

BUSINESS CONCEPT PAPER

DESCRIPTION OF OPPORTUNITY

The perceived need is the operation of a Coffee Bar/ Tea Salon

People's quest for light foods like coffee often because it increases alertness quicker than the body's naturally produced hormones (and also some are addicted to Caffeine). The body produces cortisol which helps you to feel better and to help the body deal with stress and blood pressure/sugar but apparently production levels in the body are higher when the body is exposed to daylight and times when people are in the sun. Coffee breaks are essential especially in work environments because, it makes employees feel better (which makes sense as the Caffeine makes up for the lack of cortisol being produced). But there are no coffee joints in and around the university of Cape Coast.

This is evidenced in the fact that people have become more health conscious about what they take in and use. This awareness is created by the discoveries and health campaign championed by nutritionist and medical doctors. The resultant effect has led to the increase in the households, work environments as well as students the intake of coffee/tea most especially in the morning and later in the evening.

The strong need for the intake of coffee/tea is experienced by household, catering departments of corporate institutions, hotels, schools and colleges in all facets of our society.

Such strong need by the aforementioned agencies has aroused our interest, desire and zeal to enter into the operation of coffee bar and tea salon in the university of Cape Coast Science Market and also to ensure a constant supply of coffee and tea all year round.

The absence of coffee bar and tea salon in the whole university and the importance it gives to the body makes the venture worthwhile to enter into.

DESCRIPTION OF THE PRODUCT/SERVICE IDEA

Coffee is a drink prepared from roasted coffee beans, the seeds of berries from certain *Coffea* species. Ripped berries are picked, processed, and dried. The dried coffee seeds (referred to as "beans") are roasted to varying degrees, depending on the desired flavor. Roasted beans are ground and brewed with near-boiling water to produce a beverage called coffee.

The unique characteristics of our product are; it is in a plane plastic bottled nicely sealed, there are no additives, it is creamy and with darkly colored, a little bitter and slightly acidic. Coffee drinks are highly nutritious and rich in Riboflavin (vitamin B2) that is 11% of the Reference Daily Intake(RDI), Pantothenic Acid (Vitamins B5): 6% the RDI, and Vitamin B3: 2 % of RDI. Coffee also contains magnesium and potassium: 3% of the RDI. Several observations studies show that, coffee drinkers have much lower risk of type 2 diabetes, a serious condition that affects millions of people worldwide. Again, Coffee drinkers according to the observations of the researchers have up to 60% lower risk of getting Parkinson disease, the second most common neurodegenerative disorder. The most exciting news about Coffee drinkers is that, they have a much lower risk of cirrhosis, which can be caused by several diseases that affects the liver. We give our customers value for their money by providing them with a product is of very high quality and yet at a very affordable price of GH¢ 1.00

ASSESSMENT OF THE MARKET

The market consist of heterogeneous customers but our target market is the university community especially students on campus. The estimated number of our main target market (students) is about 19,000 (source: Data Processing Unit of UCC) and we expect to capture 50% of this number within the first two years of our operation, giving our quality product provision and continuous review of our product.

The current statistics available indicate that the urban population in Ghana is 51% of the total population the country and also with a 3.4% annual rate of change between 2010 and 2015.

The above statistics indicate a promising future for the demand and consumption of Coffee.

Customers are now relying on fruits juices without additives to satisfy their need. This is because those engaged in this business are not able to provide up to customers special needs. The prices of our products will be quoted in liters depending on the size of the bottle. To distinguish ourselves with respect to prices, our prices would be 5% less of the prevailing market price.

THE COMPETITIVE ENVIRONMENT

The competitors of our product are wholesalers, retailers, restaurants and other dealers of popular brands of tea, “bissap” , “sobolo”, among others in the university community. In particular, cafeterias and snack bars on campus are our direct competitors. However, in view of this stern competition from all facets, our competitive advantage remains the natural touch of our product and its uniqueness.

We would use cost effective methods of production so as to make our product more affordable, without compromising its quality. Also due to the ease of entry, as a result of low capital requirement, we plan to use the differentiation approach to sustain our competitive advantage due to the unique and peculiar nature of our product.

BUSINESS STRATEGY

The identified opportunity will be exploited using the following production, promotion, distribution and pricing strategies;

Production: Coffee will be sourced from the vast coffee plantations that are mainly in the southern and some part of the Northern parts of the country. The coffee is transported to our production site for production to begin. The coffee beans, after passing through quality testing are broken to pieces to by the use of a grinder or blender. The finer the coffee granules, the stronger the coffee. Coarser grounds produce better flavor and less bitterness if you are making drip coffee.

The grinded coffee is been poured into hot water. A little sugar is added to reduce the bitterness hence making it a little sugary for our taste conscious consumers while natural flavors without sugar is separated for customers who prefer no sugar to their diet. Preservatives are added and source is neatly bottled into well labelled bottles by the bottling department, ranging from 0.5litres, 1litre, 1.5litres, 3litres and 5litres containers respectively. The 0.5litres will be packaged into groups of 30 bottles, 1litres in groups of 15bottles, 1.5 and 3litres will be packaged in groups of 10. The 5litre bottles will be packaged individually and all products subjected to scrutiny by our quality control team before finished products are transferred to our warehouse.

Promotion: Our firm will use messages with consistent themes (Coffee papabi...*Wo nso nom bi hwe*), which is related to the uniqueness of our product, key personnel and better customer relations to sell our product. Again we will use Referrals, that is, asking satisfied clients to recommend the product to friends; and sponsoring public or local events as well as giving customized packaging items with the logo of our firm so as to build our firm's image. And more importantly, marketing personnel will create awareness of our unique services by contacting resident and non-resident students in the university community.

Pricing: The price of our product will be designed to reflect the quality, degree of expertise, specialization and value creation. The prices would also be designed to revolve around "*the four Cs of pricing*" which include,

- Customer: Charging a well-conceived price that will be attractive to our clients
- Company: Charging a comparable price that would help the firm to make the planned profits as well as ensuring the survival of the firm.
- Competition: Charging a comparable price that would help beat competition.
- Constraints: Charging price that would help minimize threats arising from price competition.

Distribution: The firm is located in the premises of Oye Inn Hostel opposite Science Station, Cape Coast. The location of the firm is suitable due to its proximity to our main target market, enough space for car parking, goodwill and serenity of the environment. We will mount up stands for students in their respective hostels to come and buy, and also we will be delivering the product to our customers' doorstep.

Besides the above strategies, measures will be put in place to deploy human resources to achieve our business goals. This will be done through frequent staff training and development and effective customer service programmes by a strategic alliance with experienced institutions such as Blueskies industries at Nsawam.

FINANCES

The main cost for undertaking our activities includes:

- Cost of raw materials
- The cost of the processing equipment
- Cost of packaging

- Cost of storage facilities

A minimum startup capital of GH¢ 20,000 will be required. This capital will be raised through personal savings from the stakeholders and the rest will be raised through loans from banks.

Our major source of income will come from sale of the product.

Our major expenses will be the labour cost, cost of delivery and cost of advertisement.

Profit is expected to be realized after one accounting year. We expect to break even in our first year.