

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Development of the business plan of a coffee shop

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Bogdan Pavliuk

Business Administration

Thesis title

Development of the business plan of a coffee shop

Objectives of thesis

The main aim of this diploma project is the development of a business plan for the establishment of an enterprise and an assessment of its effectiveness.

In accordance with the goal, it is necessary to solve the following tasks:

- to study the economic essence of the main categories and concepts of business planning in the enterprise;
- consider the structure and content of the business plan;
- to develop a business plan for the establishment of the enterprise;
- evaluate the economic efficiency of the project and propose recommendations for minimizing risks and improving the financial and economic activities of the company being established.

Business plan is designed to create a coffee shop.

The subject of this work are the main economic indicators of the effectiveness of the project.

The object of this work is the process of creating an enterprise using the example of a coffee house.

The theoretical and methodological basis of the thesis was the work of domestic and foreign authors on

business planning, enterprise economics, finance, planning, accounting and financial analysis. Also, regulatory documents regulating the activities of the enterprise in the field of accounting, taxation were used.

Methodology

Methods used in the analysis: a systematic approach, methods of logical generalization of materials, statistical analysis.

The structure of the thesis includes: introduction, main part, conclusion, list of sources used.

In the first chapter "Literature review" theoretical foundations of enterprise activity planning are disclosed, and the role of the business plan in the enterprise planning system is considered.

In the second chapter "Developing a business plan for creating a coffee house," the main sections of the business plan for creating coffee houses are being developed. The main sections of the business plan are examined and analyzed.

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In conclusion, the main conclusions are drawn from the results of the analysis and the measures taken to improve the activities of the established enterprise.

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De Thomas, A. & Derammelaere, S. 2008. Writing a Convincing Business plan. New York: Barron's.
Haden, J. How to Write a Great Business Plan: The Executive Summary.
Harper, D. 2002. Entrepreneurship and the Market Process: An Enquiry Into the Growth of Knowledge.
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Declaration

I declare that I have worked on my bachelor thesis titled "Development of a business plan of a coffee shop " 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 12/03/2018

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Vytvoření obchodního plánu kavárny

Souhrn

Diplomová práce obsahuje obchodní plán pro kavárnu v Chersonu na Ukrajině. Podnikatelský plán funguje jako nástroj při zakládání podniku, stejně jako pomoc při plnění cílů a sledování cílů podnikání.

Práce začíná teoretickou částí s důkladnými informacemi o struktuře typického podnikatelského záměru, o tom, jak ho napsat a kdo ho může použít. Podnikatelský plán obsahuje obchodní koncepci, přehled produktů a služeb, marketingové strategie, plán struktury a organizace řízení, SWOT analýzu a finanční část. Je to částečně praxe, protože je založena na vlastních postřezích a myšlenkách autora a byla vytvořena prostřednictvím semistrukturovaných rozhovorů s odborníky v oblasti restaurací.

Výsledkem byl obchodní plán, který funguje jako pevná základna pro kavárnu v Chersonu.

Klíčová slova: obchodní plán, kavárna, marketingový plán, založení nového podniku, restaurace, strategický plán, SWOT analýza

Development of the business plan of a coffee shop

Summary

The thesis contains a business plan for a coffee shop in Kherson, Ukraine. A business plan works as a tool when starting up a business, as well as an aid to meet the goals and follow the objectives of the business.

The thesis starts with a theory part with thorough information about the structure of a typical business plan, how to write it and who can use it. The business plan contains the business concept, overview of products and services, marketing strategies, the plan for management structure and organization, SWOT-analysis and financial part. It is partly practice-based thesis, since it is based on the author's own observations and ideas, as well as created through semi-structured interviews with professionals in restaurant business.

The result was a business plan which works as a solid base for a coffee shop in Kherson.

Keywords: business plan, coffee shop, marketing plan, establishment of a new business, restaurants, strategy plan, SWOT analyse

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1 Introduction

Any business organization begins with the development of a business plan. It reflects the problems that entrepreneurs face in the process of achieving their goals. By definition, a business plan is a management system aimed at improving the performance of any firm, regardless of the scope of its activities.

Thanks to the business plan, the management has an opportunity to look at their own enterprise as if from outside. The very process of developing a business plan, including a detailed analysis of economic and organizational issues, makes it necessary to mobilize. The purpose of the business plan can be obtaining a loan, or attracting investments, determining the strategic and actual reference points of the firm.

Mastering the technique of business planning is becoming an urgent task for entrepreneurs today. Starting their activities, they must clearly represent the need for the future in financial, material, labor and intellectual resources, the sources of their receipt, and also be able to clearly calculate the effectiveness of resource use in the course of the firm's operation. The business plan is the basis of entrepreneurial activity and represents a comprehensive study of various aspects of the firm's work (development, production, implementation, after-sales service).

The business plan helps entrepreneurs to think through their strategy, commensurate their enthusiasm with reality and realize the existing limitations. This will avoid such potentially dangerous mistakes as a lack of capital for the functioning of the firm, a negative balance of cash flow, incorrect selection of personnel, a wrong choice of the location of the enterprise and the pursuit of not the market that is really needed.

2 Objectives and Methodology

2.1 Objectives

The main aim of this diploma project is the development of a business plan for the establishment of an enterprise and an assessment of its effectiveness.

In accordance with the goal, it is necessary to solve the following tasks:

- to study the economic essence of the main categories and concepts of business planning in the enterprise;
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In conclusion, the main conclusions are drawn from the results of the analysis and the measures taken to improve the activities of the established enterprise.

3 Literature review

3.1 Entrepreneurship

In the Oxford English Dictionary the word ‘entrepreneurship’ is defined as ‘a person who attempts to profit by risk and initiative’. This emphasizes that entrepreneurs are willing to take a high degree of risk and they exercise a high degree of initiative. (Burns, 2011, 11.)

The definition above however raises questions, because you can include assassins and basically all criminals into the category of entrepreneurship. Burns himself defines the term in the following way (2011, 13): *Entrepreneurs use innovation to exploit or create change and opportunity for the purpose of making profit. They do this by shifting economic resources from an area of lower productivity into an area of higher productivity and greater yield, accepting a high degree of risk and uncertainty of doing so.*

3.1.1 Being an Entrepreneur

Burns (2011, 34) describes factors that influence the start-up decision and that drive people to be entrepreneurs. Personal character traits that entrepreneurs have are:

Need for independence

The need to be your own boss is a strong trait for entrepreneurs and owner-managers. Independency often means different things to different people, like controlling your own destiny and fulfilling your whole potential.

Need for achievement

Doing work that does not motivate nor reward you in any way is a common fear. The satisfaction of producing a beautiful work and possible public recognition of achievement are strong drivers to start up your own business.

Internal locus of control

Internal locus of control basically means that you believe having a total control of your own life and destiny. Having an external locus of control, which means you believe in fate, you are less likely to start up a business.

Ability to live with uncertainty and take risks

Risks and uncertainty are unavoidable when you have your own business. Most people are risk averse and they try to avoid risks at all times.

Opportunistic

Entrepreneurs basically seek out opportunities to make money. When there is a problem, entrepreneurs see opportunities. In addition, they often have problems on focusing on just one opportunity at a time. Having too many projects and opportunities at hand you are not able to grow your business beyond a certain size.

Innovative

Innovation is often said to be more about seeing new opportunities for old designs, instead of recreating the wheel or rediscovering the gravity. Innovation is the greatest tool for entrepreneurs to change the problem into an opportunity.

Self-confident

If you do not believe in the success of your business, how can you expect others to do so? Especially when aiming to growth you will face uncertainty in every aspects, which needs self-confidence to get beyond.

Proactive and self-motivated

Entrepreneurial minds tend to be proactive and more decisive than other people. The irresistible urge to succeed in economic goals drives entrepreneurs forward stronger than the greed for money.

Visionary with flair

Having a clear visions of the goals you want to achieve is an important trait, as well as the right timing. The most innovative solution at a wrong time could lead to business failure.

Ability to live with uncertainty and take greater risks

Facing that amount of uncertainty and still aiming to growth forces entrepreneurs to take great risks, and often they are willing to risk it all, putting their homes on the line and all the eggs in one basket.

Other type of business owner called ‘owner-manager’ has only half of the traits above. Typically owner-manager runs trade- or craft-based firm as a lifestyle, with no pursuit of growth and wealth. An Entrepreneur aims to growth and wealth at all times. (Burns, 2011, 34 - 40.)

3.2 Business plan structure

In addition to describing the immediate goals, business plan is also a guide that shows how you want your business to develop in the future. A thorough business plan includes description of the product or service, type of business, management, marketing, operation, finances, and the company’s objectives and goals. It gives a better understanding of your business and future goals. (Bird, 2004, 5-7.)

What is a business plan for? Bird (2004, 7 – 10) describes numerous reasons why a starting entrepreneur should write a business plan. In addition to providing a long term guide to progress, which is an important tool for business managers, a business plan is obligatory when obtaining financial backing. Banks, private investors, they all have to be convinced that your new business is viable and potential. A good business plan also may encourage possible partners, shows strengths and weaknesses and helps you to plan resources. (ibid., 7- 10.)

3.2.1 Business idea

The business idea should be so clear that you could describe it a couple of sentences. What is my business for and what it will exactly do are questions which answers will form the basis of your idea. The well-known elevator speech is based on the idea that if you meet an interested investor in an elevator, you can describe clearly and interestingly your whole idea in the time it takes to go to the right floor – which would be around 30 seconds. Pitching your idea sharply in one or two sentences is the goal you should reach. (Bird, 2006, 24-25.)

3.2.2 SMART

A way to test if your idea is waterproof is the SMART test. The test encourages you to ask correct questions about your business idea in various ways so you can really see if the idea is realistic or not. SMART consists of five stages:

Specific

You need to be able to describe your idea precisely. You would like to sell food is not a precise idea, you have to know exactly what it is you want to do.

Measurable

You have to decide how you can measure is your plan successful or not. It can be the number of products sold, the number of your customers or a specific amount of profit you are aiming to reach.

Attainable

In order to keep your goals and ideas attainable, you have to have clear strategy to achieve them. If your timescale is unrealistic and you underestimate your resources, your business idea is unattainable.

Realistic

Selling snow to Greenland is not going to work. You have to have realistic plans on your operation range and the amount of customers you may have.

Timely

Right timing is not a joke. As mentioned above, even the brightest business ideas may fail due to wrong timing. No matter how innovative your idea is, customers have to be willing to adapt it.

SMART may be a setback for your business idea, but it also can give you various ways to improve it and make it realistic and working. If you get the SMART answers correct, you are on the right track to get a successful business plan. (Bird, 2006, 25-26.)

3.2.3 Restaurant concept

When entering to the restaurant business the concept of your restaurant has to be made clear. Everything from the logo to furnishings and uniforms should fit together into a whole that would appeal to the target market. The name of the restaurant might be the most 11 important factor when trying to gain popularity – a clear name that reveals your concept will find the people who would enjoy your food. (Walker, 2008, 68.)

Figure 1 The concept and market comprise the hub around which the restaurant develops



Source Walker, 2008, 68

No matter what your concept is, there always has to be a market to support it. For instance, a cafeteria next to a driveway relies on travelers to stop by for a coffee and a snack. Figure 1 explains how concept and market creates the center of the restaurant, supported by all the other factors from food to atmosphere. (Walker, 2008, 60).

3.2.4 Products and services

Describing your products and services in the business plan will first of all help to develop your niche – the thing that makes your products and services unique, special and the best in the market. In a restaurant business plan you have to discuss about your services, including dining style and service levels, and clarify how these factors will affect the product quality and your advantage against your competitors. (Brown, 2007, 117.)

Menu is the most vital part when planning your restaurant. You have to take into account the needs and desires of guests, capability of cooks as well as availability

of the ingredients. The simpler the menu, the less you need capability and consistency. However, a narrow set of options makes the menu even more crucial to plan carefully. (Walker, 2008, 208.)

3.2.5 Marketing strategies

When starting up a new company you have to get familiar with the total market of your field and your own potential market share in the field. In addition, it is really important to know your competitors. An entrepreneur should know the amount of competitors, their products and their market shares. (Holopainen & Levonen 2003, 68.)

Researching your future market will minimize risk and uncertainty and gives you some vital information about how to choose your marketing strategy. The key question that needs to be answered through your market research is why people should buy from you instead of your competitors. In order to answer this question you have to find out who will buy, what do they buy, who are your competitors and why do people buy from them. (Burns, 2011, 182.)

Table 1 Field vs. desk research

	Field research	Desk research
Advantages	▷ Reflects your needs	▷ Cheap
	▷ You control quality	▷ Quick
	▷ Up-to-date	▷ Good for background information
Disadvantages	▷ Expensive	▷ Not specific to your business
	▷ Takes time	▷ Can be incomplete or inaccurate
	▷ Can tell competition what you are up to	▷ Can be out-of-date

source Burns, 2011, 182

The table above describes the advantages and disadvantages of field versus desk research. Field research may include face-to-face interviews, surveys via telephone or postal questionnaires. It can be expensive and time consuming but also very rewarding and 100% up-to-date. (Burns, 2011, 183.)

Desk research can involve data from newspapers, magazines, trade journals and directories that may be available at the local business library. Desk research is a

way to provide information on various areas, such as product developments, customer needs, competitors and market trends. However, usually the information about local trends and markets are important for start-up companies, so Chambers of Commerce and other local sources are the most convenient ones. (Burns, 2011, 184.)

3.2.6 SWOT Analysis

SWOT Analysis is going to be used to identify the strengths, weaknesses, opportunities and threats that our business is going to encounter. SWOT analysis will be utilized in helping the author to find the competitive advantage over his competitors.

SWOT analysis was created in the 1960s by business gurus Edmund P. Learned, C. Roland Christensen, Kenneth Andrews and William D. Book in their book "Business Policy, Text and Cases" (R.D. Irwin, 1969).

The first two factors are Strengths and Weaknesses which refer to internal factors that are resources and experience that are available to an organization, for example: financial and human resources, trademarks and copyrights, locations, etc.

Threats and opportunities are external factors which influence and effect the organization and shall be put into consideration before making any strategic moves. External factors are usually things that are not in the control of an organization, for instance, the demographics, the growth rate of economy, the political and environmental factors, and market and technology trends.

To carry out the analysis, one should answer the following questions:

Strengths

- What advantages does your organization have?
- What does your organization do better than any competitors?
- What unique or lowest-cost resources can your organization draw upon that others can't?
- What do people in your market see as your strengths?
- What factors determine when you "get the sale"?
- What is your organization's Unique Selling Proposition (USP)?

Weaknesses

- What could your organization improve?
- What should your organization avoid?
- What are people in your market likely to see as weaknesses?
- What factors contribute to a loss in your sales?

Opportunities

- What good opportunities can you spot?
- What interesting trends are you aware of?

Useful opportunities can come from such things as:

Changes in technology and markets on both a broad and narrow scale.

Changes in government policy related to your field.

Changes in social patterns, population profiles, lifestyle changes, and so on.

Local events.

Threats

- What obstacles do you face?
- What are your competitors doing?
- Are quality standards or specifications for your job, products or services changing?
- Is changing technology threatening your position?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses seriously threaten your business?

3.3 Business Planning

According to Forbes, the following are critical elements for a good business plan.

3.3.1 Executive summary

It is a crucial part of a business plan that provides the readers with an overview of the entire business. This part of the business plan shall contain a description of products and services, a mission statement, company information, management team,

the market strategy, and financial information. The most important purpose of executive summary is to convince the reader to invest money or time into the business. The author can choose to write an executive summary after he has written everything else.

3.3.2 Company Analysis

It provides basic information of the company, its mission and vision, a description of products or services and its differentiation in the market. This section includes the analysis of company strengths and weaknesses, opportunities and threats, and competitive advantages.

3.3.3 Industry Analysis

It evaluates the attractiveness and profitability of the market, the future scenario of the industry, and how it will likely to evolve in the near future.

3.3.4 Competitive Analysis

It provides the basic information of the competitors, their products and services, their strengths and weaknesses; it also identifies the areas where the company can gain the competitive advantage.

3.3.5 Customer Analysis

It defines the target customers, their needs and preferences. It provides a full picture of the demographics and psychographic profiles of customers tailor marketing and business strategy.

3.3.6 Marketing Plan

It illustrates tactics and strategy to reach target customers, clarifies intended customer approaching marketing channel, the product and pricing strategy and the brand positioning that the business desires.

3.3.7 Management Team

It is a very important part of a business plan to show if the current team members have skills and experience to execute the business. This part of business shall comprise of the experiences and skills of the management team and the key hires of the business.

3.3.8 Operations Plan

It illustrates the milestones and necessary actions needed to achieve the business goals. What will the business accomplish in the next 3 years, 5 years or 10 years?

3.3.9 Financial plan

The funding of a company is divided in two categories: income financing and capital financing. Income financing is capital that you get when you reduce costs from profits. Capital Financing includes equity and finance capital. Finance capital may be short term, when it has to be paid back within a year, or long term, which has a payback period over a year. (Raatikainen, 2012, 118.)

For a continuous operation of a company it is good if an entrepreneur can put his own money into the company. Equity also includes entrepreneurs own property, that he invests into the company. Often company needs multiple shareholders, whose invested money is extremely important source of funding. In addition, venture capital is becoming more popular all the time. These investors called “business angels” often invests to companies for future profit. Finance capital includes bank loans, public financial support, and international financial institutions. (Raatikainen, 2012, 118 – 119.)

Financial need should be planned carefully before starting a business. After immediate investments the money should cover entrepreneur’s personal costs and the costs of running the business for at least 6 months after launch. Usually you have to wait even six months for the money inflow and costs are running the whole time. Often the entrepreneur has a small amount of money to invest to a company and tries to survive with the smallest possible amount of debt. These are the reasons why it takes time to get the business up and running properly. (Meretniemi & Ylönen, 2009, 76.)

Usually the entrepreneurs own investment is obligatory for outside investors. When making a financial plan you have to count the price of the money as well. Venture capitalists and other investors estimates the profitability of a start-up

business and the interest depends on it. You can find business angels even in Finland. Usually they want a share of the company and operates as a consult for the company. (Meretniemi & Ylönen, 2009, 76.)

3.3.10 Profitability

Only existing demand does not guarantee the success of a company, it also has to be financially profitable. A company is financially profitable when profits are higher than costs. To get there, the product has to be sold at a price that covers all the production costs. In addition, you have to take into account the prices of competitors' similar products. (Holopainen & Levonen 2008, 65.) In the beginning of a business it may have operating loss due to investment and product development costs, but a long-term goal always has to be profit. That makes development of a company and employment hiring possible. When calculating all the costs you find out the minimum amount of profit needed to survive. You can affect profitability in two ways: Focus on increasing the sales or cutting the costs. (Meretniemi & Ylönen, 2009, 70.)

4 Case study – Business plan

4.1 Summary

There are the characteristics of the investment plan for opening a coffee shop.

The aim of the project is to open a coffee house "Coffee-star" in the city Kherson, industrial and cultural center of Kherson region.

It is planned to rent a room on Rybnikov street in Kherson. In this place there are no coffee houses, and this area of the city is visited by people enough.

The monthly rent makes under the contract of 2 680 \$. Construction and installation work is not required, so the chosen premises are already equipped for catering.

Also, this room does not need reconstruction and repair, as it is in a new building, and according to the expert's assessment is in good condition.

To open a coffee shop you need to buy dishes and equipment for a total of 9 730 \$, you need to pay rent payments for half a year ahead, for which you need 16 000 \$. It is planned that the source of project financing will be partly the founder's own capital in the amount of 18 000 \$ and the funds received from the commercial bank of A-Bank, which grants 21 500 \$ for 18-year annual loans. Payment of the debt and interest thereon is carried out by monthly payments.

The conducted analysis of the sales market showed that in this area for today this niche of the market is not yet filled, and, therefore, no tough competition is expected.

Significant seasonal fluctuations in demand are not expected, since on working days the main consumers will be people working in nearby buildings, and in the evenings and weekends - people living in the area or coming from other recreation areas and guests of the city.

The idea of creating a coffee house "CoffeeStar" is aimed at lovers of quality and tasty coffee with an average level of income. The menu will focus on a variety of coffee, tea, confectionery, as well as hot dishes. It is assumed that the average

check will be about 5\$ (data obtained based on market monitoring and analysis of competitors). The number of seats in the coffee house - 38.

The coffee house is considered a very profitable business because of its high profitability. Profitability of investments in this business is determined not less than 60% per annum. Extra charges for coffee assortment are the highest in the public catering sector. One cup of coffee brings an average of 600% profit, a cup of tea - 1000%, a portion of own cooking dessert - 350%, dessert from the supplier company - 100%.

As of September 2017 in the city of Kherson there are about 4 known coffee shops, however, in some areas of the city, coffee shops would be very much in demand, as there are no coffee houses in the immediate vicinity. With a passability of about 200 people a day and an average check amount of 4-6 \$, the coffee shop brings in 21 500 \$ of revenue per month.

During the preparatory period it is necessary to fulfill the following scope of work: to obtain a loan from A-Bank, to conclude a lease contract for the premises, to purchase equipment necessary for the organization of the production process, to complete and modernize the premises, purchase furniture, select personnel, conclude contracts for the supply of raw materials and consumables, to obtain permits for the sale of food products and the provision of services in the field of public catering.

The order, duration and cost of the stages are reflected in the calendar plan.

A calendar plan for opening a coffee house was drawn up (Table 2).

Table 2 Calendar plan

#	Name of the stage	Duration (days)	Start day	End day	Cost of the stage (\$)
1.	Making a loan	10	22.12.2018	31.12.2018	
2.	Conclusion of the lease agreement	5	15.12.2018	19.12.2018	
3.	Decorating the room	7	25.12.2018	31.12.2018	680
4.	Staff recruitment	10	22.12.2018	31.12.2018	270

5.	Purchase of equipment, furniture	10	22.12.2018	31.12.2018	7 890
6.	Conclusion of contracts for the supply of raw materials	10	1.12.2018	10.12.2018	
7.	Receiving permits and execution of documents	20	12.12.2018	31.12.2018	730
8.	Opening of a coffee house		1.01.2019		

Source self-authored

Since it is planned to rent a premise where a bar-restaurant used to be, only cosmetic repairs and decoration in the style of a coffee shop will be made, so the costs for repairs and finishing will be minimal, amounting to 680 \$. Let's consider the basic capital investments which are necessary for opening of coffee house of Open Company "CoffeeStar" (table 3).

Table 3 Equipment

Name of equipment	Quantity, pcs.	Unit price, \$	Total for design and estimate documentation, \$
Purchase of equipment:			7 883,5
Tables	12	39,2	470,4
Cloakroom hanger	1	26,8	26,8
Bar counter	1	500	500
Chairs	38	16	608
Chandeliers	3	48,2	144,6
Music Center	1	151,8	151,8
Showcase	1	169,6	169,6
Microwave	1	80,3	80,3
Stove	1	339,2	339,2
Fridge	2	250	500
Table cutting	2	116	232
Dish Washing Machine	1	214,3	214,3
Chopping machine	1	312,5	312,5
Boxes for dishes	4	2,8	11,2
Trays	4	7,1	28,4
Shelves for dishes	4	5,5	22
Coffee machine	2	1 142,8	2 285,6

Coffee mill	2	112,5	225
Refrigeration showcase	1	428,5	428,5
Ice Maker	1	375	375
Water Softener	1	160,7	160,7
Register	1	112,5	112,5
Computer	1	255,3	255,3
Split system	1	225	225
For renovation of premises			
Acquisition of dishes:	70	2,4	168
Dining Plate	70	2,2	154
Medium dish	70	1,9	133
Dish dish	4	35,7	142,8
Set of pots	2 sets	41	82
Chopping knives	70	3,9	273
Cutlery knives	2	37,5	75
Set of pans	70	1	70
Forks	70	1	70
Dining table spoons	70	0,7	49
Dessert spoons	70	0,7	49
A spoonful of tea	20	1	20
Vase	20	4,4	88
Jug	20	5,3	106
Decanter for vodka	12	3,5	42
Stacks of vodka	70	0,9	63
Tall wine-glasses for wine	70	1,8	126
Tall wine-glasses for water	70	1,8	126
A set of saltbaths	50	0,9	45
Execution of documents			732,1
Staff recruitment			267,8
Buying a form for staff			446,4
Installation of equipment			1 071,4
Acquisition and installation of software			142,8
Rent a room for a coffee shop (prepayment for 6 months.)			16 071,4
Total			29 151,6

Source self-authored

In this way, the main expenses for the opening of the coffee house of LLC "CoffeeStar" are 29 151,6 \$. Since there is also a need for working capital to pay for

products to suppliers after the expiration of the deferred payment period and payment of wages, it was decided to use their own cash in the amount of 17 857,1 \$ to be opened by the founder to open the coffee house, and take a loan in the bank for the amount of 21 428,5 \$. So, at the initial stage for the opening and development of activities OOO "Coffeeastar" will have an amount of 39 285,7 \$.

The economic efficiency of this project is quite high and is represented by the following key indicators:

- the discounted payback period of the project at a real discount rate of 7.5% per annum is about 0.83 years from the beginning of the project, which is significantly lower than the lifetime of the project itself;
- the internal rate of return of the project is 20.5% per annum;
- the net discounted income is positive already by the end of the first year of the life of the project (at a discount rate of 7.5% per annum), and its value of 8 065,2 \$ shows the considerable stability of the project to a possible fluctuation in the price factor, both the cost of investment and the products sold.

With the level of incomes and costs in the calculations, the project is efficient and financially sound.

4.2 Characteristics of the enterprise

Description of the opened coffee house

The coffee house "CoffeeStar" is created with the purpose to organize and develop the business connected with rendering to clients of public catering services. The coffeehouse is planned to be opened at the address: Ukraine, Kherson, ul. Rybnikov, etc. 4. The choice of the location of the coffee house also has a number of significant advantages: the existence of an existing room with major repairs and communications, excellent communication with the urban transport communication system, so that you can easily get to the coffee shop from almost any part of the city.

Currently, an agreement has been concluded with the administration of the building, according to which a room of 70 m², supposed to be organized as a coffee house, is leased for a period of 5 years. The key factor in the successful operation of the coffee shop is the high quality of the services provided.

We will reflect the data on the leased premises in Table 4.

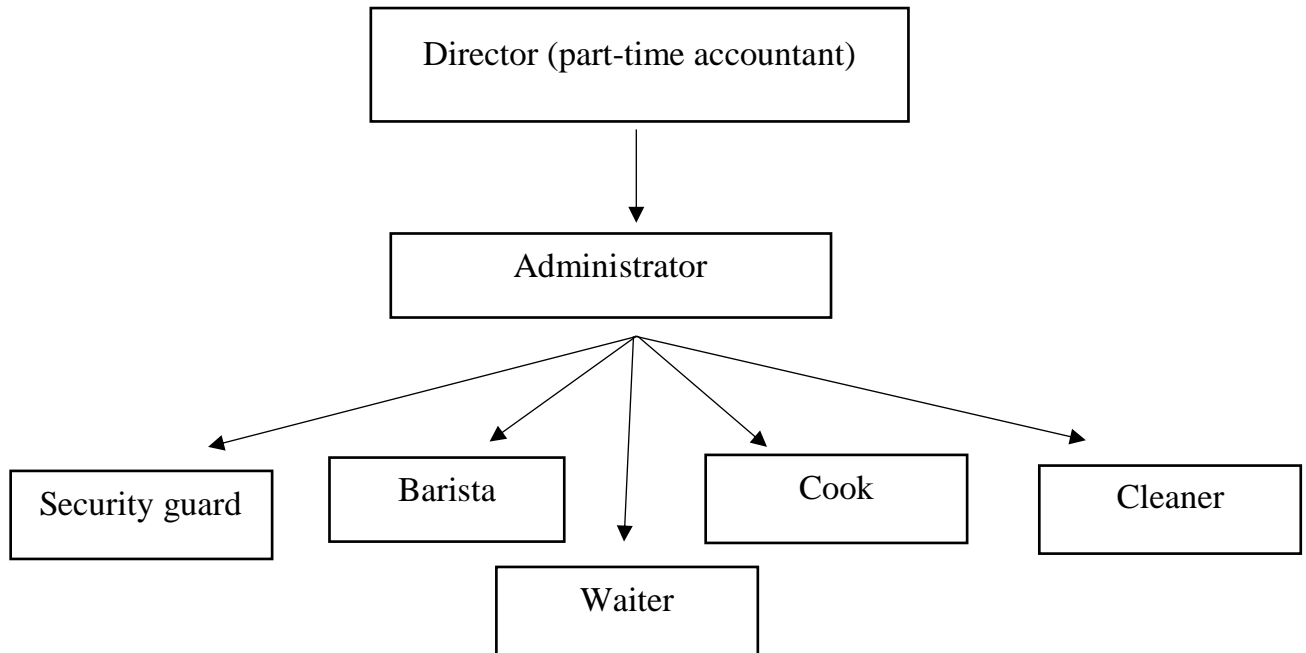
Table 4 Data on the leased premises

Total area	70m ² (7m*10m)
Shopping room	45m ² (4,5m * 10m)
Bathroom for visitors	5m ² (2,5m * 2m)
Director's office	7,5m ² (2,5m * 3m)
Workroom	12,5m ² (5m * 2,5m)
Bathroom for staff	2m ² (2m * 1m)

Source self-authored

4.2.1 Organizational and production structure of enterprise management

At the enterprise the following organizational structure is formed:



Source self-authored

The organizational structure of the coffee house is chosen linear: the advantages are one-man management, a clear subordination with a specific delineation of rights and obligations, cons - it requires a great competence of the manager.

The average age of the employees is 30 years. The schedule of "CoffeeStar" is from 10:00 to 22:00 hours.

Since the projected enterprise belongs to the service sector, the planned work schedule is from 10.00 to 22.00. Thus, in accordance with the Labor Code, barmen, waiters and cooks, security guards work two hours, without interruptions, from 10.00 to 22.00.

The mode of work of administrative and managerial personnel from 10.00 to 18.00 with a break for lunch five days a week. The cleaner works in the morning (before opening) and in the evening (after closing) of the store.

4.3 Production of the project

The coffee house "CoffeeStar" is presented in such a way, when the visitor is offered not only several sorts of coffee, but also a wide enough menu. First of all, the coffee house will be engaged in the sale of coffee drinks. Drinks will be of high quality and cooked according to the original recipe.

According to the sociological survey, the most popular coffee drinks for residents of Kherson are espresso and cappuccino, the average cost of which varies from 1 to 2 \$ per cup.

The planned average cost of one check is 3-6 \$ (data obtained on the basis of market monitoring, the study of the number of visitors and the size of the average check in the companies of competitors).

The planned menu of coffee shop "CoffeeStar", and the prices for drinks and dishes are presented in the Table 4

Table 5 Menu of CoffeeStar

Menu item	Description	Price, \$
Coffee:		
Coffee Cappuccino	An Italian coffee drink that is traditionally prepared with double espresso, and steamed milk foam. Variations of the drink involve the use of cream instead of milk, and flavoring with cinnamon or chocolate. It is typically smaller in volume than a caffè latte, with a thicker layer of micro foam.	2
Coffee Espresso	In its pure form, espresso is more popular in Europe than America, particularly in Italy. Though catching in America, derivatives and misconceptions are spreading like cream in coffee. For instance, many hold the misconception that espresso is a dark, bitter to burnt-flavored roast of coffee.	1
Coffee Glace	Coffee with ice cream, prepared by the espresso in the traditional way and cooled, then lightly cooled cream is beaten, slightly sweetening with sugar powder or sugar. In wine glasses with a capacity of 300 ml put ice cream, pour chocolate syrup. Cautiously add the cooled coffee. In each wineglass should be put on a large spoonful of whipped cream and sprinkled with a piece of sugar.	2

Latte	A coffee drink comes from Italy, consisting of milk (Italian latte) and espresso coffee. is prepared from a portion of espresso, which is filled with hot milk, and covered with a layer of foamed milk on top. Sometimes latte is prepared from a mixture of coffee and milk in a 1: 1 ratio. Such a drink looks like cappuccino, but differs from it in the ratio of coffee and milk.	2
American coffee	Coffee in American style, regular coffee, got its name, as it was widely popular in North America. Coffee American appeared due to the Americans' desire for a healthy lifestyle: it is considered that it is more useful, since it contains less caffeine. This coffee is an espresso with the addition of boiling water (volume 120 ml, temperature 84-92 °C).	1,5
Mocha	A coffee cocktail including espresso, hot chocolate, hot milk and milky foam. Mocha coffee is prepared by heating the milk and chocolate until they mix. Gradually pour in the espresso. Top of the coffee is decorated with whipped cream and chocolate shavings.	2,5
Coffee Latte Macchiato	Hot drink, prepared by pouring into the milk of espresso coffee in a proportion of 3: 1. The Italian macchiato means a small speck of coffee left on the surface of the milk foam.	2,5
Hot chocolate	Drink, which necessarily includes cocoa, as well as milk (or water) and sugar. Hot chocolate is prepared from melted chocolate bar only on milk with vanilla, sugar, cinnamon and beat it to foam.	2
Tea		
Tea (in assortment)	A drink that will help keep warm in the cold and quench your thirst in the heat. Recipes of this divine drink will be collected not one book. To this day, research is being conducted in search of an ideal way of preparing tea. In the coffee house, we will offer customers tea, brewed in kettles of 0.5 liters, 1 liter and 2 liters. The assortment of tea in the coffee house can be very wide, so that the client chooses the varieties he likes. The assortment is planned to include Chinese tea - Oolong, jasmine, floral, white, yellow, red, black.	Tea pot 0,5 1 - 1,5 \$, 1 1 - 2,2 \$, 2 1 - 3,2 \$
Non-alcoholic cocktails:		
Apple julep, 200 ml	Apple juice, freshly squeezed lime juice, mint	1,4
El Niño, 200 ml	Fresh orange juice, strawberry, lime	1,5
Bumble, 200 ml	Orange juice, coffee "Cold", mint	1,4

La Niña, 200 ml	Fresh orange juice, mango juice, mint	1,5
Banana-chocolate, 300 ml	Banana, chocolate, ice cream, milk	1,5
Cakes and pastries:		
Cheesecake with berry filling 150g;	Cheese cake with berry filling	0,7
Cheesecake with fruit 160g;	Cheese cake with fruit	0,7
Cake "Nutty pleasure" 150g	Cake with chocolate, nuts	0,8
Delicate biscuit with assorted nuts, dried apricots and raisins Beze "Merenga" 30g	Delicate biscuit with a selection of nuts, dried apricots and raisins Beze "Merenga"	0,7
Cake "Potata" 80g	cream cake	0,6
Cake "Tartuffe" 60g	cream cake	0,6
Ice cream:		
Visawi, 125 g	Ice cream, apple baked, cinnamon, cream, candied fruits, chocolate	0,7
Ice cream with honey and walnuts, 110 g	Ice cream, honey, walnut	0,5
Ice cream, kiwi, dessert sauce, 195 g	Ice cream, kiwi, dessert sauce	1
Desserts:		
Cottage cheese and berry cream with hot chocolate, 200 g	Cottage cheese, yoghurt, berry assortment, chocolate	1,2
Apple - banana dessert with dates, 140 g	Apple, banana, dates, chocolate, cream, almonds	1,2
Peach dessert with almonds and blackberries, 200 g	Peach, mandarin, cookies, blackberries, yogurt, mint	1,2
Salads:		
Fruit and berry salad, 150 g	Apple, orange, banana, kiwi, grapes, berry sauce	1
English salad: beef, omelet, bell pepper,	English salad: beef, omelet, bell pepper, onion, greens, chips, sauce 190 g	1,4

onion, greens, chips, sauce 190 g;		
Caesar salad with tuna, 315 g	Chinese salad, sauce, Parmesan cheese, croutons, tuna, tomato, cedar nuts, greens, olive oil, sauce	1,6
Salad with seafood, 210 g	Squid, shrimp, mussels, spaghetti, apricots, cherry tomatoes, Parmesan cheese, greens, olive oil	1,4
Salad "South" with beef and eggplant, 150 g	Beef, eggplant, tomato, Bulgarian pepper, olives, olives, greens, sauce	1
Caesar salad with chicken fillet, 315 g	Chinese salad, sauce, Parmesan cheese, croutons, smoked chicken fillet, tomato, cedar nuts, greens, olive oil, sauce	1,9
Leaf salad with toasted tomatoes and cheese, 200 g	Tomatoes, bread crumbs, cheese, olives, garlic, herbs, spices	1,3
Multicolored salad with ham, 250 g	Breast, cheese, green peas, bell pepper, beans, cucumber, greens, spices, yogurt, mustard, lemon juice	1,1
Main courses:		
Yaroslavna, 180 g	Veal tongue, champignons fried, fresh cucumbers, walnut, green peas, orange, sauce	1,4
Shchi boyar, 50 g	Beef, sauerkraut, Bulgarian pepper, onion, carrot, tomato, garlic, dough	1
Ukrainian borsch with dumplings, 50 g	Beef, beets, potatoes, peppers, tomatoes, spices	1
Solyanka in old town, 250 grams	Veal, ham, tongue, champignons, cucumbers, olives, lemon, spices	1,3

Source self-authored

Many people love coffee. At the same time, the quality of coffee is very important for health. Thus, thanks to the presence of coffeemakers and people who like to spend pleasant time in a coffee house, its opening can become a guarantee of creating a profitable business.

The menu of the coffee house includes salads and hot dishes, since the presence of a residential sector in the nearest to the coffee house ensures the demand of customers not only for coffee and drinks, but also for salads and hot dishes, since many people will be comfortable dining in a nearby coffee shop.

4.4 Material and technical support

The need for raw materials and materials necessary for the implementation of services consists of the following main components:

- The need for food, beverages and ready meals required for the functioning of the coffee shop;
- The need for household equipment.

When determining the demand for products, drinks and ready-made meals necessary for the functioning of coffee houses, proceed from the marketing plan, the plan for marketing products. Over time, taking into account the current demand, the purchase of food, beverages and ready-made meals necessary for the functioning of the coffee house can be adjusted. With suppliers it is planned to conclude contracts that provide for the terms of a deferred payment, this will allow them to pay cash for the supply of products not immediately upon delivery, but after a certain period when all or most of this product will be sold. Thus, it is possible to optimize the current payments and ensure the effective functioning of the coffee house.

When determining the need for household implements (napkins, toothpicks, hygiene products, etc.) are based on the current need. Order can be carried out as needed, thereby the costs will also be minimized. For economic needs, it is planned to spend about 35,7 \$ a month (buying toilet paper, toothpicks, detergents). The planned cost estimate for the household inventory is shown in Table 5.

Item of expenditure	Quantity, pcs.	Price, \$	Amount, \$
Liquid soap	5	0,7	3,5
Detergents	10	0,7	7
Toothpicks, pack.	15	0,5	7,5
Toilet paper	30	0,1	3
Powders, cleaners	5	0,9	4,5
Cash register tape	10	0,3	3
Cartridge for cash register	2	2,7	5,4

Other business expenses			1,8
Total			35,7

Potential suppliers of products to the coffee shop are identified:

LLC "Coffee-making" - supplier, supplying coffee beans.

LLC "UkraineMilk" is a supplier supplying milk.

LLC "Kherson-pastry" - supplier of packaged sugar, ice cream, chocolate.

LLC "Confectioner-M" - a supplier of confectionery products.

LLC "Optima" - a supplier of meat, salads, fish, a very wide range of products.

LLC "Juices-water" - supplier of juices, water.

LLC "Good products" - supplier of household goods, hygiene products.

All these suppliers offer a deadline for payment and bonuses to customers with timely payment and large volumes of supplies.

The range of products from potential suppliers is sufficient to realize the products in the coffee house according to the marketing plans presented in the previous section.

4.5 Marketing plan

The service industry associated with the opening of the coffee shop is one of the most dynamically developing segments of the catering market today. On the Ukrainian scale, the capacity of the coffee market is estimated at more than 350 million. \$. Such data are given in the analytical report "Trends in the development of the Ukrainian market of public catering" agency S-Market Research in 2010. At the same time, according to estimates of S-Market Research, the number of coffee houses in Ukraine is about one thousand establishments, whose total turnover is recorded at \$ 520 million. At the same time, the coffee market is developing at a rapid pace. Every year it increases by 10-15%.

The conducted analysis of the sales market showed that in the area where the coffee house "CoffeeStar" is supposed to open today, this niche of the market is not yet filled, and, therefore, no tough competition is expected.

The firm's competitiveness is ensured by: convenience of location, decent taste, quality of service, speed of service, availability of prices, absence of competing establishments in the vicinity of LLC CoffeeStar.

Due to the fact that public catering enterprises of this level are not in this area, and the niche to which the coffee house will be oriented is practically free, no serious competition is expected. As of September 2017, there are about 4 known coffee houses in Kherson, nevertheless, in some parts of the city, coffee shops would be very much in demand. At the moment, the business associated with the opening of a coffee shop in the city of Kherson are at the development stage. If we consider the position of the industry on the life-cycle curve, then the industry is located more on an exponential segment of the curve.

It should be asked, and which institutions are next to the future coffee house? If it crosses the assortment and price policy with most potential neighbors, it's better to think about another area. This problem does not face the "CoffeeStar" LLC, because in the prospective area this market niche is not filled.

It is necessary to study the situation on the market, to analyze aspects related to competition in the market, where it is planned to open a coffee house of LLC "CoffeeStar".

4.5.1 Comparative analysis of competitors

The analysis of competitors will allow to give a clear answer to the following questions:

- Are there many companies offering similar services and similar products, or are there a limited number of competitors?
- What part of the market is controlled by leading competing enterprises?

The main competitors in this segment are: "Gourmet Chicken" coffee house, "White Sun" coffee house, "Zhemchug" coffee house.

A comparative analysis of competitors is presented in Table 6.

Table 6 Comparative analysis of competitors

Competitiveness factors	Coffee shop "CoffeeStar"	Competitors		
		Coffee house "Gourmet Chicken"	"Zhemchug" coffee house	Coffee house «White Sun»
Quality	The best coffee in town	A very wide line of coffee of excellent quality, but a fairly limited menu	Delicious coffee, the choice of coffee is limited, the menu compared to other coffee shops is wide	Delicious coffee, choice of coffee types is limited, always delicious pastries, but a narrow assortment of coffee shops
Price level	Average	Average	Average	Above average
Assortment	Wide enough: European cuisine, coffee drinks, tea, pastries	A fairly narrow assortment: coffee, tea, pastries, ice cream, sandwiches, cakes are presented	Wide assortment: coffee, tea, pastries, ice cream, pancakes, salads, cakes are presented	Sufficiently narrow assortment: various kinds of drinks, cakes, ice cream, coffee, tea are presented

Reputation of the company	New company	The company is known, there are regular customers	The company is known, there are regular customers	The company is known, there are regular customers
Quality of service	High	Average	High	High
Predominant contingent	population with an average and above average income level; students; guests of the city	population with an average and above average income level; guests of the city	population with an average and above average income level; guests of the city	people with an average and above average income level
Specificity	Full list of add. services (bathroom, internet); interior in classic style	Incomplete list of add. services (bathroom); has an individual style	Incomplete list of add. services (bathroom); has a classic style	Full list of add. services (bathroom, internet); has an individual style

Source self-authored

So, from Table 5 it is clear that the main competitive advantages of the coffee house are a fairly wide range, high quality products and a high level of service.

Since the external and internal environment is changing under the influence of both enterprise activity and other factors, it is necessary to identify the limitations, strengths and weaknesses of the enterprise in a changing environment. And based on the results obtained, the enterprise must make changes to the chosen strategy. To identify and correlate the limitations and opportunities, the strengths and weaknesses of the enterprise will be assisted by the SWOT analysis, which is presented in Table 7.

Table 7 SWOT - analysis of the main competitors

	Competitor 1: coffee house "Gourmet Chicken"	Competitor 2: "Zhemchug" coffee house	Competitor 3: Coffee house "White Sun"	Coffee Shop "CoffeeStar"
Strengths	Convenient geographical position, the availability of	Convenient parking, being in the central part of the city,	Good reputation among customers,	Modern equipment, convenient geographical

	financial resources, the central area of the city, a fairly wide range of coffee, regular customers. Free internet access.	wide assortment, the presence of two halls.	cozy atmosphere, the presence of a VIP-hall.	location, wide range, high quality of services and products, average price level.
Weaknesses	Inconvenient parking, high prices, self-service system.	High prices, deteriorating competitive position, shortage of working personnel, slow maintenance.	High prices, not very good location of the coffee house, slow service, lack of free internet.	Insufficient managerial experience, the image of the coffee house that has not yet formed.
Opportunities	Expansion of the range due to the appearance of very beneficial offers from outside companies, the opening of new caffeine in other areas of the city.	Attracting new customers through an extensive marketing company.	Transition to more effective strategies, preferential taxation.	Attraction of investors, attraction of constant suppliers of qualitative production.
Threats	The possibility of new competitors, a decline in the general level of purchasing power, an unfavorable policy of the state.	Changes in consumer preferences, customer dissatisfaction with product quality, a decline in the overall level of purchasing power, an unfavorable state policy.	Increasing competitive pressure, a decline in the overall level of purchasing power, an unfavorable policy of the state.	Unfavorable demographic changes, rising inflation, a decline in the overall level of purchasing power, an unfavorable state policy.

Source self-authored

So, from the analysis we can conclude that the coffee shop will be competitive in this market, and the segment of its consumers will be diverse.

As can be seen from the analysis, the coffee house "CoffeeStar" has the resources for a successful functioning in the market.

The main threat is the emergence of new competitors, that is, the opening of coffee houses in the immediate vicinity of the "CoffeeStar". But thanks to the availability of the coffee house "CoffeeStar" competitive advantages, providing customers with a wide menu, drinks and dishes of high quality, high level of service, low prices, the coffee shop will be able to retain customers, offering them additional services and discounts.

The main competitors in the city of Kherson are territorially removed from the coffee house "CoffeeStar" planned for opening, so the strengths of the coffee shop will ensure the effective and cost-effective activity of "CoffeeStar".

You can also highlight microenvironment factors and macro environment factors affecting the coffee service market.

4.5.2 Factors of microenvironment affecting the market of coffee shop services

Positive factors:

1. Stability of raw material supply.
2. Acquisition of new consumers.
3. Consumers are satisfied with the quality of the services provided.
4. Positive attitude of the contact audience.

Negative factors:

1. Delays in work related to the mood of employees.
2. Instability of supply of raw materials.
3. Loss of existing relationships with consumers.
4. Dissatisfaction of consumers with assortment of coffee houses.
5. Stable performance of competitors

To reduce the negative impact of the above factors, it is possible as follows:

1. Create production stocks.
2. Establish contacts with new suppliers.
3. Constantly monitor the mood of employees.
4. Act on the circumstances.

4.5.3 Macro environment factors affecting the coffee service market

Positive factors:

1. Recession of inflation.
2. Reduction of the unemployment rate.
3. Rost level of education.
4. Rapid growth of subcultures.
5. Rapid change in values and ideas.
6. Use of new technologies.

Negative factors:

1. Adoption of laws that infringe on the rights of service providers.
2. Decrease in the general level of purchasing power.
3. The growth of inflation.
4. An increase in the unemployment rate.
5. Decrease in the level of education.
6. Slow growth of subcultures.
7. Slow change in values and ideas.
8. Do not use new technologies.

So, knowledge of the possible positive and negative factors of the micro- and macroenvironments allows the best use of positive moments and do everything possible to reduce the impact of negative moments.

4.6 Trading plan

The forecast of sales volume is considered in detail in the corresponding section of the company's financial plan. But the analysis of the volume of sales based on marketing research is carried out in terms of marketing.

The author monitored the competitors' market and compiled a forecast of physical consumption in the coffee house "CoffeeStar", broken down by months. The data are reflected in Table 8, Table 9, Table 10.

Table 8 The forecasted sales volume in coffee house "CoffeeStar" (physical volume of sales) from 01.12.2018 to 31.08.2019

Name	12/18	1/19	2/19	3/19	4/19	5/19	6/19	7/19	8/19
Cofee, kg*	-	16	19	22	23	23	23	23	23
Tea, kg*		17	22	27	32	32	32	32	32
Ice creame, psc	-	1350	1500	1900	2000	2000	2000	2000	2000
Cocktails, psc	-	1200	1350	1500	1600	1600	1600	1600	1600
Cakes, psc	-	2220	2400	2700	3100	3100	3100	3100	3100
Main course, psc	-	1600	2500	2900	3400	3400	3400	3400	3400
Desserts, psc	-	2600	2750	3000	3050	3050	3050	3050	3050
Salads, psc	-	2400	2800	3250	3380	3380	3380	3380	3380

Source self-authored

* The total weight of coffee and tea, sold to customers in the form of beverages, is taken into account.

Table 9 The forecasted sales volume in coffee house "CoffeeStar" (physical volume of sales) from 01.09.2019 to 31.05.2020

Name	9/19	10/19	11/19	12/19	1/20	2/20	3/20	4/20	5/20
Cofee, kg*	23	23	23	23	23	23	23	23	23
Tea, kg*	32	32	32	32	32	32	32	32	32
Ice creame, psc	2000	2000	2000	2000	2000	2000	2000	2000	2000
Coctails, psc	1600	1600	1600	1600	1600	1600	1600	1600	1600

Cakes, psc	3100	3100	3100	3100	3100	3100	3100	3100	3100
Main course, psc	3400	3400	3400	3400	3400	3400	3400	3400	3400
Desserts, psc	3050	3050	3050	3050	3050	3050	3050	3050	3050
Salads, psc	3380	3380	3380	3380	3380	3380	3380	3380	3380

Source self-authored

Table 10 The forecasted sales volume in coffee house "CoffeeStar" (physical volume of sales) from 01.06.2019 to 31.12.2020

Name	6/20	7/20	8/20	9/20	10/20	11/20	12/20
Coffee, kg*	23	23	23	23	23	23	23
Tea, kg*	32	32	32	32	32	32	32
Ice creame, psc	2000	2000	2000	2000	2000	2000	2000
Coctails, psc	1600	1600	1600	1600	1600	1600	1600
Cakes, psc	3100	3100	3100	3100	3100	3100	3100
Main course, psc	3400	3400	3400	3400	3400	3400	3400
Desserts, psc	3050	3050	3050	3050	3050	3050	3050
Salads, psc	3380	3380	3380	3380	3380	3380	3380

Source self-authored

4.7 Financial plan

Planned financial flows of the coffee house

For financial calculations, the following initial data were accepted: project start date: 01/01/2013, duration: 2 years.

To simplify the calculations, the preparatory period for the project implementation is set at 1 month.

To implement the project, we need our own capital in the amount of 18 000 \$ and borrowed capital in the amount of 21 500 \$.

For the preparation of the financial plan, we will use the forecasts of the marketing plan, data on the planned volumes of sales and data on the cost of production, calculated based on the planned consumption in the coffee shop and the average prices of suppliers at the time of the business plan calculation.

4.7.1 Indicators of financial solvency and economic efficiency of the project

Table 11 Indicators of financial solvency and economic efficiency of the project

Indicators of financial solvency and economic efficiency of the project	
Amount of net profit for the first year of activity of the enterprise (\$)	47 655
Amount of investments of own funds (\$)	18 000
Profitability of production (profit: expenses) (%)	25%
Profitability of general investments (profit: total amount of financing) (%)	121%
Profitability of investments of own funds (profit: amount of investments of own funds) (%)	267%

Source self-authored

In table 12 we will reflect the cost estimate of the business project for the first-year activity of LLC "CoffeeStar".

Table 12 Estimated costs of a business project for the first year of operation

Name	Planned amount, \$	Own funds, \$	Subsidies, \$
Raw materials and basic materials	99431,4	99431,4	
Wage fund	34285,7	34285,7	X
Acquisition of auxiliary consumables	-	-	
Business trips	-	-	X
Communication services	817,2	817,2	X
Utilities	5811,1	5811,1	X
Other current expenses	7404,5	7404,5	X
Payment for services of third parties	-	-	X
Fixed assets and intangible assets	8255	8255	
Rent of premises	27239,7	27239,7	X
Total costs and expenses	183244,6	183244,6	-
VAT (when paying for work, goods and services)	26812,6	26812,6	-
TOTAL	210057,3	210057,3	-
Percentage	100%	100%	-

Source self-authored

The project is expected to use its own funds in the amount of \$ 18,000, \$ 21,500 is borrowed capital.

The income and expenses plan is calculated by the months of the first year of activity and reflects a steady profit by the end of the first year and the payback of the project. The attraction of additional investments in the second year of activity of "CoffeeStar" is not planned.

We will also analyze the indicators of the second year of operation of the coffee house.

In Table 13 we will reflect the cost estimate of the business project for the second year of activity of "CoffeeStar".

Table 13 Estimated costs of the business project for the second year of operation

Name	Planned amount, \$	Own funds, \$	Subsidies, \$
Raw materials and basic materials	104567,8	104567,8	
Wage fund	34285,7	34285,7	X
Acquisition of auxiliary consumables	-	-	
Business trips	-	-	X
Communication services	817,2	817,2	X
Utilities	5811,1	5811,1	X
Other current expenses	4008,5	4008,5	X
Payment for services of third parties	-	-	X
Fixed assets and intangible assets	-	-	X
Rent of premises	27239,7	27239,7	X
Total costs and expenses	176730,1	176730,1	-
VAT (when paying for work, goods and services)	25640	25640	-
TOTAL	202370,1	202370,1	-
Percentage	100%	100%	-

Source self-authored

Thus, the analysis for 2019 and 2020 shows that the coffee house project is highly profitable. The estimated net profit for 2019 is 47655.3 \$, for 2020 - 63675 \$. There is a positive dynamic of growth in the financial performance of “CoffeeStar”.

The obtained data of planned indicators of money flow on the first month and the results of the second year in the future will make it possible to compare planned targets with actual ones, which will help to identify possible deviations in time, analyze the causes of their occurrence and take adequate response measures.

5 Conclusion

In general, we can say that this project differs in investment attractiveness, because It is expected that the cafe will expand from year to year, branches will open, the range will increase, new services will be introduced, and consequently sales volumes and profit will increase, which is the main thing for the investor. Still this project is good because unlike the competitors of the coffee house "CoffeeStar" offers low prices for its products, high quality and original menu, and it is also planned to use high-tech equipment that allows to speed up the process of pancakes preparation, and this in turn saves in many respects time of busy buyers. This project is also profitable, because the volume of costs of this firm is not large and the amount of results for the project is much larger than the amount invested.

Currently, the restaurant business is developing at a fairly high pace, and cafes will always be popular among the people, because This is not only a catering enterprise, but also a place to relax with family, friends, etc.

The main goal of the projected enterprise is to penetrate the market and the subsequent expansion of the market share. The main strategy of the enterprise should be a comprehensive strategy for providing products of higher quality and at lower prices, as well as expanding the range of services. Proceeding from this, the main strategy of marketing selects a strategy of expanding demand by stimulating sales, pricing policies and non-price factors of competition, creating a positive image of the cafe.

The main advantages of the projected cafe are: the ability to reduce costs and prices, increase productivity through the use of new equipment, expanding the range of services.

Having developed this business plan, author want to show that the opening of a cafe and the occupation of the restaurant business is very lucrative, and the implementation of the project to open a coffee house "CoffeeStar" is economically feasible.

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