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Background 2.

1 Mission Statement Java coffee cart’s main aim is to create a cool place where its customers will be able to relax and socialize with each other in a comfortable way. Customers will also be able to enjoy a well-brewed cup of coffee. Java coffee cart will be in the front line to ensure that its customers relive their daily stress by providing them with a relaxing peace of mind in the course of an immense ambience. The business will also offer a welcoming customer service, a convenient location, and products of a high quality. Java coffee will care about employee’s satisfaction which will result in increased profits and an increased return to all its stakeholders. 2.

2 Company’s History Java coffee cart is a business located in the premises of the University of Oregon. The business invests a lot in the sale of coffee and snacks. The main investors of Java coffee are the university student’s affair department with more than 60% shareholder in the business and the university management team (Bessant, 2007). These two parties are aimed at enjoying the profit in respect to their contribution and an equal loss share. The business is registered as a partnership between the two parties.

Marketing Java coffee cart aims at selling the best product to its level. This is because many customers, especially the university family, wish to pay more for a product as long as it best satisfies their needs. In its services Java coffee cart aims at serving 100% kosher coffee and to use the machines that are the greatest brands in the market. Java coffee cart aims at gaining popularity through the collaboration with members in the same market (Clarysse, 2007). They can use big signs directing people to the coffee cart locations. The coffee cart may give brand owners free coffee and in the process they will help promote the coffee cart from different directions within the university and its outskirts.

Java coffee may also offer coffee to students with containers offering a free coffee on condition that the container returns in the coffee cart premises. This will ensure that customers will come back purchasing much more coffee. In the process, the business will be able to establish a brand loyalty among its customers before their competitors. This achievement may have happened through a good advertisement. Java coffee cart is a new business and in order for it to pick in the market it aims at making coffee samples.

Then it will send a group of employees out to its potential customers with trays labeled Java and in such a way it will be able to draw a group of customers lining up to get the exact drink that they had tasted as a sample. In respect to the customer compliments and complains Java coffee cart is ready to improve its services in order to maintain a good relationship with its customers. 3. 1 Market Research Java coffee cart embarked on the process of gathering and analyzing data that related to coffee products and services. The reason for a market research is because only when the business is aware of the needs of its target market it will meet them effectively (Clifton, 1992).

Java coffee cart will also be able to meet its goals and objectives and in the process surpass competition in the specified market. Decision markers in Java will be equipped with the necessary materials that will help them in the decision making process (Drucker, 1985). Therefore, the decision maker will be able to take the best decisions. Market research will enable Java coffee survive in the market. This is because the research will enable Java management to understand the competitors’ information in terms of marketing network customer hub among others.

Decision on target market is based on the market research, as all relevant information about customers will be provided. Java aims at maximizing its profits undertaking all the necessary steps drawn from a thorough market research. Java will be equipped with information such as profitability analysis based on customers, coffee price elasticity which will help the business survive in the end. Therefore, with a clear understanding of its customers, product, competitors’ nature, and the overall needs of the business Java will be able to able to make well screened decisions. 3. 2 Market Analysis Coffee consumption has recorded a steady growth where gourmet coffee having grown a lot compared to other brands.

Research has shown that most coffee drinkers are the ones from the Pacific Northwest where well brewed coffee drinks and a great service are in demand (Rypkema, 1987). There is an outgoing popularity with the coffee drinks and as a result, this place has grown to become a coffee establishment area. Java coffee cart will work hard in establishing a customer base that is loyal to them by offering the best-brewed coffee in an environment that is relaxing. 3. 3 Marketing Plan A marketing plan comprises of several sections such as; market segmentation, target market, promotion and advertisement, pricing policy, evaluation of marketing.

Java coffee cart will be able to attain its goals and objectives by observing these aspects carefully. 3. 3. 1 Market Segmentation In its marketing activities Java focuses on reaching students, university staff, teenagers, and the surrounding community outside the University of Oregon. Through a market research conducted by Java, it is clear that these groups of people have the highest potentiality in buying gourmet coffee products (Wedel, 2002). This is due to the universality of the gourmet coffee and different coffee categories the choice of which depends on the education level of byers, and the University of Oregon location providing admittance to the target group.

3. 3. 2 Target Market Catering services in Java coffee cart will be offered to those customers who will be willing to have a daily coffee cup in a relaxing atmosphere. Such customers are usually elderly people, but following the location of the Java, coffee cart targets students as well as faculty of the university. A market survey conducted by Java shows that these customers are perceptive and look forward to a better tasting coffee. Furthermore, many university students consider these places as the best places for relaxing, meeting with pals, and studying without paying cover charges.

This is the advantage of Java, as it gives it a chance to build a loyal customer base. 3. 3. 3 Promotions and Advertisement Java wishes to post an advert in the university magazine that is produced on weekly basis and sold within the university and outside. This will help pass the good message to both existing and other potential customers. There are post and signs within and outside the university directing people towards the Java coffee cart.

All this is to ensure that customers are equipped with the necessary information about the coffee cart. 3. 3. 4 Pricing Policy Java will be able to guarantee customer satisfaction as well as managing their expectations and in the process build up their loyalty through a fair price position for its coffee. Customers will be guided by the fair price and Java will be able to protect its liability. Price positioning is important, as there is a tradeoff between quality product and the price making it an important variable to consider.

As a result, out of elements in marketing mix in terms and tradeoffs pricing is also influenced by other factors such as product promotion decisions. 3. 4 Evaluation of Marketing Market evaluation of Java has been made through the marketing research that was conducted by the business startup. The aim was to analyze the market situation, competitors and how to fight them off. Java will be able to offer only what is good and of high quality to the customers. This will enhance a continued customer satisfaction, which will maintain their loyalty to the coffee services.

Operations The keys to sensation in Java coffee cart will be based more on its operations. The business aims at having a store designed in a way that is attractive to its customers. Such a design will help in the fast and efficient operations of the coffee cart. In any business employee training is important as it helps to improve their skills and abilities. In this case Java coffee cart aims at having the best employees so that it will be able to offer coffee that is well done and served to its customers.

The marketing strategies adopted by the coffee cart aim at building a strong base comprising of loyal customers and ensuring that it achieves a sales maximization that is of high products margins. 4. 1 Legal and Licensing Management All the necessary legal matters has been catered for to enable Java coffee car operate freely without being in conflict with the government policies and the university management. All health and sanitation aspects have been examined by the government to ensure that all health requirements are met accordingly. 4. 2 A Full-Time Manager There will be a full-time manager who will be hired to supervise the everyday operations at Java coffee cart.

The manager has to provide recommendations confirming his abilities, commitment and several years of successful management experience. The manager’s responsibilities will be to ensure that staff report to work, deal with suppliers, buy, and order inventory, as well as performing other crucial managerial duties. The selected candidate is believed to be in possession of the right skills and abilities for the role. Java also aims at setting a profit sharing margin based on the first year of operation. 4. 3 Management Team The group of owners’ and a manager’s experience in this industry and the creativity of all those who have helped in the development of the business idea will see Java to its success.

Although Java is a newly established business, it aims at opening a dozen of other coffee carts in different parts within and outside the university. Therefore, there will be an increased need for more stakeholders. 4. 4 Professional Consultants Market research will be the key source of information for Java coffee cart. Consultants in this case will be used to conduct the research in order to determine the state of customer satisfaction, as well as their loyalty. After the survey, they will be expected to provide more information concerning the assessment of new commerce opportunities.

4. 5 Insurance and Security Issues Research has shown that many business die at their first year of operation. Causes of such failure have been linked to issues such as theft and fire among others. Java has taken care of all these accidents through insurance cover against these accidents. In the case of security Java has also cooperated with big and well established security companies. The latter will send their security agents to ensure a high level of security.

4. 6 Business Premises Java coffee cart will be located inside the University of Oregon around the students center. New and attractive tents will be used as a roof of the serving area. Some other coffee centers will be located in other areas within the university to avoid overcrowding which will ensure that customers will be served well and faster without any delay. 4.

5 Equipment Required All the required equipment necessary in the sat up and sale of the coffee to the customers have been purchased and ready for use. In most cases equipments such as cups, teaspoons, sugar trays get easily lost through a theft. Therefore, Java has ensured a stiff security to cater for such issues. 4. 6 Production ProcessJava coffee cart will offer its customers the best tasting coffee and snacks. This will bring a success with a high–quality ingredients that will strictly follow the laid down preparation procedures.

Sales maximization will be highly based on menu listings, and all the marketing activities. Apart from serving only a cup of coffee Java also aims at selling snacks and coffee beans. Menu listings will be printed in the free books and magazines that will be offered to customers to read while drinking coffee. 4. 7 Critical Risk and Contingency Plans These critical risk as well as contingency plan is based on SWOAT analysis.

Through a thorough research Java management has been able to identify the opportunities available in this business. Thus the management aims to expand the business in the near future. Thereats and weakness has been well catered for by a thorough research on the competitors as well as suppliers. Financial Projections 5. 1 Basic Assumptions and Information Java aims at taking the advantage of the increased coffee demand in the university. The student’s affairs department in the university has provided the coffee cart with enough money for the start up capital of the business.

Therefore, Java management team aims at establishing a loyal customer base that is growing and expanding. The business will be able to see its net profits doubling in three years of its operation (Muro, 1998). The gross margin will be maintained at a rate of 65%, which will be in harmony with sensible operating expenses. Such a net profit and sustained growth will enable the business to have enough cash to cater and finance further growth. Business funding will come from both the university student’s affair department and the university management.

These parties will raise the whole tart up expenses. 5. 2 Analysis and Financial Forecast All the relevant financial analysis in Java coffee cart are represented by the following aspects; sales mix forecast, cash flow forecast, projected profit and loss, owner’s personal expenses, owners personal assets and liabilities. 5. 2.

1 Sales Mix Forecast Sales forecasting in Java coffee cart will help in the reduction of inventory, meeting customer orders, capacity schedule, procurement plan, and revenue prediction. Therefore, sales forecasting is crucial in a customer driven market which Java is a part of. A sales mix forecast can be done for the entire group of products, which is conducted for a stipulated time like one year and over. As Java only starts to operate it is advisable that the decision makers focus on mix forecast for short period of time like a half of the year.