

Title:

The Tea Room Business Plan - First Steps And Start Up Basics

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Summary:

Every venture starts with the first steps and a business plan for a quality tea room is no exception. Well thought out first steps, properly implemented, will pay dividends in the business operations of the tea room in later years

First Steps

- Use a "first steps" checklist. (See Checklist Section of this document)
- Focus on selling a great product or service at a fair price.
- Specialize. Specialists outperform non-specialists.
- Train your employees thorough...

Keywords:

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Article Body:

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First Steps

- Use a "first steps" checklist. (See Checklist Section of this document)
- Focus on selling a great product or service at a fair price.
- Specialize. Specialists outperform non-specialists.
- Train your employees thoroughly in marketing and customer service skills.
- Consider your suppliers as a source of financing.
- Develop a database of prospects.

- Open quietly to work out the bugs before you schedule the grand opening promotion.
- Include the Internet in your marketing plans with an appealing website.

Start up Basics

Choosing your business name

Find a name that will encompass all areas that you are interested in—tea room, tea party catering, gift shop, tea education, etc. You want to leave room for growth and/or change.

Changing a business name after you have used it can be a problem. If you already have stationery, business cards, etc. printed with a name, you have to redo all of it and that can be expensive. If you are on the internet, you have to forward everything to your new site and that can be difficult.

Before you commit funds and resources to promotion, make sure the name you choose is final.

After you name your business, it is time to register your business name.

Registering your business name

It's important to register your business name because if you don't, someone else could register it and you would lose the right to use that name. First, check the web to see if someone else has registered your chosen business name in your state.

You can find your state's Secretary of State office and locate the business name registration area on your state's website.

Most states' Secretary of State websites have a business name search feature and information on registering your chosen business name in your state.

Go to your own state's office of Secretary of State. Go to the registration area to register your business name.

Another good idea is to trademark your business name and logo for national protection. Go to the "trademarks" section U.S. Patent and Trademark Office.

Obtaining a Business License

Every state has their own regulations for obtaining a business license. All you need to do is call the city clerk's office listed in the government section of your telephone book... There is of course, a fee and paperwork.

Getting Your Resale Tax Number

Since you are going to be selling food, tea, tea accouterments, etc. you need to have a sales tax number or a resale tax number (they are both the same thing.) You can find your state's department of revenue online or in the state government section of your phone book.

This resale tax number allows you to purchase your supplies at wholesale prices. Some suppliers only sell to businesses with resale numbers (this is also referred to as a wholesale number or wholesale license.)

Opening a Business Bank Account

Have a separate account so you do not mix your own personal money with your business money. The IRS requires you to have a clear distinction between your money and your business' money.

You need to keep a record of your income and expenses.

Tea Room Tip: Do not combine business funds with personal funds. This will only result in chaos.

Location

For a tea room, finding a good location is a critical factor. It cannot be overemphasized; the location should accommodate foot traffic and have adequate parking. Visibility and ease of access are two important elements.

Usually premises are leased and lease negotiations with the landlord are important for the success of the tea room.

Tea Room Tip: Remember, in a lease negotiation, EVERYTHING is negotiable. Do not become emotionally attached to any piece of property. There are always other sites available.

Business Organization

Since you are forming a business, you will require a business entity that has

its own identity, name logo and other promotional identifiers. The general forms of organization are:

- Sole Proprietorship
- Partnership
- Limited Liability Corporation
- Corporation.

Each organizational form has different features, tax liability and protection for the individual. Check with a qualified legal advisor on the form best for you and the best state for formation.

Tea Room Tip: Initially avoid including partners or shareholders in your business. Wait until the business is operating profitably (and you may well conclude you don't need the extra help.)

Licenses and Permits

When you start a business you are operating in the community at large and must comply with issues like business permits, licenses and registration of your trade name and logo may be required. Check with your local Chamber of Commerce or the Small Business Administration to determine the permits and other approvals required.

Go to the health department in your city to find out their regulations. You may have to take a course in food handling. You may have to have a grease interceptor or a grease trap.

Tea Room Tip: DO NOT OVERLOOK LICENSE/PERMIT REQUIREMENTS. Failure to comply with local building codes or licensing requirements will delay the opening of your tea room.

Insurance

A tea room will require liability insurance since you are dealing with the public on your premises or may have vehicles associated with the business is a good idea

- Location
- Initial Funding

Projecting financial figures for your tea room is one of the most challenging and critical undertakings of any consulting assignment. This is because initial estimates must be adequate to pay start up expenses and have a reserve for working capital to fund the business.

If you don't provide for enough capital going in going in, you won't have enough capital to run your business let alone maintaining business operations.

Tea Room Tip: Make a conservative forecast of your capital requirements based upon conservative cash flow projections. You will come up with a number that represents capital required. Then double the capital requirements and fund accordingly.

Tea Room Tip: You must be psychologically prepared to undertake the risks and effort associated with starting and running a business. But the benefits are worth the challenge. Proper preparation before you start will pay dividends later.

Tea Room Tip: If you've put all the necessary thought, preparation and research into how your business is going to run, if you have enough money to make it happen and to sustain you through the initial growth phase, if you have invested in some essential training to equip you to run your business for profit, then you should have every reason to believe you are going to be successful.

Initial Funding

All start up ventures require initial funding to pay the start up costs and other required working capital items.

You must have equity capita (money that is not borrowed) as part of the startup funding in order for the tea room venture to get started. This is a must. Equity capital can be combined with a certain amount of bank borrowings to supplement funding.

Tea Room Tip: Do NOT over leverage or over borrow funds as part of your initial funding. Borrowed funds must always be paid back and if you over borrow you will be "undercapitalized" and this can severely reduce your chances of success.