180Degrees
CONSULTING

Acknowledgements

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180 Degrees Consulting Western Sydney University

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Executive Summary

In accordance to the brief given to 180 Degrees Consulting WSU, this report makes recommendations on who Woodville Alliance can provide training to migrant men and women to acquire business skills for future employability possibly with the assistance of technology as well. 180 Degrees Consulting contends that carrying out the core recommendations will enable the coffee cart to uplift migrant men and women and assist them enter the workforce while making the coffee cart a sustainable enterprise. Initially, a proper market and marketing strategy should be implemented to get the coffee cart going. Second, the training materials provided to the staff should be focused on skill development as well as implicit and experiential learning. Finally, the use of digital content for training and operations is likely to benefit Woodville Alliance and the coffee cart itself. It is our resolute belief that implementation of this report's findings will increase the value the coffee cart can bring to the migrant men and women and the community as a whole.

Scope of Project

This project report fulfills the project brief by considering the initial challenges a new coffee cart enterprise will face. It recognizes the target market, recommends marketing strategies, discusses training material content and the inclusion of a digitally backed support system for the coffee cart. This project does not cover aspects of the coffee cart regarding leveraging partnerships and logistical areas such as supply chain management. In this regard, 180 Degrees recommends that Woodville Alliance consider pursing a second project to focus on growing the coffee cart business and finding solutions to problems that the coffee cart might face after the first few months of its active inception.

Marketing

Coffee Cart Operation Area and Customer Base

The overview of the customer base includes the types of expected customers a coffee business usually has, the premises and operational hours relating to the customer base.
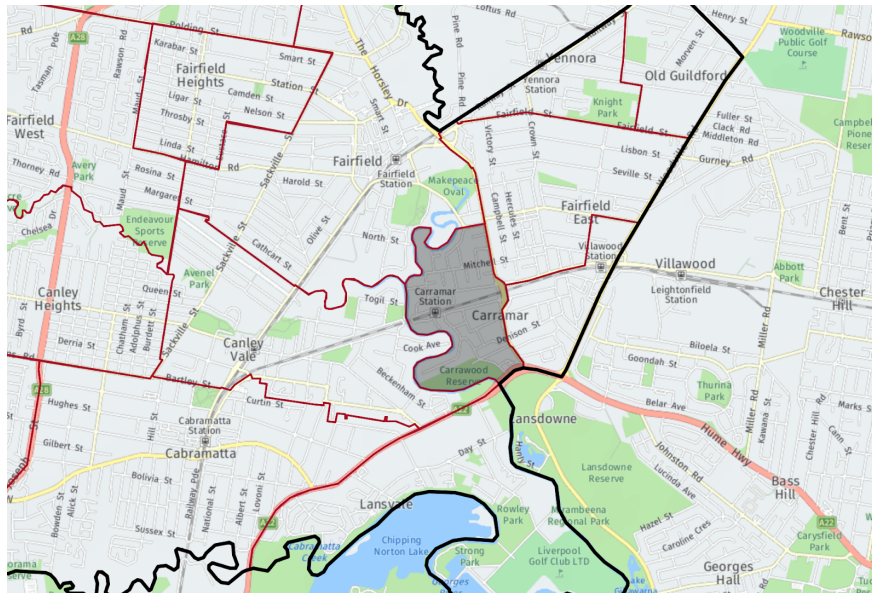
Five initial stations were looked into to begin with. They were Carramar, Bankstown, Parramatta, Berala and Campsie. Trains stations were the focus due to the availability of reliable data and most take away coffee customers go and come from work using public transport.

Train Station Tap On/Tap Offs by Time

Station	02:00-06:00	06:00-09:30	09:30-15:00	15:00-18:30	18:30-02:00	Total	Rank
Bankstown	150/80	3010/1690	2460/2450	2270/3140	710/1260	8600	28
Berala	20/20	1440/150	490/430	230/1270	30/380	2210	104
Campsie	60/60	2990/720	2080/1850	1240/2920	380/1210	6750	38
Carramar	10/10	300/50	230/210	70/270	20/90	630	174
Parramatta	560/280	6690/12980	6050/6230	13740/6900	2800/3450	24840	4

Figures from 2014. More recent Opal data has been in the process of implementation of digitization and such station specific data has not been made available yet. Growth trends from 2010 to 2014 till 2018 are relatively unchanged thus the proportions can be assumed to be equal.

Journey to work mode to CBD (%) (Local Government Area)

Station	Train	Bus	Ferry	Own Vehicle
Bankstown	84	1	0	14
Fairfield	86	1	1	13
Parramatta	78	8	1	12

Age Demographic of Commuters

Age	Total %
Under 18	15.5
18-24	18.3
25-34	24.4
34-44	15.2
45-54	13
55-64	7.4
65 +	6.2
Total	100

Carramar Station

This is by far the least busiest station and that resonates with the surrounding community as well. A benefit of running on this station is that the figures are likely to increase in the future and the local community has a strong presence and is not infiltrated by non-local residents for work purposes. There are also no major competitors to sell coffee in this area.

On the down side, there are approximately 700 total commuters that are around the station for the duration of the day. If 5% of commuters support the coffee cart, which is on the higher side, there would be 35 customers. Thus, while this station is a viable place to start out where there is less pressure for the staff members, finically it would not be a feasible option.

Carramar Station has no local supermarkets or attractions thus it would only be viable to sell coffee during morning and evening peak hour, especially morning. From the demographics report, many of the local workers are also tradies who start their work early morning. They would be a big target customer and would be willing to buy coffee even before morning peak hour.

Berala & Campsie

These stations were chosen due to their population base, demographics and presence of a local market. Coffee carts have limited viability during off peak hours with around 200 total commuters. Thus, a local market would greatly assist in a larger customer base. Both stations have major retailers such as Woolworths nearby. This does in turn mean greater competition, including with franchises such as McDonald's and Gloria Jeans Coffees.

The local community consists of working middle class. Over 35% of the working population work over 40 hours per week and over 60% work more than 30 hours per week. Most residents are of Chinese, Lebanese, Vietnamese, Nepalese Australian and English descent.

Bankstown

This station has a vibrant atmosphere with many working-class people travelling in and out every day. Both sides of the station are filled with shops and cafes and there is also plenty open space available to place the coffee cart. The local community is mixed as well but mainly consists of people of Vietnamese and Lebanese descent who might appeal to the migrant background of the baristas in the coffee cart.

The only down side is the abundance of competition including a 7/11 and another coffee café right beside the station. Near Bankstown Central and bus stops are also potential areas to place the coffee cart if not right by the station.

Parramatta

Parramatta is the second CBD of Sydney and is the 4th most visited station in all of NSW. While local competition is extremely high, this coffee cart about be in use during local events, parades, concerts and public holidays. Western Sydney has two campus situated in the Parramatta area. The Parramatta City campus is not wholly owned by WSU so it will be challenging to get permit to sell coffee there, but at the Parramatta South Campus, it is possible to set up the coffee cart as a student club initiative. This can be implemented in the semester to follow. 180 Degrees Consulting had done talks with one of the Deans of the School of Business and they had positively mentioned the possibility of this taking place. Nearby Harris Park stations can also be a great alternative due to similar demographics but reduced competition.

Weekend gate at selected stations as a percentage of weekday exits

Station	Saturday %	Sunday %
Bankstown	51	40
Campsie	53	46
Parramatta	40	29

If the coffee cart is not to be in use for 7 days of the week, it would be beneficial to not use it during weekend days. From the table, we see that the number of commuters during weekends is effectively halved compared to weekdays.

Month	Passengers (millions)
Jan	22
Feb	24
Mar	28
Apr	25
May	27
Jun	25
Jul	26
Aug	27
Sep	26
Oct	27
Nov	26
Dec	25

The table above shows the seasonality of passenger journeys, due mainly to school holidays during which the volume of journeys was lower. Conversely, special events such as the Royal Easter Show result in higher journey numbers. Once again emphasizing the importance of going to high volume areas during public holidays and events.

Demographics

We looked at the languages spoken by residents in the mentioned suburbs, as migrant men and women are generally not properly able to speak English. Arabic would be favorable for the coffee cart. Percentages of people who speak the language other than English.

Berala - Mandarin (15.5%), Cantonese (15.2 %), Arabic (7.2%)

Bankstown – Arabic (21.1%), Vietnamese (19%), Mandarin (4.9%)

Campsie - Mandarin (21.1%), Cantonese (10.1%), Nepali (7.4%), Arabic (6.1%)

Carramar – Vietnamese (18.2%), Arabic (11.2%), Cantonese (3.7%)

Parramatta - Arabic (10.5%), Mandarin (7.3%), Cantonese (5.1%)

Final list of stations in order of preference – **Carramar, Bankstown, Berala, Campsie, Parramatta**

Regulatory Conditions

The Coffee cart is classified by NSW regulation as a 'movable food vending vehicle' and any person using one is deemed to be a 'food business'.

As a food business, the selling of safe and suitable food is done in accordance with the NSW Food Act 2003, Food Regulation 2015 and Food Standard Codes. The surveillance and enforcement of the Food Act and Code are done in most cases by local councils.

Of possible importance to the coffee cart is that the NSW Food Authority is responsible for surveilling dairy vendors, business that serve food to vulnerable persons and the producing of egg related products.

Under the Food Act, Woodville Alliance is considered a charity or a community group as it does not make fund for personal financial gain, but directs it to the community. This means some requirements like certain labelling do not apply. However, on request by customers there is information that must be supplied about allergenic ingredients. Possible ingredients effecting Woodville Alliance May include Milk and milk products, any possible nuts or seeds, and egg and egg products- but any foods and their ingredients will need to check based on The Food Act.

Mobile food businesses need to notify the local government of their business and food activity details, which can be done via service applications, permits and approvals.

If the coffee cart conducts any service on, or near the side of roads, the Roads and Maritime Services in NSW needs to be conducted for information.

As a food business, if there is the sale of potentially hazardous food (like allergenic ingredients), Woodville Alliance must notify the appropriate enforcement agency (usually the local council) of its food activity details. However, the Food Act May cover a sector in which Woodville Alliance is in and mean it needs a Food Authority License. Council approval may be required for storage of the coffee cart, if the storage premises are used for storing food supplies in connection with its operation.

There may be inspections by a council's environmental health officers (EHO) and if the coffee cart conducts business across multiple councils, those councils can request to see copies of its most recent inspection report. The inspection report is provided by the EHO and should be kept always whenever the coffee cart is operating.

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Marketing Strategies

Create a loyalty program

Restaurant executives ranked (low 1 – high 5) which factors enhance performance and increase customer engagement.

Loyalty Programs	3.8
Social Media	3.8
GPS/Location Data	3.6
Deal of the Day	3.3

A data driven loyalty program can be integrated with the efforts of GeekAbility. This way, a greater reach and understanding of customers is made possible and targeted promotions can also be initiated. First collect data, get insights from it, then implemented promotions based on them.

Additional benefits include tracking of historical data, location based data, analyzing coffee purchases with additional food purchases to increase cross-selling opportunities. Then future prediction on sales targets can also be made.

Data should be collected regarding:
- Locations bought
- Products bought
- Spending
- Frequency of buying
- Length of membership
- Points earned vs points redeemed
- Consumer demographics

This can be used in conjunction with using POS data. POS data should give the same information as the loyalty card system tells except being able to capitalize on individual spending habits.

Instore promotions are recommended as it serves as incentive to sell off-season goods, non-selling products or just reduced price peak hour coffee to attract more customers. Most informed promotion decisions are to be made by looking at past purchase data (POS) and customer demographics (Loyalty Program). This program is expected to acquire new customers, retail loyal customers and assist in making better decisions with the help of data.

A name for the coffee cart is extremely important to have. Big franchises such as Gloria Jeans, Soul Origin have such iconic names. Four Brave Women, a similar initiative to the coffee cart also have a strong story behind their names. A name with a logo should be incorporated to the coffee cart itself. It should focus on the 'more than just coffee' part highlighting the migrant background of the staff.

Transform data into results through analytics

Only collect of data will not suffice. It needs to be analyzed so that proper decisions can be made based on it. This is where GeekAbility might also come into play.

- Utilize POS data and data from social media and loyalty program platforms.
- Gather sales and customer data through an application software.

- Structure and transform data
- Identify trends and insights based on location, time and date, staff, milk type etc.

- Identify key drivers of success and put them up for trials.
- Similarly, identify and measure key drivers of failures

Provide meal options to cater to ethnic taste and brand accordingly

FWB have menus that change every 8 weeks and they consistently offer a large variety of food, from Ethiopian breakfasts to Iraqi dinners. While the coffee cart itself is too small to embrace such diversity, the identity of the staff should be the identity of the coffee cart and resembled in the name.

Anglo-Saxon and customers of different cultures are often supportive of diverse cuisine, as seen with FWB, especially with Australian itself being a vastly multi-cultural nation.

An implementation of this could be Syrian or Sudanese specific food items to buy along with the coffee. While the coffee cart is not big enough to sell properly made food, easy to hand out food items can be a source of income and brand recognition.

Recommended food items are
- Sweets
- Cookies
- Biscuits
- Pastries / Slices
- Toasties

If the cart expands in the future, the next food items would be frozen food items of the migrant men and women's countries. Frozen food preserve the authenticity and are also easy and reliable to make and sell.

Expected Revenue

Profit margin and expected revenue?

Coffee cost	$0.30-$0.40
Milk	$0.20
Take away cup and lid	$0.10-$0.20
Labor*	$0.20
Total	$0.80-$1.00
Average Coffee Price	$3.50-$4.50
Net profit	300%-400%

An average cup of coffee would have over 300% profit, but it is advisable, to get the business running, that the coffee price be marked down mainly so that the customer base grows initially.

Coffee			Small	Medium	Medium/Large
Daily			50	100	200
Weekly	Trading days		5	5	5
	Increase in # coffee sold		250	500	1,000
	Net profit/cup		$2.70	$2.70	$2.70
	Coffee Usage		2.5kg	5kg	10kg
	Net Profit		$675	$1,350	$2,700
	Week		52	52	52
Yearly	Net Profit		$35,100	$70,200	$140,400

While the above figures do not account for accidents, unexpected losses or lack of customers, the coffee business is predicted to be self-sustainable if the cart sells more than 50 coffees per day.

Training

The end goal is to enable GeekAbility to be able to assist in the training and growth strategies for the coffee cart. In-order to do this, first we need to know what structure a coffee cart should have internally and how the training cycle itself should work.

Coffee cart Positions

Manager
The primary duties of the manager would include, but is not limited to:
- Manage daily operation
- Order inventory
- Manage POS system
- Make cash payments to staff and suppliers
- Manage cash receipts and cash payments
- Train new staffs
- Responsible of or assigning person to open and close the cart
- Manage online portal and loyalty card program

Barista
The primary duties of the barista would include, but is not limited to:
- Make excellent Coffee
- Chat and assist customers
- Advise them on the coffee they want to order
- Note any customer suggestions/complaints
- Order inventory
- Abide by HACCP principles
- Train new staffs

Cashier/Trainee
The primary duties of the cashier/trainee would include, but is not limited to:
- Be able to enter and edit orders
- Abide by HACCP principles
- Collect cash receipts from customers
- Complete report at the end up the day

Training Content

Required Skills
The team has identified the following skills that required to be instilled on the new staff members

- Coming up with business ideas
- Creating a cash flow budget
- Using a balance sheet and keeping records
- Managing and ordering stock
- Pouring excellent tasting coffee consistently

What goes in opening a coffee cart?

- Set up coffee cart in the destined location
- Adjust the grinder so that the shot is running well
- Ensure equipment are working well
- Ensure there is sufficient stock (if not, inform manager)
- Opening POS system, counting amount of cash in draw
- Put up signs (e.g. specials for the day)
- Set up food (e.g. sandwiches, wraps)

What is a 'good' coffee shot?

There are three main measurements required to determine if the espresso produced is 'good' or not. Firstly, ensure that the grinded beans in powder form weigh around 22 grams. Then tamp the group handle evenly and run the pressured water through the handle. The result espresso should be extracted in 30 seconds and it should weigh 46 grams. If the shot is too 'runny' i.e. the 46 grams of espresso comes out in less than 30 seconds, it won't taste strong enough. To fix this, the grinder needs to be adjusted to grind the beans finer. If the 46 grams of espresso takes too long to make, the shot will be too strong. To fix this, adjust the grinder so that the grinded powder comes out a bit coarser.

What coffees must be on the menu?

Although coffee shops will have variations, these coffee products are highly recommended to be make available in at least 2 different cup sizes.

Hot Drinks
- Cappuccino
- Latte
- Flat White
- Short Black
- Long Black
- Macchiato
- Double Ristretto
- Piccolo Latte
- Latte with syrup alternatives

Milk Alternatives
- Full Cream Milk
- Skim Milk
- Almond Milk
- Soy Milk (Bonsoy)
- Lactose Free Milk

Cold Drinks
- Iced Chocolate
- Iced Syrup alternatives
- Iced Coffee
- Coffee Frappe
- Iced Mocha

Cold drinks are essential for the hot summer in Sydney. They are also usually sold at a higher price that regular coffee so they will provide a higher profit margin.

How to manage the finances of the day and how to report?

Reconciliation of cash
- Count amount of cash at the beginning and the end of the day
- Enter amount of cash sales, cash sales report and card sales report in an envelope and hand in to the manager (with date, name, signature of both staff and manager)

- Establish a Google Form report. Questions may include:
  - Date
  - Total receipt of money
  - Total receipt of card
  - Total receipt of cash
  - Any additional expenses
  - Has amount of cash been collected? By whom? Amount?

Digital Context

The questions above in the training section are necessary for all staff members to know and be trained on. In the currently digital age, such assistance to not only training, but also regarding operating the coffee cart can be implemented.

YouTube Channel Videos

Creating a YouTube channel with training videos will be beneficial for the new and old coffee cart staff. They will provide a standard of protocols to be maintained and are highly accessible by anyone as well.

The videos should be aimed at answering the questions as described above. They would cover aspects such as what a good coffee shot is, how to greet and make customers feel welcome and how to report the sales of the whole day.

The videos should consist of the following:
- Approximately 3-5 minutes long
- Modules to be incorporated for different sections of training component
- Available in multiple languages such as English and Arabic
- If not, then captions should be implemented
- Include step by step instructions to be carried out
- For informative videos, a green screen could be used with one or two speakers to avoid distractions, such as when answering where can I park the coffee cart?
- For coffee related training videos, demonstration could be made using the coffee machine itself.
- For videos regarding dealing with customers, scenarios could be setup where it shows what could be done in this situation.
- Videos should be unlisted on YouTube and only accessible through a certain link.
- Videos' privacy setting to be set as unlisted.

An example of such training videos can be found on the ATO site.
- https://www.ato.gov.au/Super/Self-managed-super-funds/In-detail/SMSF-resources/SMSF-videos/

- https://www.business.gov.au/guide/starting

The videos here clearly give instructions on a broad range of topics. While animations are used in this video, it might not be cost effective for the coffee cart and GeekAbility to use animations. But the structure of the video should be followed.

To store all the links to the videos, they could be displayed on the Woodville Alliance website, but since links could be added or removed, the recommendation is to create an Android application.

Mobile Application

The Application would also cover additional aspects of running the business rather than just training videos. It should:
- Check on records of revenue/profit, loss/ coffee sold
- Initial lending from WA to support gas, petrol, etc. and pay back afterwards track their expenses if used wisely
- Gather all necessary information for those who run the business: training videos, manual instructions, etc.
- Data source for future purpose
- Easy for mentors to track on the performance of each group and individual staff

As part of the training cycle, a recommendation for new staffs to learn would be through a game-like system within the app. This section would initially cover basics of the coffee cart such as what coffee is, what drinks can be made, what does each person do etc. Then after completing a set of questions, they can move to the next stage where they learn about how to use the group handles, how to froth the milk, how to greet customers, how to follow HACCP principles etc. Then finally the third stage would include more of the financial aspects such as how to file a report of the day, where to place the coffee cart, how to manage staff rosters, how to properly count and order stock etc.

One useful feature that can also be integrated in the app is to take orders using the app itself. Instead of using a generic system, all orders can be taken in the app. The

staff can use a tablet device to take the orders in. This way, it will be easier to take the order as well as all data of the products ordered can be stored, which in turn can aid in efficient stock management.

Training Content: An example – Profit and Loss

For a training session:
- Decide time and location
- Arrange event venue with key people and trainers
- Send messages/email to people involved with RSVP
- Registrations and payment (if needed)
- Training
- Feedback session/portal

Key aspects for a training video:
- Visual Style
- Incorporating a story with examples.
- Asking the viewer thought provoking questions

Video Content:

Objective: To understand the relationship between profit and loss, what it means, and what causes it.

What is a profit?
Profit is amount your business has made more than you have spent on it. If we end up with more money than we started with, we have made a profit. I buy a coffee bean bag for $30 from our supplier. If we sell this bean bag for $40, that means we have made a profit of $10.

Profit and Loss – an analogy

Profit and loss are two sides of the same coin. A loss is like a hole in the ground. If we put soil on top of it, the heap gets bigger and bigger. If we remove soil from the heap, the heap becomes smaller but it is still a heap. As long as this heap is higher than the ground, we are making a profit. A profit margin is how big this heap needs to be. Now if we were to keep removing from the heap, the heap would start going beneath the ground surface. This is called a loss. We have less soil than we started from. If we start to make money again, that is if we keep adding soil to the hole in the ground, we break even. This also means that we cannot have a profit and loss at the same time. We cannot have a heap and a hole at the same time. The heap

might get bigger or smaller throughout the day, but at the end of the day, you will have either a heap or a hole. The size of this heap or hole is your profit or loss.

Another similar analogy that could be used is of a tree with its leaves growing or falling.

Story: "Amani, a Sudanese woman likes knitting in her free time. She can knit two sweaters with one ball of wool. Amani goes to the shops and buys one ball of wool for $2. She then goes back home. She does outside to her backyard where she spends an hours knitting two sweaters and the ball of wool finishes. Her neighbor sees the sweater and likes it very much. He tells her that he will pay $5 for each of the sweaters. Amani is now considering whether she wants to sell the sweaters. She spent $2 on the ball of wool and now she can earn up to $10 form selling the two sweaters. This means Amani would have $8 more than what she spent on the wool. This means that the profit of this transaction is $8. Amani agrees and sells the sweaters. She spends her earned money to buy more balls of wool to make more sweaters."

Ask the viewers whether Amani made money or lost money? Could she have earned more money? What if the wool cost $5? Such questions like there will engage the viewer to think and assess the situation for themselves.

The idea here is to not teach these concepts directly from a coffee cart staff's point of view, but rather give them enough knowledge to formulate their own understanding of how such concepts take place in different business setting.

Training Programs
Format:
- Training cycle
- Time frame: 3 months
- Training manual through YouTube channel embedded in the apps
- Application software for manager to track on the business' operation

POS/EMP

POSITION	TASK	NOTE/ REQUIREMENT	NUMBERS
Manager	Take charge of supervising the whole operation Manage cash in/ out Prepare finance and strategy	Obtain standard understanding of business operation=> refer to manual instructions	1
Cashier	Take orders Receive cash Suggestion	Knows how to use POS Know product description Customer service skill Good communication	2 (take turns to serve package)
Barista	Make coffee Take care of coffee area	Coffee- making skill Customer service/ clean Know how to fix/ maintain the Espresso machine	2
Cook/ sandwich maker	Cook food/ dishes Make sandwiches Make snacks	Good cooking skills Fast and tolerance to quick service	2

App Demo

Home Screen
    Main Menu
    Setup Profile
Main Menu
    Training manuals
    Tracking System (Traffic, Population rates, etc.)
    Profit Control
    HR Management
Setup Profile
    Points
    Level
    Time Counts
    Reminder/Notes

Training Manuals

1. **Make Key Decisions**
   - Choose your business model/ structure: Sole trader or company?
   - Choose your marketing strategy and product theme?
   - Research your market/ customer target. => refer to our location & hours research
2. **Register Your Business**
   - Register your business name
   - Register an ABN/ ACN
   - Register licenses/ permits
3. **Prepare for Tax**
   - Which tax to register
   - Keep the records
   - Know how to lodge tax return/ find the tax help
4. **Protect the Business**
   - Insurance
   - Plan an exit strategy
   - Protect ideas
5. **Set Up Operations**
   - Employ people
   - Choose suppliers
   - Build up customer base