

How to open a coffee shop

Page title: How do you open a coffee shop in 2022 and not go bankrupt?

Meta Description: You will learn about all the nuances of opening such an institution and get step-by-step instructions on how to do it correctly and without unnecessary costs.

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How to competently open a coffee shop and set up its effective work?

In today's world, we all often see bloggers or just successful people posting their wealthy and successful lives in "stories," having cool real estate, profitable businesses, expensive cars, things, and so on. Most people just look at them and envy them, not trying to do anything even the slightest bit closer to their success. But there are those who want and can achieve success through hard work. If you belong to the second category of people and you still don't know where to start and how to open your first-ever business, then we strongly recommend you read our article and deal with each point. We are sure that it will help you in opening your first business - a coffee shop. It's not as difficult as you might think at first glance. After all, it's a great way to start and the first dive into the world of business. So let's not delay and let's start to understand in order.

What do I need to open a coffee shop?

Before you open something, you should first decide in what format you want to see your business, in our case, it is a coffee shop. Positioning yourself and the right answer to the question "What will be my establishment" will give you a strong push and help you decide on the format of the institution. Here are a few examples of types of coffee shops:

- ★ regular coffee shop

- ★ coffee and go
- ★ coffee and more
- ★ coffee and bakery
- ★ coffee and pastry shop
- ★ cave in the middle of the mall

Next, we ask what we do.

You can make the most delicious coffee with natural syrups or brew coffee unusually and unconventionally. But be sure to write what you do: "We make coffee and we make delicious desserts. But do you make them yourself or buy them? This question is approached very carefully. After all, if you sell imported desserts, then already at the stage of forming the concept you need to decide on the suppliers. Choose who you want to see among your partners and in the storefront, look at their terms, and prices, and understand what price you can set. To understand whether this cost is in concept.

The next step is to ask, "How do we do it?"

You can, for example, brew coffee using your recipe or you can use the world's best coffee brewing practices. On the other hand, you have a choice and you can buy the latest equipment and make coffee with it. Your choice will determine your further positioning and filling the concept.

Now ask yourself: "Who are we doing this for?"

At this stage, it is very important to create a psychological portrait of your customer and already be guided in the development of their concept idea from this. First of all, choose your "anchor" guest, which you will focus on, and additional groups of the audience. It's beneficial to work out your guest's behavior pattern in the morning, afternoon, and evening. You can take one guest as a prototype and find their Instagram account or simply copy the behavioral model from someone you know:

- ★ How many cups does he drink?
- ★ Does he drink only black coffee in the morning or take coffee with milk?
- ★ Does he take coffee tongs with syrups or coffee shakes?
- ★ Does he take a fresh croissant or does he like to have a cheesecake in the morning?
- ★ Or does he just drink pure coffee?
- ★ Does he take it with him or does he like to drink it in a cozy coffee shop?
- ★ If he takes his coffee with him, does he walk or drive?

When you begin to work through these questions, you will have a lot of input to shape the project further, both in design and in the choice of location. You will be guided everywhere by your guest's behavior model.

Well, in the end, you need to ask yourself, "Why are we doing this?" This is where you'll work through your values and understand why these people should buy coffee from you. When a clear selling message is formed, you'll understand how to sell the product you've created. It's very individualized.

What do the costs of opening a coffee shop include?

Opening any business, even the smallest one, always involves expenses. We are going to talk to you about each of these costs in more detail. Before you start getting ready to open, you need to make a competent business plan that will help you properly allocate your budget and understand how quickly your institution will pay off.

1. Premise

The choice of premises is extremely important because the number of customers and, accordingly, your profits depend directly on where your coffee shop will be located. Renting premises is one of the most costly aspects of opening a business. We will tell you more about how to choose the right premises.

2. Salary fund

For your business to work you need to hire at least two baristas to work in shifts, a cleaner to clean and make your place presentable and a marketer to promote your place on the Internet and beyond. If you do not understand the taxes or you do not have time for that, then you will need to hire an accountant who will prepare all reports and send them to special services. All specialists need to pay a salary every month. This all needs to be taken into account when drawing up a business plan.

3. Equipment

Here we get to what is probably the most costly aspect: the equipment. You need to buy both the interior elements and the coffee machines and consumables. Coffee machines and elements of the interior (tables, chairs, bar counter, hand basin, etc.) you will need to buy only once and replace them only when the old one is completely worn out. Also, you will need a [menu](#), a [holder for checks](#), a [QR menu for each table](#), and [table reservation cards](#) if you are going to have a large-scale coffee shop. You can get all that at KyivWorkshop. But here are the consumables such as coffee itself, milk, cream, disposable cups, lids, sugar, sticks, etc. you will need to buy regularly, which must also take into account when allocating the budget.

4. Advertising and promotion

If you want to promote your coffee shop so that it is in demand, because entering such a competitive market is not so easy, you need advertising. Therefore, we advise you to hire a good marketer, who will create a great content plan to promote your establishment.

How to find a place for a coffee shop

How to choose a space for a coffee shop? Walk and search. You have to thoroughly research the locations you are interested in. And what you need locations, you will know after you well work out the concept and the target audience. When you understand what you are building and for whom. And then you immediately formed a request for space.

How to look for space for a coffee shop? It is necessary to make a list of requirements for the premises. For example, it should be:

- ★ central area;
- ★ passable place near the subway;
- ★ with a separate entrance;
- ★ area of 20 square meters;
- ★ power grid capacity of at least 15 kW;
- ★ with a high ceiling;
- ★ front of the building with stairs and the like.

You write out all the details and go through all the chats, websites, and realtors, and then start looking around.

When you find the space, be sure to show it to your designer. We don't recommend doing anything on your own, but try to order a design or ask for advice from a professional. For your coffee business to be successful, you must invest as much as possible in creating the concept and brand.

To stand out in the market, you need branding. Look around you: how similar all the coffee shops are to each other, their names and designs. If you want to set yourself apart from the masses in some way, hire a branding expert. This is your visual language. Even the smallest coffee shop or kiosk with a small budget can be made incredibly bright and distinctive. It's better to splurge on a designer right away than to give more later to fix your own mistakes.

Remember: there is no such thing as a "popular design. There is a design that is in harmony with your concept. You do not need to be

guided by what is now fashionable, trendy, or what others are doing. Design your concept to convey the atmosphere you have planned for your guest through decisions such as:

- ★ corporate color;
- ★ finishing materials;
- ★ lighting;
- ★ interior details.

So this point should be made with a graphic designer and an interior designer. Ideally, they should work together and the brand in the interior should be created in harmony with the product and the rest of the details.

How to develop a marketing strategy for a coffee shop?

Coffeehouse marketing is first and foremost about your product. The second expense item is visual content. You need expenses if you want to stand out from the crowd. At the start, there will probably be the highest costs, but in the future, they will certainly pay off and justify themselves.

There will also be additional costs if you decide to work with fully branded packaging. To fully brand a coffee shop, including cups, straws, dessert packaging, etc., will cost you, because of the large print runs, about \$5,000. That's an average budget to completely visually brand and package a coffee shop at the start. These supplies will last about 5-6 months.

Next, you'll be spending money on content. To create quality content, you need to hire a photographer to create a visual portrait of your social media page. He can do this once a month, or he can come to a coffee shop and take pictures situationally. But if we're talking about a business approach, it's better to do it in advance: plan, and create visual pictures of the product, menu, future seasonal offers, etc. Take photos and post them in advance on social networks. Create layouts

of flyers, stickers, and posters. On average, you will need up to \$30 per month for a graphic designer. Printing these media will cost about \$50.

For example, if you want to make a large plaster coffee cup and put it by the entrance and then change its "outfit" every three months. In the winter it's in a warm scarf, in the summer it's all floral - it's all marketing decisions as well.

Costs will depend on how you form a marketing strategy and how detailed you work it out. As a minimum, you should start targeting advertising on social networks. You'll spend an average of \$50 to \$200 on targeting and outreach to make your coffee shop more relatable.

Of course, you need to constantly work on quality products and your customers' loyalty to keep the latter coming back to you every time. To do this, come up with promotions and guest bonuses. They will cost you at the cost price, but it's still an expense.

And remember: The more you invest in your guest, the more they will spend with you. If you don't encourage him, he will have no desire to spend money on you. So you have to spend on marketing, and how much it should depend on how carefully you work out your marketing strategy. On average, you can budget approximately 5-10% of turnover. The most important task is to spend correctly and to grow your target audience.

How to choose staff for a coffee shop: selection and shifts

To understand what kind of staff you need, you must draw up a portrait of the ideal candidate. Describe the characteristics and values of the person you prefer: age, hobbies, place of residence, etc. The more detailed you describe the candidate's portrait, the easier it will be for people to recognize themselves when you post these ads.

Shifts are distributed from the opening to the closing of the coffee shop, which is a full-time shift. But if you have a coffee shop

somewhere very passable from 07:00 to 23:00, then, of course, it will be a few shifts and hourly pay.

With Poster cafe and restaurant accounting software, you can easily record the exits. When the barista goes out for a shift, he enters his password and his shift is automatically credited. And it will be easier for you to compile timesheets. Also, in Poster, you can tie in a percentage that will automatically accrue to each employee from his or her sales.

Selection of equipment and inventory for the coffee shop

First of all, you have to buy all the coffee equipment or first use equipment rented from coffee bean suppliers. But here it is important to understand to what extent this is acceptable within your concept.

Because your concept will dictate even the models and brands of equipment to work. If we're talking about some conceptual and atmospheric place, such as a coffee shop of the third wave, where coffee geeks work, then the equipment must match the level of the institution. If we are talking about the mass market, then it is enough of a quality machine that will smoothly produce a large volume of coffee with minimal labor costs.

Next, you must buy a coffee grinder. It is desirable to have one grinder for one kind of bean. If you will have a blend of Robusta with Arabica and, for example, just another arabica, then you need two grinders. If you also want to put a filter coffee, you need the third grinder. Again, the concept and the menu will dictate the list of equipment you need.

Choosing a coffee supplier

There are a huge number of grain suppliers on the market today. How to choose among them? This is a question that you will have to decide for yourself. Whoever you go to, everyone will recommend

some people they have worked with or are working with now, and it is not a fact that you will work with them.

Gather market data and analytics vendors that offer turnkey solutions. Talk to managers, find out about all the terms and prices of the grain and do a tasting. If you're new to the business, we recommend reaching out to major coffee business aggregators that can help you fully address your coffee shop setup. We work with suppliers that have been in the market for very many years. They completely cover the coffee issue for us. We don't worry about it and don't waste time setting up processes.

Do not forget who your guests are, and remember their pattern of behavior: look where they go, and where they drink coffee, and then you know what kind of grain you need to buy for your coffee shop.

Which works better: a coffee shop to go or with seating?

Of course, it's better to consider a coffee shop with seating. Of all the projects we've analyzed or seen in work, coffee shops with 1-2 tables work much better than kiosks. Because when it's raining, or it's cold outside, or a person's phone is dead and they need to call somewhere and call a cab - they're more likely to go under the roof of a warm coffee shop. Waiting for coffee to go is also more comfortable in a room with air conditioning.

A to-go coffee shop that is only focused on selling to-go, when a person can't go inside, has a slightly lower average check. Extra sales work worse, hence the profit margins of the takeaway coffee outlets will also be lower. It is not a fact that the entry price of a business coffee shop to go will be lower than that of a sit-down establishment. After all, decorating and automating a kiosk is also costly. Therefore, sometimes it is better to take the internal atmosphere than the external one.

That is, the price will be almost the same: to highlight your kiosk from the outside to make it noticeable, or to create a comfortable environment inside a small institution.

Plus, you need to take into account when forming the concept, whether you want to build the project in a single format, or it will be a small network and franchise sale of coffee shops. This decision will greatly affect your planning. It's always best to form right away with ambitions for big development. Because when you manage to make a good project, there will always be those who want to buy a ready-made coffee shop business plan from you. This can turn out to be an additional source of profit.

Advantages and disadvantages of opening a coffee business

First of all, the coffee business has more advantages than disadvantages. Coffee is gaining momentum in the country, and people are just beginning to get to grips with it. It is now very easy to scale and promote. People haven't started drinking less coffee, and sales of the bean are increasing every year. Coffee shops that have created right - with great branding, great positioning, a good concept, and a quality product - have a great future.

What are the drawbacks? It's more of a challenge of starting a restaurant business in general, not a drawback. At a minimum, you need to understand a little bit about the product with which you will work, so as not to run into problems, because of which you have to close the restaurant. And if you do not understand it yourself, then take a partner in the person who will develop this product and understand it.

In the market, because of high competition and high demand, there is always a shortage of quality products. Therefore, before moving to create your coffee shop, you should not just be a fan of coffee and distinguish its bitter or sour taste, but also understand a little about the field. In creating any business, you need to understand the product you will be selling.