sup>. Analyzing opportunities helps the manager grasp better conditions for organizational development and avoid missing opportunities for growth.
- **Threats:** A threat is an impact from the external environment on an object that is negative and dangerous. It is an adverse situation, for organizations "*Threats are situations that come out as a result of the changes in the distant or the immediate environment what would prevent the organization from maintaining its existence or lose its superiority in competition, and that is not favorable for the organization*"<sup>18</sup>.

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<sup>39</sup> Gurel, Emet & Tat,Merba (2017) SWOT analysis: a theoretical review Journal of International Social Resreach, 10(51)

Threats analysis helps organizations prepare plans to minimize negative impacts from the external environment.

### 3.5 PESTEL

A large organization that wants to perform well often depends on the industry or market the organization is based in. For the organization's activities to be operated in the best way, the analysis of the factors affecting the measuring organization is very important. PESTLE is one of the most used tools to assess external environmental impacts. Therefore, this tool is also used to analyze risks from the external environment to advance their strategies and plans to minimize the positive factors. *"The PESTLE analysis is used as a tool of situational analysis for business evaluation purposes."*<sup>40</sup> PESTEL can be considered a strategic tool to evaluate the impacts of political, economic, social, technological, environmental, and legal factors. PESTLE also stands for the initials of these elements. *"PESTLE Analysis is an analytical tool for strategic business planning, and PESTLE is a strategic framework for understanding external influences on a business or on any project"*<sup>41</sup>.

- Political: The political environment includes political factors such as tax policy, fiscal policy, trade tariffs, and more. The identification of these factors helps organizations understand the situation and identify risks. Based on that, strategies and actions will be developed appropriately to minimize possible negative impacts.
- Economic: The economic environment includes economic factors such as inflation rates, interest rates, foreign exchange rates, economic growth patterns, and more. These factors play a vital role in economic performance, having a direct impact on the organization. All economic factors are almost related and resonant. An increase in the inflation rate can affect the price of products and services. A decrease in per capita income can make the organization revise the pricing strategy. Economic factors are crucial to the success of an organization.

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<sup>40</sup> Rashain Perera (2017:2) – The Pestle analysis

<sup>41</sup> Nitank Rastogi, Dr. M.K Trivedi (2016:385) – International Research Journal of Engineering and Techonology

- **Social:** The social environment includes cultural trends, demographics, population analytic, and all events that socially affect the market and the community. All of the above factors have important implications for buying and consuming behaviour. One aspect of consumer behaviour can be assessed based on society, a company whose products and services are socially appropriate, the company will have better efficiency, higher productivity. Therefore, the social environment analysis plays an essential role in determining customer needs and customer satisfaction.
- **Technological:** In this era, technology has been an indispensable part of every business field. Evaluating the technological environment helps business organizations be more productive, more convenient in running their company, and, most importantly, in the organizational process to improve the decisions' effectiveness. Not only this, but technology also contributes to the marketing segment. Recognition to the growth of the internet, the diversity of marketing has been significantly enhanced.
- **Legal:** This section looks at all legal aspects such as employment, quotas, taxation, resources, imports, and exports. Each country has a different environment with different laws and regulations, so analyzing and evaluating the above factors helps those organizations to ensure ethically and legally. The assurance will give one organization a strategic advantage over others.
- **Environmental:** This section is to analyzes influencing factors and factors determined by the surrounding environment. These factors are about climate, weather, geographical location, global changes, and more. The economic and technological developments have partly affected the surrounding environment. An analysis of a country's environmental factors will help organizations tailor corporate operations to avoid polluting the environment. An organization's productivity also depends on the location and weather that it locates. The environment rating is probably the least important part of the economic realm. However, this is the most important part of human life in general.

In general, PESTLE analysis helps an organization evaluate a new area of a new market that the organization wants to penetrate, helps organizations develop a more careful strategic plan, minimizes negative impacts, risks to that organization. However, PESTLE analysis should be used right at the time of completion of the analysis. Time will change many factors, and analysis results can become obsolete, which will reduce PESTLE accuracy.



## 4 Specification of selected organization

**Table 3 Company description**

Name	Chill and Free
Address	Dang Van Ngu street, Ha Noi
Land area	60m2 x 3 floor
Opening hour	Every day from 10am – 10pm
Product and Services	<ul style="list-style-type: none"> <li>- Coffee and other beverages</li> <li>- Quick foods</li> <li>- Boardgame service</li> </ul>
Form	The Limited Liability Company
Company’s capital	Capital from the owner
Number of seats	70-80

Source: author’s

The store is called "Chill & Free, "where you can relax with friends and relatives with delicious cups of coffee. A place where people can be connected through mindful and team games. Our cafe will offer various drinks, but mostly coffee, along with rental service for board games. We are also ideal for educational organizations, associations, groups, and even households to have a more meaningful time together.

**Picture 1 The location of coffee shop**



Source: author’s

- An excellent place for us should be located in the city centre and close to many schools. Since we will also be holding small boardgame events, it takes a large enough space and lots of floors to organization events.

- Our place will be on Dang Van Ngu Street, an area of 60m<sup>2</sup> with three floors and two fronts. With this area, we can accommodate between 70-80 customers at the same time and, with the advantage of our shop's two fronts, we will have the opportunity to reach more customers. Another advantage is that this site is surrounded by many primary schools, high schools, and well-known universities in Hanoi.

## **5 Practical Part**

The following will be the Practical Part of the thesis. All the analyzes and strategy plans will be mentioned in this part most meticulously based on the author's framework in the theory part.

### **5.1 Executive summary**

The document will provide full details of the Boardgame coffee shop business plan in Hanoi, Vietnam. The shop wants to guarantee the quality of drinks and ensure the quality of boardgame games at the shop. Along with that is the desire to create a friendly, healthy environment, more comfortable to connect in the community. The restaurant will be divided into three floors with different eye-catching concepts, helping customers increase the experience while enjoying coffee and games. Also, the shop will also provide suitable snacks for customers while playing a boardgame. The main goal of this thesis is to run the plan for three years and make a profit. The shop is expected to open in early 2022 with an initial cost of 38361 Eur. Moreover, finally, the finance section will provide all the information about the company's financial affairs. It is expected that EUR 38361 will be the cost to start a board game cafe business. To reach the breakeven point each month, the shop will need to sell 5015 units per month (excluding boardgame service). Through predictions and calculations, the payback period is after one year and one months, and at the end of the third year, the shop will have a cash flow of 69930.6 Euros.

## 5.2 Business strategy

### Mission statement

- Our mission is to create a fun, friendly, easy-to-connect place in a team. An environment that helps young people reduce time with social networks, games. A place where young people can enjoy a drink and connect through board games

### Vision statement

- We desire to create a healthier, closer together environment in the era when the internet is too developed.
- If the favourable development we will continue to develop models, to meet the recreational needs of youth

### 5.2.1 Objectives

To define the objectives of the café boardgame shop, the SMART analysis will be used

- **SPECIFIC:** We want to achieve a stable number of customers in and out of the cafe. This can help the coffee shop stay operational and make it profitable.
- **MEASURABLE:** To measure the number of guests in and out of a coffee shop's operation. The simplest thing is to look at the number of daily visitors, precisely the number of regular customers for the month. Having customers returning to use the service and drinks is a testament to the cafe's performance well. And our standard is to achieve the average number of guests is 200 guests/day.
- **ATTAINABLE:** To reach the average number of customers is 200 guests per day. It sounds easy, but to do it is a complex problem. Therefore, why this business plan is prepared, and a good strategic plan will help achieve goals.
- **RELEVANT:** With strategies prepared to reach the number of customers of 200 visitors a day to serve the maintenance of the restaurant's operation and help the shop achieve profitability.
- **TIMELY:** We want to reach 200 guests/day after the first week of opening the restaurant

### 5.2.2 SWOT analysis

**Table 4 Chill&Free's SWOT Analysis**

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• The owner is still young, so he has many relationships with young people (our target market) and even youth influencers, thereby creating a sense of harmony with young employees. Create a youthful and dynamic working environment.</li> <li>• Our shop has a Gamemaster, which very few Boardgame coffee shops have. This shows that the boardgame service at the shop is really invested</li> <li>• With the Boardgame service, the cafe will bring people closer together</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The owner does not have much practical business experience</li> <li>• Limited advertising costs             <ul style="list-style-type: none"> <li>• Low start-up costs</li> </ul> </li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Increasing demand for intellectual games</li> <li>• Many educational organizations, associations, and groups wishing to find places, educational support products for students</li> <li>• Growth in per capita income             <ul style="list-style-type: none"> <li>• The people's demand for entertainment is increasing</li> </ul> </li> <li>• Diverse customers, many ages</li> <li>• Location near many schools</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Old Competitors innovate their business methods</li> <li>• New and well-funded competitors imitate the business model</li> <li>• Other types of entertainment developed strongly and took up market share</li> <li>• The market may be saturated over time</li> </ul>

*Source: author's*

Based on the analysis, the coffee boardgame shop will have suitable strategies outlined:

- There are many opportunities to attract young people and educational organizations. Taking advantage of the coffee boardgame shop's opportunities, the shop will develop the most professional boardgame service to give guests the best experience. Since then, it will increase business opportunities with educational institutions. Although there are not many advertising costs in the first year, the shop owner will make good use of the shop owner's relationships to increase coffee. shop. In the following years when the business becomes more favourable, the cost of advertising will be increased to serve other marketing strategies. The restaurant will create service experiences and fancy space decorations to develop distinctive features to face other competitors.

### 5.2.3 PESTEL analysis

- **Political factor:** The political situation in Vietnam is relatively stable without many changes. The Party and political system must be based on steadfast Marxism-Leninism. The government is focusing on strengthening control of power, discipline and preventing corruption. The government continuously promotes private economic development, a significant driving force of the socialist-oriented market economy. To promote the goals, the government has perfected financial mechanisms and policies to facilitate personal enterprises' development. An excellent opportunity for those who want to develop a personal enterprise in Vietnam.
- **Economic factor:** In the 2016-2019 period, the GDP growth rate is relatively high, at an average of 6.8%. Although the economy was heavily affected by the Covid-19 epidemic in 2020, the average growth rate of the five years 2016-2020 is estimated at 5.9% and belongs to the region's highest growing countries. GDP per capita in 2020 is about 1.3 times higher than that of 2015. Prices of commodities have been relatively stable. The average consumer price index (CPI) in the period 2016 - 2020 is estimated at 4%, a sharp decrease compared to the period 2011-2015 (7.65%) within the set target (less than 4%). The average core inflation has been well controlled over the years, kept relatively stable. The average in the period 2016 - 2020 is forecast to reach 1.81%, a sharp decrease compared to 2011 - 2015 of 5.15%. The overall national

unemployment rate in 2020 is estimated at 2.26%, of which the unemployment rate in urban areas is 3.61%; in rural areas is 1.59%

In general, with GDP steadily increasing over the years, it means that the level of income of the population increases, the quality of life of the community is improved, and the demand for the entertainment of the people will also increase. It is also a good opportunity for us to open the Boardgame coffee entertainment business. Along with the decrease in CPI and inflation, it also means that the amount of daily consumption of the people also decreases, but this is a good opportunity to improve living standards for people with low incomes creating a more stable and fair society. So, the entertainment needs of poor income people will also increase, a huge number of potential customers. All of the above factors plus the unemployment rate are also decreasing, showing that the Vietnamese economy is developing well, and the people's living standards are increasingly improved thereby creating a potential consumption environment. A positive sign for those who want to invest in business development in Vietnam

- **Social factor:** Vietnam is experiencing rapid changes in population and social structure. Vietnam's population is estimated to be around 97.58 million by 2020. According to the Vietnam Census 2019, 55.5% of the population is under 35 years old, with an average life expectancy of nearly 76., higher than comparable regional countries. But the population is aging rapidly, and the middle class is expected to grow. Vietnam is the country with the highest Human Capital Index among middle-income countries. However, many local gaps persist, especially among ethnic minorities. Health care and health care for the people have been increasingly strengthened, the quality of the population has gradually improved. However, the translation of Covid-19 in the world continued to evolve complicatedly. In Vietnam, the epidemic is basically under control. A relatively stable environment for businesses as the government ensures human resources and health.
- **Technology factor:** The technological developments of the world we have seen, so in Vietnam is no exception. The state continuously invests in science and technology to increase productivity in all fields. We will also rely on that to invest in machines to help improve working efficiency. For example, management software will assist the shop in managing human resources, inventory, desk reservation, etc.

- **Environment factor:** Environmental factors do not affect coffee shops much. However, with the economic development that has affected the surrounding environment, the pollution level in big cities like Hanoi is very high. It directly affects the people's health, so as a part of the community, My Coffee Shop will comply with ensures a clean surrounding environment
- **Legal factor:** Our Boardgame Coffee Shop is registered under The Limited Liability Company, more specifically, Limited Liability Company with One Member (Single Member LLC). Owners will be liable for debts and other liabilities. Also, for business license tax, VAT, and personal income tax, the company will have to pay in full, in the case of a cafe, the VAT is 5%, and personal income is also 5% of personal income. Besides, the issue of food hygiene and labour law issues will be strictly followed, and owner will be ready to take responsibility if something goes wrong.

### **5.3 Market research and marketing plan**

In this section will be the market research and marketing plan of the coffee shop. The first will be some information about the market size and market trend better to understand the general situation of the coffee market

#### **5.3.1 Market size and market trend**

##### 5.3.1.1 Market size

- Coffee segment revenue is expected to reach 5,148 million euros by 2021. The market is expected to grow 8.1% annually.
- The largest segment of the market will be the roasted coffee segment, with a market volume of 4,702 million euros by 2021
- Compared with the total population, a turnover per person of 52.44 euros will be generated in 2021
- Consumption per capita will be at 1.4 kg by 2021

### 5.3.1.2 Market Trend

- - According to Vietnamcredit data, for outside drinks, Vietnamese adults (general statistics of both sexes) prefer beer (22%) followed by juice (14%) and coffee (13%).)
- - Based on other Q & me statistics, people in Vietnam often go to the independent coffee shop most. The second choice Chain coffee shops and then street coffee shops.

### 5.3.2 Target market

For business to customer (B2C)

- The first largest audience that we want to target is young people from 16 to 30 years old.

**Table 5 Young people group**

Young people (16 – 30 years old)		
Geographic	Demographic	Psychographic
Country: Vietnam City: Hanoi Language: Vietnamese Population: 1.8 million (16-30)	Age: 16-30 years old Gender: women, men Status: Student, working Income: Lower-middle, middle, upper-middle, high income and supported by family	The need to meet and socialize with friends Usually go to coffee shop from 1-3 times / week Impressed by the cafes with beautiful and strange decorations

*Source: author's*

This is a large segment that needs to be exploited because:

- Students, and young people have habits and needs of meeting and exchanging friends.
- This group often looks for shop with unique spaces and decorations or attractive activities and games.
- The time that young people gather with friends at least 1-3 times a week.



- Households have children:

**Table 6 Household have children group**

Households have children		
Geographic	Demographic	Psychographic
Country: Vietnam City: Hanoi Language: Vietnamese Population: 5 million (9 -44)	Age: 9 – 44 years old Gender: Woman, men Status: Student, Working Family size: more than 2 people Income: Lower-middle, middle, upper-middle, high income	Habitually family gatherings at holidays Looking forward to finding a healthy playground, suitable for the whole family

Source: author's

- On the occasion of festivals, festivals, and summer, families need to meet and entertain members.
- The provision of board games and play venues will enrich the entertainment list for family weekends or festivals.

For business to business (B2B)

- Educational organizations (Clubs, associations, groups)

**Table 7 Educational organizations**

Educational organizations		
Geographic	Demographic	Psychographic
Country: Vietnam City: Hanoi Language: Vietnamese	Sector: Educational organizations Number of members: more than 10	Looking forward to finding a healthy entertainment environment Desiring to find a venue wide enough for group club activities

Source: author's

- This is the potential market share that we can provide intellectual games, collectives, and places to live:
- Outdoor collective games are increasingly lacking in attractiveness, while online games are too developed, causing many adverse effects on health and moral character

### 5.3.3 Customers analysis

To analyse customers, the author will use two main data, primary data and secondary data.

#### 5.3.3.1 Primary data

- In this part, a quick survey was conducted with 102 participants which are working and studying in Ha Noi, Viet Nam. The main objective of this survey is to investigate the market needs of people at cafes (or other beverages). Questionnaire and the survey were constructed with 8 questions below:
  - What is your gender?
  - What is your age?
  - Do you like to go for coffee (or other beverages) at the shop?
  - What is your purpose to go to the coffee shop (or other beverages)?
  - What is the average number of times you go out for coffee (or other beverages) in a week? (If not affected by COVID)
  - Which criteria do you choose a coffee shop (or other beverages)?
  - How much are you willing to spend in one time go to the coffee shop (or other beverages)?

a) Do you like to go for coffee (or other beverages) at the shop?

**Table 8 The answer to question 3 in the survey**

	Yes	No	Total
<18	9	1	10
18-30	55	4	59
30-45	21	2	23
>45	6	3	9
Total	91	11	102

Source: author's

- It can be seen that 91 out of 102 participants answered yes, that is, accounting for 89.21% of the total number of responses.

b) What is your purpose to go to the coffee shop (or other beverages)?

**Table 9 The answer to question 4 in the survey**

	Study and work	Relax	Enjoy drink	Meet, socialize	Other	Total
<18	0	0	2	8	0	10
18-30	4	5	5	41	4	59
30-45	3	5	3	12	0	23
>45	4	1	2	2	0	9
Total	10	11	12	62	4	102

Source: author's

- The most chosen answer is to meet friends with 62 options. That accounts for 60.7% of the total responses of 102 participants
- If only considering the age group 18-30, 41 answers are to meet friends out of a total of 59 answers, accounting for 69.49% of the 18-30 age group participating in the survey. It can be observed that the need to meet and socialize people living in Hanoi is extremely high, especially for the age group 18-30.

c) What is the average number of times you go out for coffee (or other beverages) in a week? (If not affected by COVID)

**Table 10 The answer to question 5 in the survey**

	< 1 time/week	1-3 times/week	3-6 times/week	>6 times	Total
<18	3	3	2	2	10
18-30	4	45	9	1	59
30-45	10	9	4	0	23
>45	3	2	3	1	9
Total	20	59	18	4	102

Source: author's

- The most chosen answer is 1-3 times / week with 59 choices out of 102 participants. That means a total of 57.84% of the answers
- Considering the age group 18-30 alone, there are 45 responses from 1-3 times / week out of the total 59 participants, which is 76.6% in the 18-30 age group participating in the survey.
- It can be seen that the frequency of people going to the coffee shops (or other beverages) of Hanoi is quite high. Only 19.6% of survey participants answered that they go less than once a week.

d) Which criteria do you choose a coffee shop (or other beverages)?

**Table 11 The answer to question 6 in the survey**

	Convenient to travel	Delicious drinks	Beautiful concept	Service	Other	Total
<18	1	1	6	2	0	10
18-30	14	19	20	2	4	59
30-45	5	8	9	1	0	23
>45	4	2	2	1	0	9
Total	24	30	37	6	4	102

*Source: author's*

- The answer was most chosen because of beautiful concept with 37 out of 102 responses, followed by reasons for the quality of drinks with 30 choices, ranked 3rd for convenient to travel with 24 choices
- It can be seen that external factors are very important for a coffee shop in Hanoi. Just a coffee shop with a good geographical location and a unique and beautiful space is a key to a successful coffee shop in the heart of Hanoi.

- e) How much are you willing to spend in one time go to the coffee shop (or other beverages)?

**Table 12 The answer to question 7 in the survey**

	< 1 Eur	1-2 Eur	2-3 Eur	>3 Eur	Total
<18	2	3	4	1	10
18-30	0	29	22	8	51
30-45	2	5	10	6	23
>45	1	3	3	2	9
Total	5	40	39	18	102

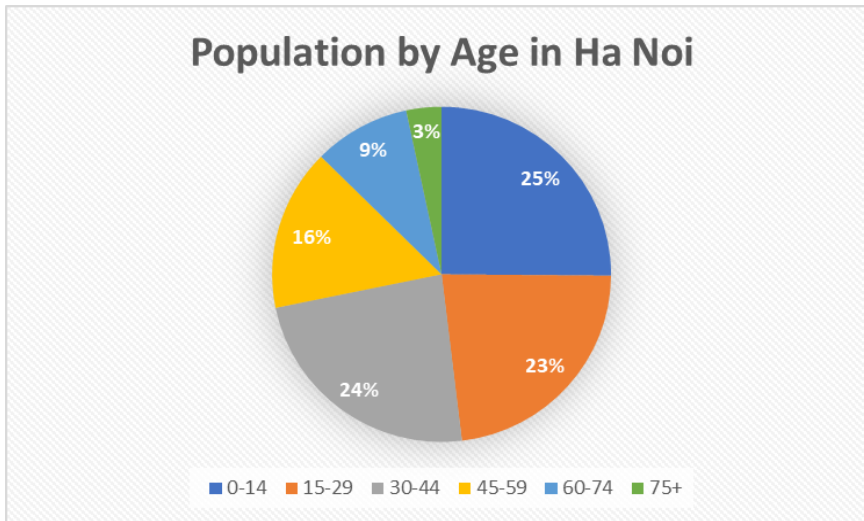
*Source: author's*

- The 2 most chosen answers are 1-2 Eur with 40 options, and 2-3 Eur with 39 options, based on this and compare with the prices of other competitors the menu of the restaurant will fluctuate. average from 1.5-3 Eur / person

#### 5.3.3.2 Secondary data

- The population in Hanoi city is up to 8053663 people currently living and working in the city. The number of people in Hanoi is just after Ho Chi Minh City. Below is a table of Hanoi population structure by age; as mentioned above, our leading target group is the population aged 15-29. The table below shows that this age makes up 23% of the population Hanoi number is nearly a quarter of the population.
- Comparing and synthesizing with data from primary data, we can see that 23% of Hanoi's population have the habit of going 1-3 times / week to cafes and are willing to pay ranging from 1- 3 Eur

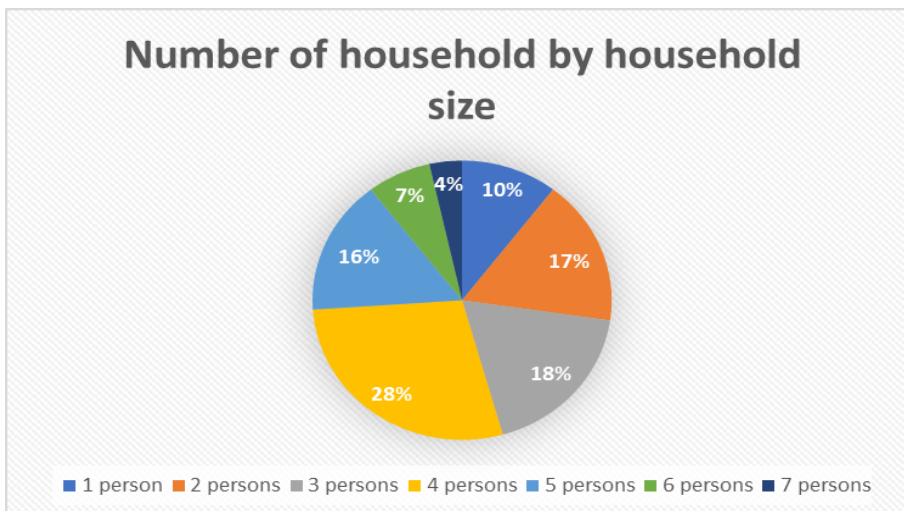
**Figure 1 Population by age in Ha Noi**



*Source: Author collect and calculate from Vietnamese government sources*

- Another target group is followed by households with at least 3 people. Because households with 3 or more people usually have 1 to 2 children. These households are always eager to find relaxing and healthy places for their children that the whole family can enjoy together. Looking at the chart below it can be seen that the number of households with at least 3 young people makes up 73% of the total number of households, the exact number is 1622901 households.

**Figure 2 Number of household by household size**



*Source: Author collect and calculate from Vietnamese government sources*

### 5.3.4 Competitors analysis

- Our main competitors will be existing cafes operating with a similar model to ours, located in the centre of Hanoi.

**Table 13 Competitors' overview**

	Comparison of Competitors			
	Gigi Club	The Nest	The Cube Cafe	Up coffee
Location	Hai Ba Trung, Ha Noi	Hoan Kiem, Ha Noi	Ba Dinh, Ha Noi	Cau Giay, Ha Noi
Operating time	9h30-23h30	9h00 – 22h30	8h30 – 23h00	12h00 – 23h00
Description	With a huge number of games of all different genres, spacious open space, suitable for large groups of people	The space is narrow, but the decoration is eye- catching. Here appreciation is the variety of drinking water. Enthusiastic staff	Have a beautiful view overlooking the lake. There are 3 spacious floors for large groups of friends.	The shop has a huge store of games. Especially here also has more service to rent game by day
Rate	4,3/5	4,4/5	4,3/5	4,3/5
Price	1.5 EUR – 2 EUR/ person	1.5 EUR – 4 EUR/ person	1 EUR – 2 EUR/ person	1.5 EUR – 2 EUR/ person

*Source: Author collect from internet source*

- The quality evaluation data is taken from a customer review on google. In general, the quality of the shops is almost the same. However, these shops mainly thrive in board games, not focusing on investment in drinks quality. Only The Nest has highly valued for the variety and quality of drinks and board games quality. The only minus point of The Nest is that the space is not spacious, but they have tried to improve it by

decorating the room so that it is eye-catching, the quality of service they are also appreciated.

### **5.3.5 Advertising and Promotion**

Advertising and promotion campaigns are one of the important parts if you want a successful business plan. Especially when we are in the age of technology development today, marketing now becomes diverse in many forms. Competitors in the same industry will continuously evolve and innovate their marketing campaigns to suit the best context.

- Advertising:

- Using social media for good is no longer a strange thing for us at this time. We will regularly update information about the shop on two main areas: "Facebook" and "Instagram". The use of many social networks will increase the ability to reach more customers.
- Organize events / tournaments: Based on the available advantage of having a boardgame service, we will organize a competition for customers. Participation in these tournaments is entirely free, along with many attractive prizes. Depending on the number of players participating, if the number of participants is both and large, we will organize it once a week.
- After 1 year, the Owner will hire youth influencers at competitive events or events to get more attention.

- Promotion:

- In the first week of opening, we will offer a discount of 50% on the total bill for all customers, a way to attract customers when the new store comes into operation.
- On major national holidays we will also hold some promotions as above.
- Every day we will have different big free games for customers to experience games without having to rent.

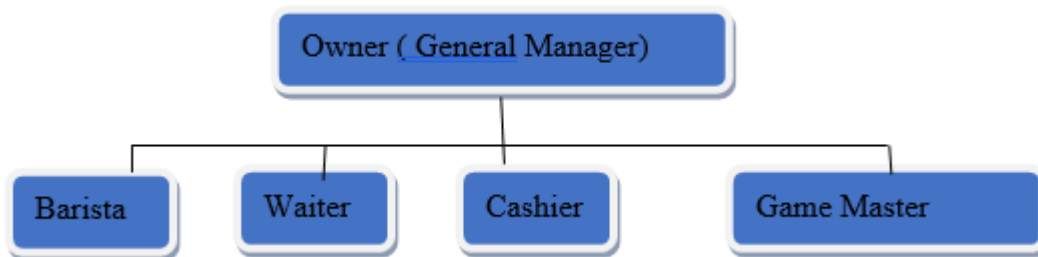
## **5.4 Human resources management**

In this section, all the details of the boardgame cafe's staffing and recruitment process are detailed.



### 5.4.1 Organizational structure

Figure 3 Organizational structure



Source: author's

### 5.4.2 Recruitment procedure

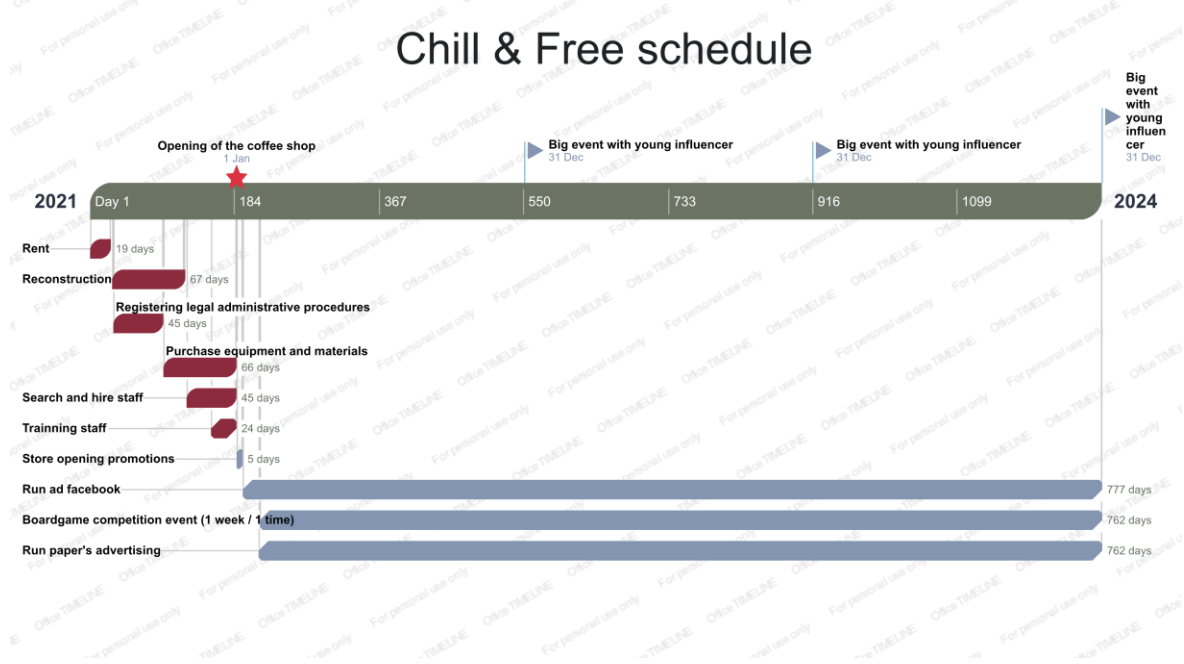
- Barista: Must have a coffee barista license provided by the training centre, knowledgeable about the preparation, can withstand high pressure and high work intensity.
- Waiter: Unskilled workers, students who do part-time jobs, require knowledge of board games, have passion, and are eager to learn new things about boardgame. Can instruct the game to customers
- Game Master: Understanding of some basic board games to introduce the game, instruct the rules of the game for customers, receive orders from customers, support teams, and other tasks according to the arrangement of the manager.
- Cashier: Maybe students work part-time financial accounting or have graduated  
Our recruitment process is to post information on job search websites, social networks, or referrals from acquaintances

## 5.5 Operation management

The Boardgame Coffee Shop will be open from 10 am - 10 pm all days of the week. The working time of staff will be divided into three normal shifts per shift of 6 hours, but staff can work overtime if they want or in case of crowded. On weekdays, staff will usually be divided into two main shifts: morning shift (10 am-4pm) and evening shift (4 pm-10pm). Afternoon shift (12am - 6pm) is a side shift that will usually be used on weekends, big holidays to support in case of crowded coffee shop.

And below is the coffee shop's operating schedule represented by the gantt chart including marketing and promotion activities.

**Figure 4 Chill&Free schedule**



Source: author's

### 5.5.1 Premises and layout

As I mentioned above, our site will have 60m<sup>2</sup> of the land of 3 floors. And with a total area of 180m<sup>2</sup>, the capacity of the restaurant can be up to 70 or 80 guests at a time. We will decorate each floor differently (the theme of each floor is different). For today's young people, they will choose cafes with beautiful and strange concepts.

- 1st floor: Mainly for individual guests or groups with few people, usually groups of 2 people (This floor theme will make it eye-catching but straightforward suitable for all guests)
- 2nd floor: Mainly for households with children or educational institutions, this floor will be divided into two rooms (This floor theme will be child-friendly, eye-catching colours)
- 3rd floor: Mainly for large groups of over ten people or groups who want to have private space, the floor will also be divided into two rooms (This floor theme will be slightly dark in colour, something horror).

### 5.5.2 Product and Services

- The shop will provide 2 main services: coffee and boardgame. Below is our beverage menu, we will also include snacks.

**Table 14 Chill&Free menu**

Coffee	Smoothie	Tea	Mojito	Food
Black Coffee	Avocado	Earl Grey	Classic Mojito	French fries
Coffee with milk	Mango	Peach	Mint Mojito	Sweet potato fries
Coffee with a lot of milk	Passion fruit	Mango	Passion Mojito	Sour fried rolls
Coffee coconut juice	Raspberry	Mixed fruit tea		Fried cheese sticks
Cappuccino	Blueberry			Sweet cake
Espresso	Strawberry			
Cocoa	Banana			
Mocha	Soursop			

*Source: author's*

- For boardgame service, simple games such as UNO, seahorse, draw wood, playing cards, the shop will be free to use by customers.
- For larger games such as Werewolf, Monopoly, Smallworld, Catan, Witch Hunter will charge for each game.
- The games we mentioned above are just a few examples; expected we will buy more than 300 games of all kinds and will keep updating continuously.

### 5.5.3 Supplier

- Drinks: We will import raw materials from companies with big brands such as Trung Nguyen Café, Vinacafe
- Boardgames: Board game Vn, H2 RUBIK SHOP

**Table 15 Supplier overview**

Supplier	Description
Trung Nguyen Cafe	As one of the leading coffee brands in Vietnam, not only in Vietnam, now Trung Nguyen coffee has reached out to the world with 60 different countries.
Vinacafe	Supplier of clean raw materials for roasted coffee, second in market share after Trung Nguyen Café, which has not yet reached international market but has captured the love of Vietnamese people.
Boardgame Vn	As one of the major boardgame distributors in Vietnam. Headquartered in Hanoi and has more than 20 agents nationwide
H2 RUBIK SHOP	A smart toy store in Hanoi. By providing the best quality products through the selection of famous partners in the world.

*Source: author's*

### 5.5.4 Personal

- General manager
  - Number: 1
  - Role: The company owner will be the general manager, who will be the one to monitor all business activities and processes, who will plan, develop and develop for the restaurant, be responsible before the law

- Barista:
  - Number: 6
  - Role: Mixing drinks and preparing some snacks and also quick food. There is also to track the amount of research stored, control everything in the bar. On weekdays, two baristas are needed per shift, on weekends or holidays the number will be two to three people per shift.
- Waiter:
  - Number: 8
  - Role: The main task of waiters is to introduce menus to customers and receive orders from customers. And re-cleaning the shop before opening and after closing, outside. Each shift will have 3 to 4 service staff
- Cashier:
  - Number: 3
  - Role: Cashier's main task is to calculate and receive payment from customers. The person responsible for all revenues and expenditures of the coffee shop. Each shift only needs 1 cashier
- Gamemaster
  - Number: 6
  - Role: Gamemaster's main task is to advise customers on games and assist customers to play team games. Each shift will need two Gamemaster on weekends will need 3 people 1 shift.

## **5.6 Financial Plan**

In this section will be the detailed financial plan of the coffee shop, starting with this section is the start-up costs

### **5.6.1 Start-up costs**

Chi The initial cost includes all initial costs to open the coffee shop. The estimated initial cost will be around 38361 EUR. The cost of renting and reconstruction is the highest of both at nearly 10000 Eur. Next is the cost of the Coffee Machine and the cost of Boardgame, since the shop mainly supplies coffee and Boardgame, the total cost of these two items remains estimated at 9700 Eur. And of course, for expenses incurred, the expected cost is 1000 Euro

**Table 16 Services expenses**

Services expenses	
Item	Price (in EUR)
Premises	1200
Deposit (3 months)	3600
Reconstruction	8000
Food safety certificate	1000
Registration fee	70
Utilities	1000
Total	14870

Source: author's

**Table 17 Equipment Expense**

Equipment Expense		
	Quantity	Price (in EUR)
Dispensing counters	2	1100
Small Table	18	1155
Big Table	6	1200
Chair	68	1250
Coffee Machine	2	4300
Blender	2	1083
Fridge	2	722
Cup, Plate	100	700
Payment machine	1	541
Signs board	1	150
Hot water heater	2	90
Tv/Computer/Radio	1	2000
Boardgame	300	5400
Security camera	4	800
Material		2000
Other		1000
Total		23491

Source: author's

Total expense equals Total services expense plus Total equipment expense = 14870 + 23491  
 = 38361 Eur

### 5.6.2 Employee costs

**Table 18 Employee costs**

	1 month (EUR)	1 year (EUR)
Waiter (8 people)	1200	14400
Barista (6 people)	1320	15840
Cashier (3 people)	510	6120
Gamemaster (6 people)	1260	15120
<b>Total</b>	<b>4290</b>	<b>51480</b>

*Source: author's*

Total cost of salary for employees for 1 month is: 4290 Eur

And for 1 year it is: 51480 Eur

### 5.6.3 Forecast sale

Here is the forecast sale for one month, since coffee is the main product of the coffee shop, the volume of coffee sold will be the most compared to other beverages.

**Table 19 Forecast sale for a month in unit**

Forecast sale for a month in unit						
Product	Coffee	Smoothie	Tea	Mojito	Food	Total
Daily unit sold	120	40	40	20	30	250
Monthly unit sold	3600	1200	1200	600	900	7500
Sale mix	48%	16%	16%	8%	12%	

*Source: author's*

And below is an example for forecast sale for the first year. The first few months when opening the restaurant, there were many incentive programs, so the number of customers was

quite good. New year events will start in January or February in Vietnam, so the number of visitors in January and February is above average. The restaurant's peak time will be in the summer when students are allowed to leave school. The consistent absence of customers is expected to start from October to the end of December because students will start going back to school in October.

**Table 20 Forecast sale for 1st year**

Month	Coffee	Smoothie	Tea	Mojito	Food	Total number unit	Revenue
1	2950	950	850	550	754	6054	9658
2	3000	970	830	450	700	5950	9535
3	2900	800	760	430	650	5540	8820
4	2800	850	700	400	600	5350	8550
5	3300	1000	900	600	800	6600	10500
6	3400	1050	940	650	850	6890	10960
7	3420	1200	1030	670	860	7180	11465
8	3450	1300	1080	700	900	7430	11895
9	3100	890	800	620	790	6200	9830
10	2600	750	600	400	700	5050	8100
11	2500	650	500	370	650	4670	7470
12	3000	850	800	510	720	5880	9350
Total	36420	11260	9790	6350	8974	72794	116133

*Source: author's*

And at our coffee boardgame, on average, one customer will have to pay an average of 0.5 EUR / person for Boardgame services

So, the Revenue of boardgame service for the first year is  $72794 * 0.5 = 36397$  Eur

Total Revenue of the coffee shop for the first year is  $116133 + 36397 = 152530$  Eur

Likewise, the revenue of the coffee shop for the second year is  $119368 + 34414.5 = 153782.5$  Eur and the third year is  $123616 + 36104 = 159720$  Eur.



### 5.6.4 Break-even analysis

**Table 21 Total fixed costs**

Total fixed costs (1 month)	
	1 month (EUR)
Rent	1200
Wages	4290
Utility costs	500
Marketing	250
Other	200
<b>Total</b>	<b>6440</b>

*Source: author's*

Below is an estimate of the number of units sold in a month, Since the main product at the coffee shop is coffee, the volume of coffee sold during the day will be higher than other beverages.

**Table 22 Break-even analysis**

Break-even-analysis					
Product	Coffee	Smoothie	Tea	Mojito	Food
Price per unit	1.5	2	1.5	2.5	2
Variable cost per unit	0.3	0.5	0.3	1	0.7
Contribution Margin per unit	1.2	1.5	1.2	1.5	1.3
Sale mix	48%	16%	16%	8%	12%
Contribution	0.576	0.24	0.192	0.12	0.156
Average CM per unit	1.284				
Total fixed costs	6440				

BEP of units to sell	5015				
BEP of units (each type)	2407	802	802	401	602
Product sales in Euro	3611	1604	1203	1003	1203
Break-even sales in Euro	8626				

Source: author's

The monthly break-even point for “Chill and Free” cafe shop is 5015 units. So, the store needs to sell at least 5015 units per month, equivalent to 8626 Euros per month, to ensure the business does not suffer losses.

### 5.6.5 Income statement

Based on the forecast sales above, an Income statement for three years was generated

**Table 23 Income statement for three years**

	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
Revenue	152530	153783	159720
Cost of goods sold	32124.8	29942.3	31132.6
Gross profit	120405	123840	128587
Total Expense	<b>85406.5</b>	<b>86596.1</b>	<b>86866</b>
Rent	14400	14400	14400
Wages	51480	51480	51480
Utilities	6000	6000	6000
Marketing	3500	4000	4000
Other	2400	6000	2400
VAT (5%)	7626.5	7689.13	7986
Income before taxes	<b>34998.7</b>	<b>37271.1</b>	<b>41721.4</b>
Income tax (5%)	1749.94	1863.55	2086.07
Net income	<b>33248.8</b>	<b>35407.5</b>	<b>39635.3</b>
Cash Flow	(5112.24)	30295.3	69930.6

Source: author's

The table above is the calculation of income and cash flow of the store within three years. The first year's net income is 33248.8 Eur, the second year is 35407.5 Eur, and the third year is 41721.4 Eur. Estimated that it will make a profit after 1 year and 1 months and by the end of year 3, the shop will have 69930.6 Eur in the account.

## **5.7 Risk analysis**

The risk problems that can be encountered are:

- **Market Risks:** Changes in market demand, new trends in drinks and entertainment  
Solution: Always update the market situation to find a solution for the coffee shop promptly.
- **Competitive Risks:** Boardgame coffee is no stranger to Vietnamese youth, so there will be many new competitors entering the market, while long time competitors will reposition their products and services so that they are more efficient  
Solution: Adjusting reasonable prices, improving service quality as well as facilities
- **Technology Risks:** Will be errors from management software, dispensing machines  
Solution: Invest more in technology, periodically maintain and upgrade machines
- **Execution Risks:** Because the owner does not have much experience, there will be risks in the cafe's operation and development.  
Solution: Continuously improve knowledge and if the performance is still lacking, hire more management personnel to support the owner.
- **Capitalization Risk:** Because coffee shop capital is mainly the owner's capital, budget problems are possible.  
Solution: Look carefully at options, and cut costs if needed

## 6 Conclusion

The thesis is the entire content of developing a business plan for the Boardgame cafe in Hanoi, Vietnam. The thesis's main purpose is to develop a specific strategy for the Boardgame coffee shop to maintain operation for three years and bring in a profit for the owner. Also, other missions are with the desire to create a healthier playground for Vietnamese youth and popularize boardgame games for Vietnamese youth. The cafe wants to provide a place to relax for the group and quality drinks and raise the Boardgame service more professionally. Before going into the details of the plan is the theory part. In the theory part, the author has provided readers with a better understanding of the knowledge bases of business models, business plans, and analysis tools. All knowledge for the theory is for practice. In practice, the first is to generalize a little information about the shop, and SMART analysis will help to clearly define goals and mission to develop in the right direction. Next is the SWOT analysis, which has analysed many aspects such as the coffee shop's strengths and opportunities, thereby taking advantage of those advantages to develop. As well as the other aspects are weaknesses and threats, it helps to prepare contingency plans. The PESTEL method has proven that the Vietnamese market is now a very potential and attractive market. This was followed by a small survey of market demand on Hanoi residents' coffee shop visits to understand customer criteria better. It will then identify the target market and help the shop have marketing plans to reach those target groups. Equally important is that the competitor analysis helps to understand competitors better and learn from their strengths.

Moreover, finally, the finance section will provide all the information about the company's financial affairs. It is expected that EUR 38361 will be the cost to start a board game cafe business. To reach the breakeven point each month, the shop will need to sell 5015 units per month (excluding boardgame service). Through predictions and calculations, the payback period is after one year and one months, and at the end of the third year, the shop will have a cash flow of 69930.6 Euros. And with the money the owner has after three years, the owner will open another coffee shop in the long term. And the desire to create a healthy entertainment environment for today's young people.

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## 8 Appendix

**Table 24 Marketing costs**

Advertising costs	1 month	1 years
Paper advertising	100	1200
Facebook ads	150	1800
Event fee		500
Total	200	3500

*Source: author's*

**Table 25 Cost of goods sold and price**

	Cost of goods sold	Selling price include Tax
Coffee	0.3	1.5
Smoothie	0.5	2
Tea	0.3	1.5
Mojito	1	2.5
Food	0.7	2

*Source: author's*

**Table 26 Forecast sale for 3rd year**

Month	Coffee	Smoothie	Tea	Mojito	Food	Total number units	Revenue
1	3000	1300	1250	500	800	6850	11825
2	3200	900	1200	400	700	6400	10800
3	2800	800	900	320	600	5420	9150
4	2500	800	700	300	650	4950	8450
5	3400	900	1000	600	800	6700	11500
6	3500	1200	1000	550	850	7100	12225
7	3600	1200	1200	600	900	7500	12900
8	3800	1300	1140	570	879	7689	13193
9	3200	700	500	430	789	5619	9603
10	2400	500	400	320	500	4120	7000
11	2340	650	450	340	460	4240	7255
12	3100	900	800	500	670	5970	10240



Total	36490	11150	10540	5430	8598	72208	123616
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Source: author's

**Table 27 Forecast sale for 2nd year**

Month	coffee	smoothie	tea	mojito	food	Total number unit	Revenue
1	2900	900	800	500	769	5869	10138
2	2800	1100	700	600	800	6000	10700
3	2700	900	700	350	700	5350	9325
4	2650	800	600	300	690	5040	8905
5	3100	1050	850	400	700	6100	10350
6	3500	1100	960	500	710	6770	11320
7	3700	1200	1000	650	800	7350	12375
8	3650	1030	980	670	720	7050	11850
9	3000	900	700	610	590	5800	10205
10	2400	600	500	450	500	4450	8125
11	2300	500	400	400	400	4000	7450
12	2900	800	700	350	300	5050	8625
Total	35600	10880	8890	5780	7679	68829	119368

Source: author's

**Table 28 Total cost of goods sold for 1st year**

Month	Coffee	Smoothie	Tea	Mojito	Food	Total cost of goods sold per month
1	885	475	255	550	527.8	2692.8
2	900	485	249	450	490	2574
3	870	400	228	430	455	2383
4	840	425	210	400	420	2295
5	990	500	270	600	560	2920
6	1020	525	282	650	595	3072
7	1026	600	309	670	602	3207

8	1035	650	324	700	630	3339
9	930	445	240	620	553	2788
10	780	375	180	400	490	2225
11	750	325	150	370	455	2050
12	900	425	240	510	504	2579
Total	10926	5630	2937	6350	6281.8	32124.8

*Source: author's*

**Table 29 Total cost of goods sold for 2nd year**

Month	Coffee	Smoothie	Tea	Mojito	Food	Total cost of goods sold per month
1	870	450	240	500	538.3	2598.3
2	840	550	210	600	560	2760
3	810	450	210	350	490	2310
4	795	400	180	300	483	2158
5	930	525	255	400	490	2600
6	1050	550	288	500	497	2885
7	1110	600	300	650	560	3220
8	1095	515	294	670	504	3078
9	900	450	210	610	413	2583
10	720	300	150	450	350	1970
11	690	250	120	400	280	1740
12	870	400	210	350	210	2040
Total	10680	5440	2667	5780	5375.3	29942.3

*Source: author's*

**Table 30 Total cost of goods sold for 3rd year**

Month	Coffee	Smoothie	Tea	Mojito	Food	Total cost of goods sold per month
1	900	650	375	500	560	2985
2	960	450	360	400	490	2660

3	840	400	270	320	420	2250
4	750	400	210	300	455	2115
5	1020	450	300	600	560	2930
6	1050	600	300	550	595	3095
7	1080	600	360	600	630	3270
8	1035	650	342	570	615.3	3212.3
9	960	350	150	430	552.3	2442.3
10	720	250	120	320	350	1760
11	702	325	135	340	322	1824
12	930	450	240	500	469	2589
Total	10947	5575	3162	5430	6018.6	31132.6

*Source: author's*