

Internet cafe business plan



**ASSIGN
BUSTER**

Java Net is a different type of cafe; and it is not like a typical cafe, will give an unparalleled assembly for communication and entertainment by the medium of the Internet. Java Net is mainly established for meeting the demand of customer. The customer wants: (1) access to the communication and entertainment website and can get access to search the available information to the Internet, and (2) access to the internet at a lower cost so that they can able to pay and by this way that they aren't separated socially, economically, or politically. Java Net's aim is to give the residential with a social, educational, entertaining, environment for universal communication. This café will be established in the place of Central London.

This business plan is mainly made for the purpose of getting fund in the amount of £24, 000. The subsidiary funding is necessary to start work on preparation of site and change, buying equipment, and to assess cost in the first year of operations. Additional funding has already been fixed in the figure of: (1) From the Oregon Economic Development Fund, we get £24, 000 (2) £19, 000 of personal savings from owner (3) £36, 000 from three investors (4) and £9, 290 in the form of short-term loans.

Java Net will be incorporated as an LLC corporation. This will shield the owner that's me, and the three investors who are from outside, Doug Wilson, Luke Walsh, and John Underwood, from matter of personal responsibility and tax which is pay as double. The investors will be considered as shareholders and they may not be responsible spending investment of personally £12, 000 each.

The funding which is related to the contribution of capital from the owner, shareholders and the Oregon Economic Development Fund, will permit Java Net to successfully establish and run business operations by year one. The large amount of initial capital investment will permit Java Net to give its customers to present it as entire characteristics of internet cafe. This café is recognized as a unparalleled, up market, and creative environment is necessary to give the customers with an environment that will engender socialization. Successful operation in year one will give Java Net with a customer base that will permit it to be self sufficient in year two.

Objectives

Java Net has some objectives for running the operation for three years:

- * The innovation of an unparalleled, up market, creative atmosphere that will diverse Java Net from local coffee houses.
- * Give an understanding to the community about the Internet service that is what they offer or what their facilities are.
- * The establishment of an environment that will attract people with various interests and settings together in a common forum.
- * To provide a very good coffee and bakery items at a reasonable and fair price.
- * Easily available of internet resources and other facilities of online.

- **Keys to Success**

The main factors which are involved in the success of Java Net:

- * The innovation of an unparalleled, creative, up market atmosphere that will add as the new features of Java Net and differentiate it from

other competitors such as: local coffee shop and prospective internet cafes.

- * The formation of Java Net as a residential centre for communication, socialization and entertainment.
- * The innovation of an environment that won't restrain the user who are initiator. Java Net will set up its position itself as one of main educational resource for individuals wanted to find out about their internet facilities and alternatives.
- * Good coffee and bakery items.

- **Mission**

Due to the increment of popularity of the Internet which is continually growing at an exponential rate, easy and low cost entry is rapidly becoming an essential of life. Java Net gives communities with the capacity to enter the Internet, take a cup of coffee, and enjoy Internet experiences in a comfortable environment. All ages and any backgrounds of people will come to enjoy the unparalleled, up market, educational, and creative environment that Java Net offers.

Risks

The risks consisted with starting Java Net are:

- * Will there be a need for the services provided by Java Net in UK?
- * Will the popularity of the Internet regular to grow, or is the Internet on less popularity?
- * Will individuals be interested to pay for the service Java Net provides?

* Will the cost of entering the Internet from home drop so necessarily that there may not be a such market for Internet Cafes such as Java Net?

- **Task 2:**

1. 2 Literature review:

Java Net, soon to be established in Central London on 10th and Oak, will provide the community easy and affordable entry to the Internet. Java Net will offer entire access to email, WWW, FTP, Usenet and other Internet applications such as Telnet and Gopher. Java Net will also give customers with an unparalleled and creative environment for enjoying great coffee, specialty beverages, and bakery items.

Java Net will in sort to all ages and backgrounds of customers. The instructional Internet classes, and the assisted staff that Java Net offers, will in sort to the audience that does not link themselves with the age of computer. This aspect of education will pull members such as younger and elder of the community who are quickly attaining involvement in the unparalleled resources that communicate through online have to provide. The downtown place will give business people with convenient access with their morning coffee and online requirement.

Java Net is a privately under by Oregon Limited Liability Corporation. Cale Bruckner, the founder of Java Net, is the majority owner. Luke Walsh, Doug Wilson, and John Underwood, all sustain minority position of stock as private investors.

Task 3:**Information about market**

Java Net is meeting with the opportunity as stimulated of being the step-mover in the cyber-cafe market. The coherent quality of coffee, aggregate with the increasing interest in the Internet, has been established to be a gaining concept in other related markets and will produce the same results in that other market.

There are some factors such as current tendency, habituation, and sales data assure that the high requirement for coffee will continue invariable more than the next five years. The quick development of the Internet and online services which has been found there is only the tip of the iceberg. The possible development of the Internet is tremendous, to the item while one day, a computer terminal with the connection of online will be as usual and requirement as a telephone. It can be 10 or 20 years down the road, but since the next five years, the service of online supplier market is certain to feel enormous development. As a modern cyber-cafe in London, Java Net will enjoy the spontaneous advantages of name identification and customer commitment. At first, Java Net will maintain a 100 % share of the market of the cyber-cafe here in UK. Since the following five years, competitors will access the market. Java Net has established an aim to hold more than a market share of 50 percent.

Assignment 2:**Project resources:**

Java Net will give full enter to email, WWW, FTP, Usenet and other Internet using for example: Telnet and Gopher. With the Internet system, printing, scanning, and introductory courses will also be available to the customer.

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Java Net will also offer customers with an unparalleled and creative environment for enjoying the great coffee, special beverages and delicious bakery items.

Competitive Comparison

Java Net will be the most Internet cafe in Central London. Java Net will vary itself from the strictly-coffee cafes in London by offering its customers with combination of Internet and services of computing.

Service Description

Java Net will provide its customers with complete enter to the Internet and usual computer software and hardware. There are some services of the Internet and computing available to Java Net customers are mentioned below:

- * Enter to external email accounts of POP3.
 - * Customers can sign up for an email account of Java Net. This account will mainly be controlled by the server of Java Net and accessible from computer systems exterior the Java Net network.
 - * FTP, Telnet, Gopher, and other popular Internet application will be used.
 - * Enter to browser of Netscape or Internet Explorer.
 - * Application of laser and color printing.
 - * Enter to recognized and more using software applications such as: Adobe Photo Shop and Microsoft Word.
 - Java Net will also offer its customers with enter to basic classes of Internet and email. These classes will be started in the afternoon and in the evening time. By taking these classes, Java Net will establish a
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loyalty to the customers to its services. The computers, Internet access, and classes couldn't mention half of the action if carried out of the environment Java Net will provide. Special offer such as: a good coffee, special drinks, bakery related items, and a comfortable environment will offer Java Net customers bring in the café from the far away from home. It will be considered as a place to enjoy the facility of computing in a comfortable and well-designed environment.

Fulfillment

Java Net will attain the support of computer and Internet entrance from British Telecom Company who provided the support of internet service located in UK. That company will offer the connections of internet, network looking up, and the hardware necessary to operate the Java Network. Allan Brothers will offer Java Net with coffee material, mass coffee, and paper supplies. At this time, the contract for the bakery related items has not been finished. Java Net is presently managing with Humble Bagel and the French horn to fulfill the requirement.

Technology

Java Net will spend money in high-velocity computers to offer its customers with a quick and effective link to the Internet. The computers will be authentic and amusing to work with. Java Net will extend to promote and change the method to remain present with the technology of communications. Other main interests is connected with Internet cafes, which is the equipment art and it is available there and the other facility is that not each person has the pc of Pentium on their office or home.

3Future Services

Since Java Net develops, more technology of communications systems will be included. The hypothesis of supplemental units has been responsible for in the present plan of floor. Since the need for connectivity of internet grows, on with the growth in competition, Java Net will extend to include modern services to sustain its customer base return back for more.

Start-up Summary

Java Net's costs of business commencement will cover the equipment of coffee making, site redevelopment and change, arrange capital to adjust with losses in the first year, and the equipment of communications require to receive its customers online.

The equipment of communications is important to offer Java Net's customers with a quick link to the Internet and the coffee services which have to provide to create a large proportion of the commencement cost. And these costs will incur the terminal of computer and total costs included with their establishment. Costs will also be incurring for the buying of two laser printers and a scanner.

Not only this, costs will be arranged for the buying of the instrument of coffee preparing. Minor additional instrument, a office grinder, one espresso machine which will be buying from other suppliers.

The site at Central London will need the funds for redevelopment and change. A single calculated figure will be distributed for this objective. The restoration cost estimate will add the costs which is associated with preparing the site for opening business.

Initial cost includes:

- * Computers 11 = £22, 000

- * Printers 2 = £1, 000

- * Scanner 1 = £500

- * System software = £810

- * Espresso machine 1 = £10, 700

- * Automatic espresso grinder 1= £795

- * Repairs and restructuring:

- * Coffee /food preparation counters2 = £1, 000

- * Information display counter 1 = £1, 000

- * Drinking /eating counter = £500

- * Stools 16 = £1, 600

- * Computer desks with chairs 6 = £2, 400

- * Items of stationery = £500

- * Telephones 2 = £200

- * Cost of decoration = £13, 000

- **Start-up**

£500

Cost of stationary

£50

Brochures

£500

Advisors

£2, 000

Insurance

£700

Rent

£1, 445

Coffee machine

£10, 700

Grinder of bean

£795

Printer scanner, system software etc.

£24, 310

Line of communication

£840

Fixtures/Remodel

£20, 000

Total initial cost

£62, 290

Initial capital

Cash Required

£24, 000

Initial stock

£2, 000

Other Current Assets

£0

Long-term Assets

£0

Total Assets

£26, 000

Total Requirements

£88, 290

Location of Company and opportunities

A site has been chosen at Central London in UK. This site is selected for various reasons, including:

- * Closeness to the downtown business group.
- * Closeness to trendy, up market restaurants.
- * Closeness to London over ground Station. Parking availability.
- * Renting cost is low – £. 85 per square foot for 1700 square feet.
- * High visibility.

- These qualities are coherent with Java Net’s aim of offering a main part of communication and socialization for the British community.

Assignment 3:

Implementation of the project:

Java Net usually uses three crucial strategies. Firstly: they concentrate on pulling new user of Internet. By offering friendly environment to a new user, Java Net expects to teach and train a loyal customer base.

Secondly, which is the most important strategy concentrates on attracting in strength Internet users. Strength Internet users are enormously associated with the Internet and its services. Here, a large group of customers get the service from the Java Net. Power users should have the knowledge, understanding and experience of web-browsing that novice Internet users feel interesting and exciting.

The third and the last strategy emphasize on establishing a social environment for the customer of Java Net. A social environment, that gives entertainment, will assist to pull customers that couldn’t usually concentrate about utilizing the Internet. In former in place at Java Net, the group of customers that occurred for the over standard entertainment offerings, will recognize the prospective entertainment scope the Internet can offer.

Strategy Pyramid

The following subtle offer a concept of Java Net’s three basic strategies.

Strategy pyramid graphics are demonstrated in the appendix of this plan.

Attract beginner Internet Users

Java Net’s first strategy focuses on attracting beginner Internet users. Java Net plans on attracting these customers by:

- * Offering a friendly and social environment for new users. Java Net will be served through qualified personnel concentrated on serving the customer's requirement.

* Java net arranges a customer service desk will always be served. If a customer has any type of query or matter, Java Net personnel will always be available to do help.

* Java Net will provide basic classes on the subject of Internet and email. These classes will be plan in such a way that can help novice users recognize themselves with these basic tools and the Java Net computer systems.

- **Competitive Edge**

Java Net will focus on the strategy of differentiation to achieve a competitive advantage in this sort of cafe market. While offering the service of internet, Java Net distinguishes itself from other cafe and creates competition with all other cafes in UK. In addition, Java Net offers a relaxed environment with a coffee and bakery related items; differentiate itself from other Internet servicers in UK.

Marketing Strategy

Java Net will place itself as an up market coffee house and the most attractive service provider of internet. It will provide Standard quality coffee and drinks of different taste with a reasonable and competitive price.

Because of the larger number of cafes in UK, it is necessary that Java Net establishes reasonable prices for its coffee. Java Net will apply the technique of advertising as it is considered as the main source of promotion. The café opening with an add which will be a coupon for a free one hour of Internet usage. In addition, Java Net will offer away three hours of internet using

which is free use to novices who sign up for a basic to the Internet workshop giving by Java Net.

Pricing Strategy

Java Net mainly depends on the value of coffee and drinks of different taste on the analysis of retail profit provided by our supplier, Allan Brothers Coffee Co., Inc. Allan Brothers, which has been in this sort of coffee business for almost of 22 years and has established a proper pricing strategy.

Establishing a reasonable market on the basis of hourly price, it is more difficult to use online because there is no such type of direct rivalry from another cyber-cafe in area. Therefore, Java Net will consider three main sources to establish the hourly charging rate. First, we concentrate the cost to use other Internet service provider; either it is the firm of local networking or UK online provider. The supplier of internet access applies various schemes of pricing. Some charges are fixed as on the basis of monthly hours, where other supplier charges the fee on the basis of hourly rate. In addition, some servicers apply a strategy with a blend of equally pricing schemes. By this, Java Net may promptly fix or charged more internet service fee for an individual at a monthly basis. Second, Java Net also concentrates about the market of other internet user. Third, Java Net may do a market survey on current market condition. By analyzing these three factors Java Net fix the hourly price of \$5.

Promotion Strategy

Java Net will mainly apply strategy of pull for increasing the consciousness and their demand. Primarily, Java Net has fixed its initial budget of £5, 000 in order to promotional sector which will consists of promoting to manage the

coupons system for the free time of internet using which is free on the basis of publication of local and the promotion of house for example: providing customers the free time using more internet if the payment will be cleared initially by Java net.

Java Net assumes that if competition increase that means new competitors access the internet business market, Java Net has to spend more money for the sector of advertising for increasing their sales for leading in case of market share.

Sales Strategy

Because of the retail business of Java Net, they recruit personnel for maintaining the transaction of daily or monthly sales and for these employees they should have the proficiency I computer or should have the good computer knowledge. There is another option on Java Net that is if the employees are not computer experts then they are trained by the expert technician of Java Net. These full time technicians of Java Net are always ready for assisting the customers. for distinguishes the services of Java Net from their competitors, they committed to provide friendly and helpful services which is considered as the key success factor for them.

Forecasting of sales

Sales: here, Java Net is mainly relied on their coffee item and sales of espresso in order the financial information supplied by Allann Bros Coffee Co to the Java Net. Their sales of internet are measured by estimating the hours total in related to the terminal on each day and after that they have to also estimate the numbers of hours of consumer use.

Cost of goods sold: products which are coffee related, it's cost of sales are mainly measured by the analysis of the retail profit which is mainly receive from Allann Bros. Coffee Co. here, coffee related items that is bakery items costs are the 20 percent of the selling price . The internet using cost is £660 as monthly basis which have to pay as the networking fees to Bellevue company. E-mail account fees is also the selling price of 25%.

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