**Case for Opening of Coffee Shop at Entrance to Company Building**

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**Executive Summary**

Idle time and time wastage are currently the largest issues facing our company, particularly in the current down turn in market sentiments. The current business goal is to reduce idle time by 20% across departments.

Current solutions to reducing idle time and time wastage include redundancies, reduced workloads or investments in more efficient tools and systems. These approaches are either costly to the business or reduce staff morale.

An alternative solution is to improve staff morale and investment in the company through improved culture, team cohesion and staff offerings. Although costly like current solutions, these alternatives benefit in reducing time wastage organically, with staff motivated to come to work and work harder.

The recommendation is that a coffee shop be opened in the company building to improve staff morale, retention and decrease time wastage through indirect and direct means.

**Introduction**

Recent internal survey results list staff moral/engagement at 30% whilst team billability (as a percentage of time spent billing to a paying client) is at 40%[[1]](#footnote-1). With the current market trying business and consumer confidence we are looking at endeavours to improve staff engagement and reduce company costs.

Whilst we can restructure teams to reduce company costs, this would result in a decrease in company morale, further exasperating staff engagements. The survey results provide insight into some of the habits of our staff and provides novel approaches for improving engagement and reducing time loss/wastage. One of these novel solutions was to investigate opening a coffee shop at the entrance of the company offices to reduce time spent by staff getting their regular coffee’s.

Just Coffee, the nearest local coffee shop, is a 10 min walk from the Company offices. Current statistics put the percentage of coffee drinkers aged 19 – 30 at 34%, increasing to 63% for ages 31 – 50[[[2]](#footnote-2)]. This results in a lost time to the business of 3000 hours per day, according to our current employee demographics[[3]](#footnote-3).

Opening a coffee shop in the company building provides the company with the opportunity to reduce this lost time whilst improving staff morale and increasing employee motivation. An additional revenue stream is also opened through rent receipts and additional foot traffic and advertising for the Company’s mainline offerings.

**Alternatives**

The following represent an assessment of the alternative methods to reduce time loss and idle time:

* Do nothing, market forces are at work which are outside the company’s control
  + This involves no change or investment on the company’s part however the current problems won’t improve with there being little evidence of a positive market change in the near future.
* Restructure and reduce team sizes (redundancies) to reduce idle staff numbers
  + This option was considered as reduced team sizes would spread the availably billable work across less staff, improving billability and reducing idle time.
  + The negative side affect of redundancies to team cohesion would reduce employee morale and might incite staff exits which would exasperate the current problem.
  + The cost of redundancy payouts is high, especially in the current environment.
* Invest in improved productivity tools
  + Improved productivity tools can reduce time wastage and double handling of information, therefore achieving the current business goals
  + The cost and infrastructure for a company wide roll-out of the new tools is high and would need to be offset by noticed increases in team billability. This was not forecast.
  + Improved tools were forecast to have minimal affect on staff morale and satisfaction and had no bearing on staff engagement within the business.
* Improve staff motivation and reduce time wastage by opening a Coffee shop at the company entrance
  + Whilst a novel proposal, staff habits and surveys indicate a large amount of time wastage is from staff leaving campus to socialise over coffee. Locating a coffee shop in the company offices reduces the travel time and retains staff on campus.
  + Staff engagement is increased through greater interactions with staff between business units, with the coffee shop becoming a focal point for business collaboration and client meetings.
  + Staff morale/motivation would improve, promoting a positive response towards the business and increasing productivity, thus lowering time wastage.
  + Direct time cost of heading off-site for coffee would be reduced
  + Opportunity for the business to gain additional revenue streams by subletting building space and advertising business offerings to coffee shop patrons.

**Feasibility and Risk**

A risk identified in opening a coffee shop is the direct cost to the business in operating a separate entity that isn’t focussed on the core business streams. This can be mitigated by opening the space for competitive tender and renting the space out to an independent business.

Due to the large size of our staff base, the prospective coffee shop proprietors will have a large captive customer base, improving the feasibility for the business. Our company location amongst other large businesses further improves the viability of the venture.

There is a risk that staff will spend more time away from their work due to the convenience of the coffee shop location, however this is offset by the improvement to staff motivation and morale. As the current time cost to the business is up to 3000 hours per day, 2000 hours of which is in direct transport time, we feel that this risk is minimal when compared to the time wastage of the current solution.

**Conclusion**

It is recommended to proceed with tendering for the opening of a coffee shop in the company offices. This solution is expected to improve company morale and engagement as well as reduce idle time across business units in line with the current company objectives.

1. *Internal Survey/Statistics* [↑](#footnote-ref-1)
2. *Australian Health Survey: Nutrition First Results - Food and Nutrients, 2011-12* [↑](#footnote-ref-2)
3. *Internal HR Statistics* [↑](#footnote-ref-3)