

Business plan for hakuna matata coffee shop marketing essay



**ASSIGN
BUSTER**

Hakuna Matata coffee shop is managed by a team of three individuals. It is a joint of each person's contribution and different ideas and skills which we have expressed our best opinions and interest to achieve the roles of Hakuna Matata. This is a business pursued by three individuals executing the opportunity of opening a coffee shop right in the city centre and to best coffee sellers in the city, we have got the opportunity to be not only the best coffee sellers but also to gain a market share and create market segment and most of all to build a customer relation, the customer could either be a walk in customer or a corporate customer.

The major roles of Hakuna Matata are to become the best and most popular coffee shop in the area serving at least five hundred customers daily. The company's objective is to turn profits for every month of operations and maintain a gross profit margin of 60%.

Hakuna Matata is specialized in coffee and other value added service is that it provides other beverages like various types of juices and sodas, milk, tea and distilled water bottles and snacks, as coffee would certainly be more attractive with chocolate cookies and some crackers to enjoy the coffee.

Each member of the team contributed evenly towards the completion of the business plan. Grace Busara researched on the management, Halimafilsan researched on the financial plan while I researched more on the marketing plan for the business plan.

There are a lot of different things that could help the coffee shop be more successful that is by efficient team work within the 3 of us, including our hired staff, these are the waiters and the security guard, which all play their

<https://assignbuster.com/business-plan-for-hakuna-matata-coffee-shop-marketing-essay/>

roles, and are part of the coffee shop. Where the team runs smoothly, we make sure that every process is taken charge to work efficiently, that is by assigning the tasks equally, so that there is all equal inputting to the coffee shop. It is efficient to do work as a team than as an individual as team work comes up with different ideas and views; we get to know each other more, which could lead us to the success of our coffee shop. By team work the tasks are accomplished efficiently.

PROCESS OF IDEA INITIATION

Through our research we discovered that there are very few coffee shops in the market, most of which subscribe to the low cost leadership strategy, therefore, Hakuna Matata as an opportunity in the market and by using differentiation strategy it could gain a market share and create its market segment and build a strong customer base.

There are tremendous interest in entrepreneurship in Tanzania, inspire of the country being a third world country; we managed to compile the resources needed for an entrepreneurship. We came up with three ideas of small scale business enterprise which would be booming in Tanzania for at least the next five years.

The idea of coming up with a business of coffee shop was accepted by very all three members of the team, that is by considering all the positive factors of opening a coffee shop in the city which includes the opportunity which from our research we discovered that there are very less coffee shops in Dar es salaam city and in the market which subscribes to the low cost leadership strategy , where Hakuna Matata can get a chance to use the differentiation

strategy whereby we can have an opportunity to gain a market share and also create market segment and build a strong customer base.

The idea of a coffee shop business plan came up after a long thinking and analyzing the ideas and views of other proposed business plans which was contributed by the team members. The structure of the business is quickly evolved, like the experiences in the commercial market, that knows how many coffee shops exist in the city and the coffee shops surrounded near by our coffee shop location.

It takes much more to operate a coffee shop as such a product, the idea of selling coffee as a beverage, we have to be able to continuously offer what customers are looking for, and therefore we should consider that there is no shortage of consumers for the coffee beverage, as there less coffee shops surrounded within the area.

After a lot of brainstorming and doing research of opening a venture in a country like Tanzania, we had come up with several ideas in which we had three best choices, these are the coffee shop, garbage collection and event management planning, all these three ventures seemed interesting to us, but we found that the coffee shop would be more attractive to the market.

INDUSTRY AND COMPETITIVE

The position of Hakuna Matata Coffee Shop fills in the market place, which will be one reason for its success; the coffee shop's aim is to accomplish its target by being the best coffee sellers in the city, and to attract every customer by our coffee by providing the best coffee and providing good customer services.

<https://assignbuster.com/business-plan-for-hakuna-matata-coffee-shop-marketing-essay/>

The position of Hakuna Matata Coffee Shop will carve out for itself in the market, as it will be opened the whole day till evening, our target customers will be all the surroundings offices, these are The Bank Of Tanzania, National Bank Of Commerce, Azania Bank Limited, FBME Bank Limited, CRDB Bank limited and many other banks surrounding our coffee shop, including also the walking customers and other offices surrounding the location of the coffee shop.

Looking at the grid, Hakuna Matata Coffee Shop is the only concept which feels good about its role of selling and preparing the best coffee in the city, which captures the families and children and all types of genders and ages. It also captures the advantage of relatively short preparation time, and coffee is served.

Hakuna Matata Coffee Shop is well positioned to take advantage of the significant opportunities by expanding the industry of providing coffee beverages. The coffee consumption on the rise is dependent on the agricultural sector, whereby there are a lot of coffee farmers but a few coffee beverage sellers in the market, thus Hakuna Matata's bargaining power is high and thus it can acquire large volumes at a low price and the culture of drinking coffee has always been there in the market for example the local vendors who walk around with coffee in a kettle.

Hakuna Matata's market is within the metropolitan area whereby the number of consumers is substantially high. Since Tanzania is a tropical area and the need for cold drinks is necessary, thus Hakuna Matata will make its beverages both cold and hot as Dar es salaam city is has a moderate

temperature above 28 degrees centigrade, therefore various types of other beverages will be offered, such as soda, tea, distilled bottle water, tea, milk and different flavors of juices. In this same segment the customers are further divided into female consumer who prefer milk tea and coffee which is not strong while the male clients prefer black coffee or coffee that is very strong.

Hakuna Matata is targeting two main customers, one is the fixed customers which consists of the office workers, shop keepers, college and university students, whereby this group is the most liquid and consume large amounts of coffee per day, since our fixed consumers have limited time, Hakuna Matata will have store the coffee in the privately owned utensils which can will make it easier to the customers to leave with them as take away.

The second target groups are the mobile consumers, these are the daily and new consumers, this group consists of individual who do not have a fixed location such as shoppers, pedestrians, walk in customers and many more.

Our competitors are classified into two categories, that is the first priority competitors and second priority competitors, the first priority competitors are the ones which we have used the differentiation strategy, this includes serving coffee at the best quality level. The second priority customers are using the low cost and no frill strategy to gain a market share; this includes the local coffee makers and the street vendors in the city.

Currently the completion for coffee as a beverage amongst coffee sellers is not fierce, whereby the seller can enter and leave the market rapidly. Coffee

beverage selling is a relatively new industry in Tanzania, as it is not in the <https://assignbuster.com/business-plan-for-hakuna-matata-coffee-shop-marketing-essay/>

culture of Tanzania compared to tea, therefore the industry is in the state of flux, with less market leaders and nationally known providers or widely recognized brands as the other coffee sellers provide coffee which does not meet the taster and the requirements of the consumers.

PRESENTATION EXPERIENCE ANALYSIS

Presetting a business plan helps us and the user to identify the objective of the business and analyze it in a critical manner; it helps us to focus in the feasibility of the business and to identify the chances of growth and success. It also enables to manage the business too accordingly and with a positive attitude.

The presentation of the business plan is a way of communicating with your business which defines the purpose and the competition of the business and the management; it identifies the intention of creating a business into reality.

It is important to present a business plan as it is useful if we are applying for a bank loan to fund our coffee shop, or trying to get an investor who can come and invest in our coffee shop, this could either be our friends and relatives or the government. The business plan presentation is useful if we are fund raising in general. No one will give us money nor fund as we have not planned your business plan positively as the business plan consists of how much money we need and for what purposes of the business, the marketing plan, the sales strategies, the profit projection. A business plan guides us on how we can raise capital and gives us a road map so we should know where the business is building up and growing.

By presenting the business plan it is easy to identify the strength of the coffee shop business, as the demand for coffee increases daily due to our location which is in the city centre, this will also enable us to know who our customers are. We also noticed that coffee beverage is a push product as Tanzania does not have the culture of drinking coffee, though our target customers are mainly, the corporate offices, banks and other large organizations in the city, as coffee could become seasonal due to the weather in Dar es salaam which is humid through out the year. We also fear new entrants in the coffee market which could deploy our venture, although we have fewer competitors.

It is very important to plan the business before executing it to reality, this will make us know how the business is going to survive and grow within the specific time, a business without a plan would certainly fail in a short period of time, hence it also enables us to achieve our targets and business goals.

ALTERNATIVE SCENARIO

Our start up capital is 20 million Tanzania shillings, where each member has contributed 5 million and another 5 million will be taken from FBME Bank limited as a loan. Our assumptions are that we assume a slow growth without recession taking place in Tanzania, we assume that there will be no unforeseen changes in the public health perceptions about our coffee and beverages that we offer to the consumers, we also assume that our finances are going to be sufficient to maintain our projected financial plan and we also assume that it will continue to grow as production increases.

Besides coffee shop we also had different ideas on creating a small scale enterprise, researched the market and the environment surrounding us, whereby a lot of brain storming was done by all the three members of the group and came up with three different scenarios which we could create business plans were coffee shop business plan, event management business plan and garbage collection business plan, whereby our last and final choice was the coffee shop business plan.

One of the ideas was to open a garbage collection, we researched and compiled the information which was to target the commercial and residential market, we came to know that the competitors are going to be low but the legal and financial requirements will not be able to cop up with our minimum amount of our startup capital. We came to know that there is a political risk in this business as the ministry of health had to approve the standard of our venture.

We had come up with three different ideas amongst the coffee shop and garbage collection; we also had done our research on event management. From our research we learnt that event management planning will need a small start up capital and even the costs would be low, the marketing would be much more easier, planning the financials was depending on the event, being three of us it would be difficult to run an event, where a large labor force is required for this venture in order for this business to run well and the even to be successful, due to the large labor turnover, as since it is a new business we would be able to pay our staff.

Event management being a high profit margin industry, as everyone would like celebrations, and a well organized event the venture is highly profitable. This venture requires professional skills and high degree of energy for the execution of the event, it also requires communication, strong networking to be known in the market, excellent public relation is very important and we all three lack experience in events as we do not expertise art and creation of the venues.

This two mentioned scenarios, disapproved us from choosing to open the ventures, therefore we choose coffee shop as a venture, as we all had the passion of selling coffee and making coffee in different methods and styles and from our knowledge and experience we finally concluded by opening the coffee shop in the city centre.

USEFULNESS OF A BUSINESS PLAN

As time passes the business develops. The business plan is a very useful and strategic tool which enables the company to achieve its target and goals within a given period of time, business plans are believed to be attainable if followed accordingly and by planning to reach the targets. The business plan comprises the plan on how to achieve the goals and targets including the management team, the usefulness of the business plan are that it includes the financial plans indicating the profit margin for each year respectively. It also shows the break even analysis.

The business plan includes the marketing plan, this enables on how our coffee shop will be useful to the population surrounding the shop

The financial plan section is the most important part of the business plan which shows how the ideas are viable and it is a key component in determining whether the business plan is going to be able to attract any investment in the planning of the coffee shop. The financial plan section comprises of financial statements which are divided into the income statement, the cash flow projection and a balance sheet including a brief explanation and analysis of each statement, therefore, the financial plan guides the growth and development of the coffee shop.

When starting a venture, seeking additional capital for the coffee shop and setting new business process in case of the coffee shop fails to run, we need to write a plan detailing on how we will manage the resources and requirements which also includes the marketing decisions, the financial projections, a trend of the production demands and also personal needs. The plan reflects on three main constituencies that is the customer, the investor and the producer. A business plan has to be presentable to convince the venture capitalist, which should consist of a number of related issues that relate to the factors such as the critical success of the coffee shop, the human factor, the opportunity, the context and the possibilities of risk and reward, by analyzing these issues a business plan illustrates how the enterprise will seize the opportunity to enter the market and how it stands out amongst its competitors and how it plans to maintain a continuing growth trend. The investor or the person who would be interested in captivating the coffee shop should see the level of detail before making any financial decision to the new coffee shop.

OTHER AREAS

For a business plan to be successful and profitable we clearly need to understand the firm's customers and strength and completion in the market, it is the owners and shareholders who have to understand the behaviors of the customers and the strength and weaknesses. We should also have the ability to foresight and plan the future of Hakuna Matata Coffee Shop and its future expansion strategies. When it comes to the expansion of the coffee shop we need to know the financial plan which will enable us to how the coffee shop is growing.

In order to operate the coffee shop more effectively we will have to manage the bargaining power of the suppliers and to manage the bills and also customer complains, as we need to take this matter into consideration in a calm manner and not to chase away the consumers. We have to show the consumers that we not only serve the best coffee but also our services are to a high standard of customer expectation.