



# Memo of Transmittal

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**From:** MID010 Team #3 - E. Franke, K. Knudson, J. Krase, G. McClain, A. Neill  
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**Subject:** Just Brewd Business Proposal

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As requested by the Senior Partners of Copeland Associates, Team 3 has conducted research into trends of the grocery industry and created a unique business concept based on those trends. This report covers the overall business description, marketing channels, and financials of the proposal. Team 3 researched and gained insights into those individuals in the coffee market to understand how a welcoming and personal coffee shop concept, Just Brewd, can find success within the industry.

For the success of Just Brewd, the following topics within the report were looked into and summarized:

- Consumer Insights
- Concept & Process
- Major Competitors
- How to Bring Just Brewd to Life
- Marketing & Advertising
- Information Systems
- Company Financials

Team 3 appreciates each of the Senior Partners' assistance throughout this process and your interest in the business concept. After reviewing the report, any feedback would only serve to help and improve the concept for the future. If there are any questions or curiosities about this graphical report, please do not hesitate to contact Team 3 via Basecamp or email.

Team 3 would like to thank the Senior Partners once again for giving the team this opportunity to present this business concept and look forward to sharing the Just Brewd business further at the final presentation.

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## Just Brewd Business Concept Proposal

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Included in this report is an in depth analysis of the potential company, Just Brewd, which includes the key points of difference, the demand forecast of the potential location, and the logistics for how the company would function. The report provides detailed analysis of the potential for the company to be created, as well as identifying key points of difference using data and research from multiple business resources.

## **Points of Difference for Just Brewd**

The report highlights the key points of difference needed for success in the industry and to stand out from competitors. These key differences are as follows:

- Providing customers with a less intimidating and educational experience
- Utilizing a unique operational model to serve customers
- Creating a welcoming and warm atmosphere with effective interior design

Typical chain coffee shops prioritize efficiency over effectiveness, which can cause them to lose sight of the customer experience. Just Brewd is unique because the focus is on the experience. Compared to competitors, Just Brewd has a transparent process, an educational aspect, and a greater focus on effectiveness over efficiency.

## **Location**

The location for Just Brewd is in Raleigh, North Carolina just outside of the downtown area. The location was selected based on the high amount of disposable income in the area, proximity to the target market, and the average spending on coffee per household. The residents near Just Brewd's potential location have nearly double the amount of income when compared to the U.S. average. The location has an average age of 32, which is in line with Just Brewd's target market of males and females aged 22 - 45 years old. Raleigh is the #29 ranked coffee city in America. The rank is due to several factors, such as average spending on coffee per household, number of adult coffee drinkers, and multiple other categories.

## **Demand Forecast**

Just Brewd is targeted towards males and females aged 22 - 45 years old. The target market is separated into three demographics: busy working individuals, coffee aficionados, and adventurous coffee drinkers. Just Brewd satisfies busy individuals through ordering on personal mobile app. Coffee aficionados meet their needs through the immersive process, allowing Just Brewd customers to have transparency with their drinks. Just Brewd fits the need of adventurous coffee drinkers by being experience-oriented and diverting away from typical coffee chains that solely focus on efficiency.

## **Marketing Channels & Advertising**

Because it is a startup, Just Brewd will require high amounts of exposure during initial opening. The first marketing experiment for Just Brewd is a grand opening, including: a sweepstakes for one customer to win free coffee for a month, flyers sent out through mail channels, and 10% of first day sales donated to Team Trees. Marketing channels after initial opening for Just Brewd are split between online and mainstream channels. Online channels will include spotify ads, google ads, and positive blog posts, while mainstream channels will include bus advertising and TV ads.



## Information Systems & Technologies

The point of sale system Just Brewd will be utilizing is Square. Several criteria were considered when choosing a POS system, such as cost, ease of use, and inventory tracking. Square is a fully equipped system with relatively low costs and an easy-to-adopt platform, allowing Just Brewd to focus on other business aspects. Square's inventory tracking software, easily understood system, and zero monthly costs proved to best meet the criteria for Just Brewd.

To measure the success of Just Brewd and its ability for growth, four categories were used to look at the health of the business. These categories of key performance indicators for Just Brewd include: people capabilities, sales and profit, customer satisfaction, and staff health. People capabilities will track the internal business processes such as cycle time and inventory turnover. Sales and profit indicators will track operational costs such as net profit, operating cash flow, and revenue per client. The customer satisfaction category will track customer ratings and reviews, as well as retention rates. The final category, staff health, will track the effectiveness of staff using KPIs such as average number of training hours and employee turnover.

## Company Financials

Just Brewd will charge an average price of \$5 per drink based on an increase of quality and overall experience when compared to a traditional coffee shop. A standard year's sales for only coffee at Just Brewd will be \$365,000 with a combined total sales of food and coffee at \$456,250. After factoring out costs, the annual net income for Just Brewd will be \$26,568. Just Brewd's estimated profit margin is at 6% with a payback period of 6.58 years. Different forms of potential revenue in the future include merchandise and educational classes as they become relevant. Just Brewd will have an estimated annual cost of goods sold of \$327,369. The total startup costs will be \$174,934, which includes all equipment, interior and exterior renovations, furniture, and softwares.

## Conclusion

This in-depth analysis of the business concept, Just Brewd, includes the company's key points of difference, a demand forecast, potential location, and the logistics for how the company would function operationally. This information will assist in the analysis of Just Brewd and its measured plausibility of success. Based on the key points of difference in the report, Just Brewd is capable of withstanding and penetrating the existing coffee market in Raleigh, North Carolina. Just Brewd's uniqueness and focus on effectiveness over efficiency, providing an immersive experience, and less intimidating process when ordering are all qualities that Just Brewd will be exemplify in the coffee market.



For 2019, the retail market for coffee is expected to bring in \$45.6 billion, growing by nearly 2% from 2018 (IBIS World, 2019). The coffee industry shows high promise of success and growth for the future with opportunity for new methods of appealing to consumers. The purpose of this report is to introduce the business concept of a customizable coffee shop called Just Brewd that provides a more personal touch to the coffee experience.

This graphical report will go over major topics regarding the business concept and how it will aim to be successful. The key points of focus are as follows:

- Consumer Insights
- Business Concept Description
- Bringing Just Brewd to Life
- Business Location & Target Customers
- Marketing Channels
- Information Systems & Softwares
- Company Financials

The Just Brewd concept has been thoughtfully prepared and explained in the following report. Aimed towards adventurous coffee drinkers, Just Brewd offers a customizable and less intimidating coffee experience using gourmet ingredients with a personal guide. With a welcoming and warm atmosphere, Just Brewd will offer consumers a different kind of coffee shop. All coffee drinkers are welcome, from those who are just looking to learn the basics to those who wish to have an immersive educational experience.

Through thorough research and analysis, the Just Brewd business concept has been crafted to be a successful coffee shop with promise of growth. A conclusion will be given at the end of the report to summarize main challenges of the business concept, as well as next steps.



## The Interview Process

To begin building Just Brewd's coffee concept, the shortcomings of most coffee shops need to be understood. Based on prior experiences and conversations, there was some evidence to support the lack of transparency and inclusion of the customer in the brewing process as it occurs, but Team 3 needed affirmation and additional information. To obtain this information, questions were formulated to begin interviewing individuals about their positive and negative coffee shop experiences. Before asking questions, individuals were asked to tell the interviewers a story, and as the conversation digressed, it began to narrow down the exact problems consumers were facing.

1. Tell me about your last coffee shop experience.
2. What was your best coffee shop experience?
3. What was your worst coffee shop experience?
4. What is missing from the coffee shop experience?
5. How well do you understand different coffee roasts that you order?

## 100 Interviews

There are several different plans for how to conduct 100+ additional interviews, dependent on the stage of the business concept. For example, in the early stages of development, story interview questions would serve to get qualitative insights into how Just Brewd would be set fundamentally. Google Forms would be used to get a wide array of demographics for aspects of the business such as pricing, mottos, colors, and other smaller but still important elements of the business. From there, Just Brewd would be testing the store layout, coffee blends, and brewing styles. Coffee lovers and novices alike would be invited to the Just Brewd prototype, taken through the process, given free coffee, and asked to complete an interview aimed at ways to improve the overall experience.

See Appendix A: Interviews

Insights

Concept

Our Store

Customers

Advertising

Logistics

Looking Ahead

## Findings

Information was gathered and analyzed through interviews, including some from Raleigh, which resulted in lists of positive aspects and issues potential customers may have about their coffee experience. Careful consideration was taken to be story-oriented in the questions asked and to allow interviewees to walk through their experiences from start to end. From this, a clear plan was formulated for operations and the atmosphere of Just Brewd to cater to the desires of potential customers. After compiling all interviews, common keywords and emotions were identified to boil down the information into specific and actionable key insights and takeaways:

- Lack of education on coffee
- Intimidating to order
- A place to study/relax
- A place to spend time with friends
- Normal coffee shops are too fast-paced
- Not welcoming

Just Brewd aims to address all of these insights with a warm and welcoming environment, excellent customer experience, and high quality branding.

Figure 1: Kellan Quote

*"I love when the atmosphere is peaceful, they have nice lounge chairs with private niches for conversation, great coffee mugs, and friendly staff who remember your name or order."*

- Kellan (Raleigh, NC)



## What is Just Brewd?

Just Brewd is a coffee shop that is designed to solve several problems that have been identified within the coffee shop industry. These problems include coffee shops being too fast paced, intimidating to new customers, and having unwelcoming environments. Just Brewd is designed to be educational so that both experienced and beginner coffee drinkers can learn more about their drink and find a flavor that they will enjoy. This will take the intimidation out of the process. Along with this easier checkout experience, the store will provide a welcoming environment. The goal is to have customers to spend time at the shop, so there will be comfortable furniture and an appealing interior. View Appendix B: Creative Brief for more in depth detail on Just Brewd's business goals and promises to the customers.

## Customizable Coffee

The biggest point of difference for Just Brewd will be the ordering experience. There will be a selection of nine different beans that the customer can choose from. Just Brewd will offer the following products: Decaf Espresso, Regular Espresso, Decaf Sumatra, Highlander Grogg, Cold Brew Blend, Just Brewd Blend, Colombia, and Peru. Additionally, Just Brewd will feature a roast of the week, such as Guatemala. The customer will also have the ability to choose how their brew is crafted: hot, cold, or espresso. After this, the customer will choose from a variety of additions to put into their drink such as syrups, milks, and sugars, to craft their perfect and unique brew of coffee.

Customization has become an increasingly important aspect of the retail market for coffee industry. The insights gained from interviewing potential customers revealed that people want the ability to customize their drink and to have a better understanding of the coffee itself. To provide an educational aspect of the coffee and help the customer through the ordering process, Just Brewd will have "Guides", a different and more personalized take on the typical barista.

## The Just Brewd 'Guide'

The Just Brewd Guide, or "Guide" for short, will be the employee that helps the customer through the traditionally intimidating process of ordering a coffee. Guides will be friendly, skilled coffee makers who have extensive knowledge about different roasts. Their purpose is to answer any questions that the customer has, provide recommendations, and make the coffee. They will make the process of ordering a coffee less intimidating and more enjoyable for the customer.

Figure 2: Just Brewd Guide



(Petter, 2019)

## Online & Mobile Ordering

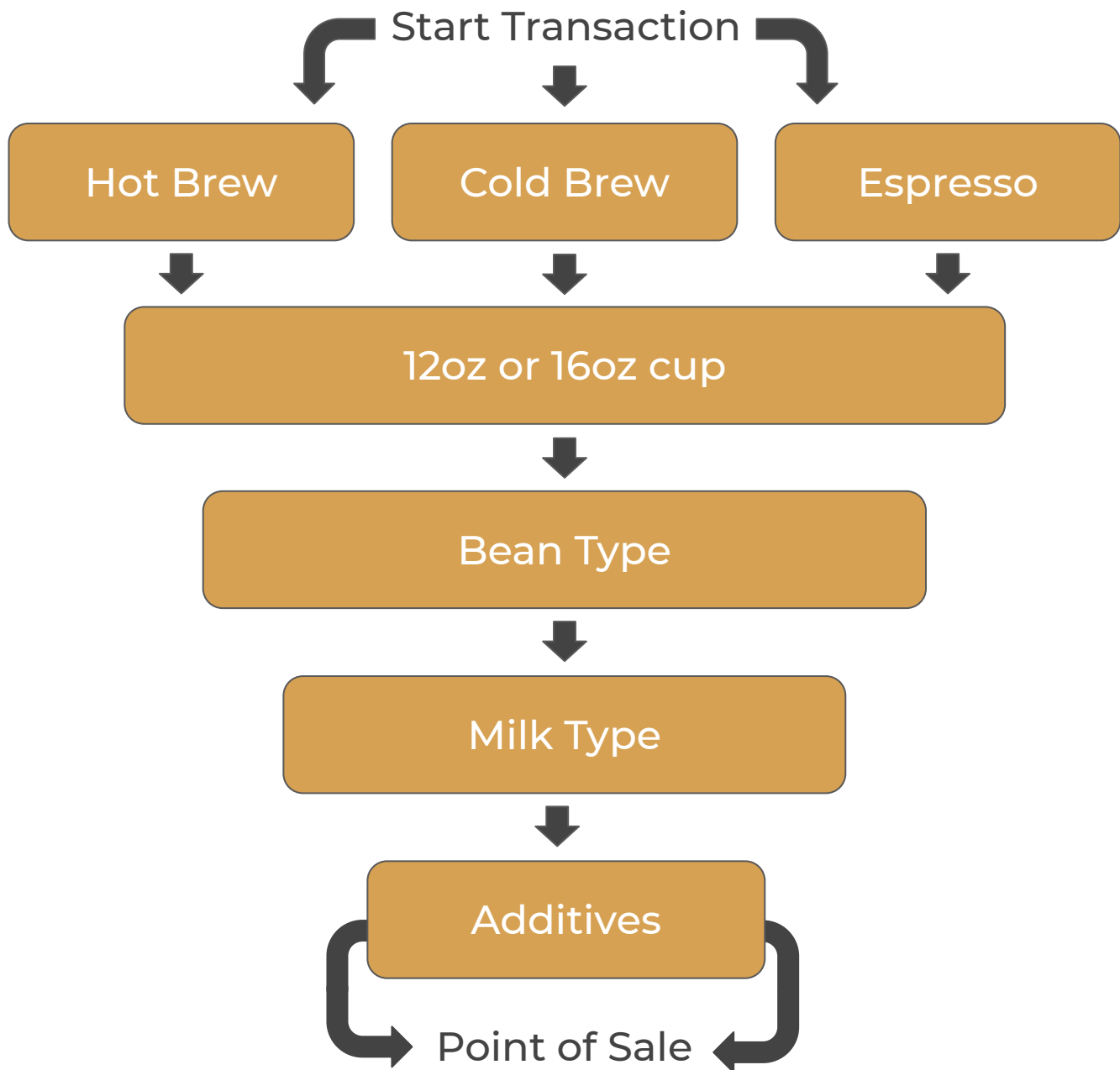
Online ordering and in-store pickup will be implemented into the business model. Customers will be able to place an order through the Just Brewd mobile app and pickup their order in a timely manner at a counter in the shop. The in-store pickup will appeal to consumers looking for a quick option, yet still want to enjoy gourmet coffee. This business feature also allows Just Brewd to better compete with competitors who cater to customers looking for more convenient coffee options. Large coffee chains such as Starbucks, Tim Hortons, and Dunkin Donuts all offer an online and in-store pickup. Offering this option to customers can lead to higher daily sales and quicker cycle times for repeat customers.



## The Just Brewd Ordering Process

Just Brewd’s ordering station will be laid out similar to a Chipotle ordering station. It will be a straight line that the customers walk down as they customize their coffee, with different stations along the way to allow for total personalization. There will be high visibility along with low barriers throughout the entire process to fully immerse the customer and allow for conversation with the Guide. The graphic below demonstrates the typical flow of an order.

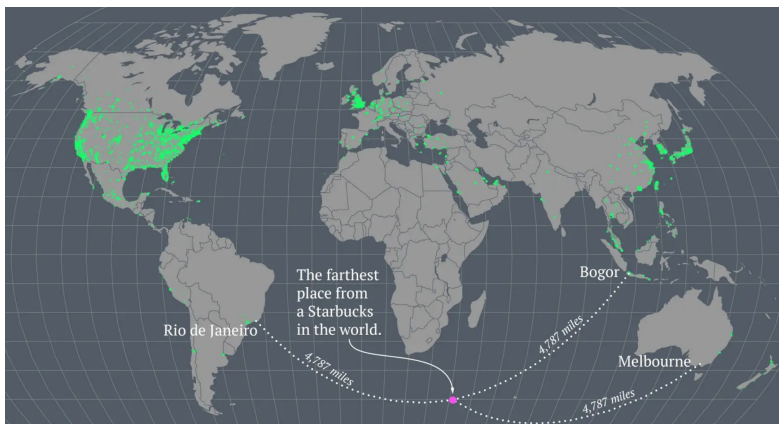
Figure 3: The Just Brewd Process



## Starbucks

Starbucks states its mission as follows: “To inspire and nurture the human spirit - one person, one cup, one neighborhood at a time” (Starbucks, 2019). As the coffee company with the largest market share, Starbucks proves itself to be a strong competitor for Just Brewd (IBIS World, 2019). Starbucks prides itself on creating a warm and welcoming environment, but at times their business can be intimidating to the consumer. With a learning curve in regards to their sizing, different brews, and constantly changing specialty drinks, potential customers interviewed said they often leave feeling confused and rushed (Appendix A: Customer Interviews).

Figure 4: Starbucks Locations Worldwide



(Yanofsky, 2016)

Starbucks’ 14,606 locations in the U.S. as of 2018 give them strong locational excellence (Statista, 2018). These locations all over the U.S. allow them to be easily accessible and identifiable to customers. Starbucks also has competitive advantages in their efficiency and variety of products. With fast service and a large food and beverage menu, they offer customers a convenient coffee option.

Starbucks offers its customers quality food and beverage items for a reasonable price, with prices ranging from \$2 - \$7. They also have their Starbucks Reserve locations in six major cities. These Starbucks Reserves offer customers a gourmet and immersive coffee experience, which is more similar to the Just Brewd concept.

## Blue Bottle

Blue Bottle Coffee bases their business on core values of quality, freshness, and connections between the customer and their coffee. They place a heavy focus on serving the highest quality coffee drinks to their consumers based on peak flavor times of each bean type. The coffee knowledge that Blue Bottle provides their customers is easily their main competitive advantage, but it also gives Just Brewd the opportunity to appeal to those not looking for an overload of information.

Figure 5: Blue Bottle Storefront



(Blue Bottle, 2019)

Currently, Blue Bottle has 67 locations in the U.S. within major cities such as California, Boston, New York, and the Washington DC area (Blue Bottle, 2019). Their store layouts play on a minimalist look and feel to eliminate any distractions from the coffee tasting experience. Many of their stores are styled as mini cafes for quick grab-and-go coffee, versus usual coffee shop layouts with lots of seating.

With prices ranging from \$10 - \$20, Blue Bottle’s beverages are on the more expensive end of the spectrum. This explains why their locations are only in major cities, where people are more willing to spend on their coffee drinks. Even though Blue Bottle’s locations and pricing vary from Just Brewd’s, they prove to be a competitor in terms of their similar concept. Like Blue Bottle, Just Brewd will be serving customers quality coffee and a personal connection.

# Bringing Just Brewd to Life



## Just Brewd's Name & Logo

Figure 6: Just Brewd Logo



A modern and minimalistic interpretation of a hot coffee cup was chosen for the Just Brewd logo. Just Brewd's business is centered around creating a new experience for customers to learn about fresh brewed, gourmet coffee. The simplicity

of the name and logo represents a desire to get down to the roots of the coffee served and present customers with a transparent experience. Just Brewd wants people to know what the brand is with a simple shape and two words.

A lighter shade of brown was chosen for a few reasons. The first is that it is the color of a latte, and will not seem foreign to consumers. Brown symbolizes simplicity and the earth, which goes with the goal of getting as close to the roots of coffee as possible. This shade of brown is uncommon in coffee shop logos, just like the business model is not used very often in the coffee industry. The light brown color was chosen because it complements the wood and brick aesthetic in the store. These colors are aimed at bringing warmth and comfort to the customer, just like a hot cup of coffee. Below is a word cloud that shows some of the key concepts the Just Brewd brand embodies.

Figure 7: Just Brewd Word Cloud



## Just Brewd's App & Website

The app and website both emphasize the goal to be a simple, carefully curated, gourmet coffee shop. The main sections in the app will be the home screen, upcoming events, menus to order custom drinks, and a page with the details of the customer's account. An easy-to-use app that caters to the many different needs of customers was crucial. If customers are on the go, they can easily order

their drink, pay online, stay up to date on current specials, and drop by the store to pick up their drink on their way to work or meetings. The app can also help them keep track of their unique account and previous orders.

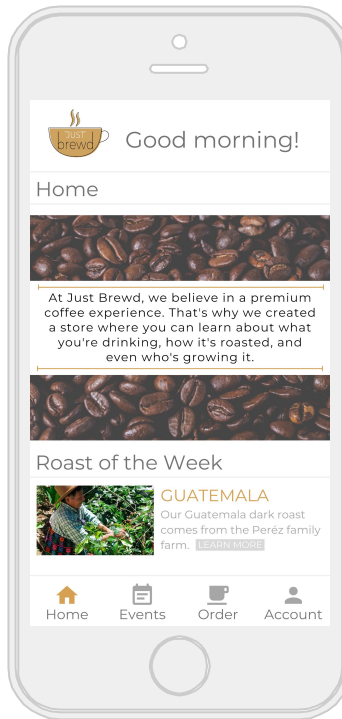


Figure 8: App Mockup

The website is focused on showing the Just Brewd brand. Visit the actual interactive site at <http://disc-lynx-llmj.squarespace.com>.

Both current and new customers can go to the website to learn more about the company, the coffee, and the farmers supported through sustainable practices. Just Brewd will feature different types of coffee, including a roast of the week, details about each coffee bean's unique origins, and stories covering the journey from farm to cup. Just Brewd believes in the importance of giving customers the opportunity to learn more about what they're drinking and who they're supporting with each purchase. Just Brewd will also showcase events on the

website and, each month, host at least two events to engage customers. The majority of these events will be tasting sessions, exclusive sweepstakes, and classes that customers can pay for to learn how to be their own coffee brewing expert. For example, there will be social media sweepstakes for customers who come up with the most unique coffee concoction, and Just Brewd will choose the best one to win. They will win free coffee for a month and have their drink put on the menu for that month. Additionally, Just Brewd will have Facebook and Instagram pages. See Appendices C-H for more details on Just Brewd's online presence.



# Bringing Just Brewd to Life



## Interior Design

Just Brewd's physical store will exude these themes:

- Industrial metal & wood
- Cozy atmosphere
- Transparent learning experience
- Getting down to the roots

A neutral color palette with warmer tones was chosen. This creates a more welcoming atmosphere that will visually appeal to customers looking for a clean yet comfortable coffee shop. The light blue and dark green are Just Brewd's accent colors. These earth tones emphasize where the coffee comes from--farms and rainforest areas. The brown tones are representative of the wide variety of coffee drinks produced in the store. For the finishes, there will be a darker wood, brick, concrete, steel, and stone. These seemingly raw finishes embody Just Brewd's theme of "getting down to the roots" of coffee.



## Merchandise

Just Brewd will feature local artists' work for sale in the physical store. The plan is to primarily sell handmade ceramic mugs and other locally made, coffee-related items. Additionally, Just Brewd will sell the same Just Brewd t-shirts that the Guides wear.

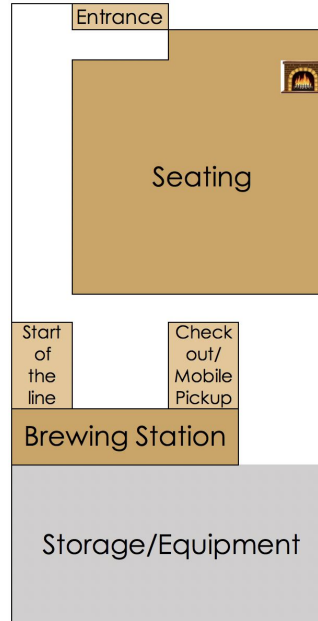


Figure 9: Merchandise

(Mug, n.d.)

## Layout

Figure 10: Store Layout



Just Brewd will be located on 2031 Cameron Street in Raleigh, North Carolina. This layout of Just Brewd is based on floor plans of the building that were obtained from the realtor. Previously, this location had been a bakery and catering business called Sugarland. Once customers enter the renovated shop, they go to the brewing station to start their order. If they ordered online, they will go straight to the pickup portion of the brewing station. In the back is where all equipment will be stored. See Appendix I: Layout for more information.

## Decor & Furniture

The lighting will be subtle, warm, and comfortable. This will provide the orange warmth necessary to make the raw finishes appear inviting and cozy. Just Brewd wants customers to be able to have a place to sit, work, and spend time enjoying their coffee. On the walls of the shop, there will be maps that point out which countries the coffee is from, as well as pictures and stories from the farmers.

Figure 11: Interior Furniture



(Critics Choice Catering, 2017)  
See Appendix J: Decor for more information.

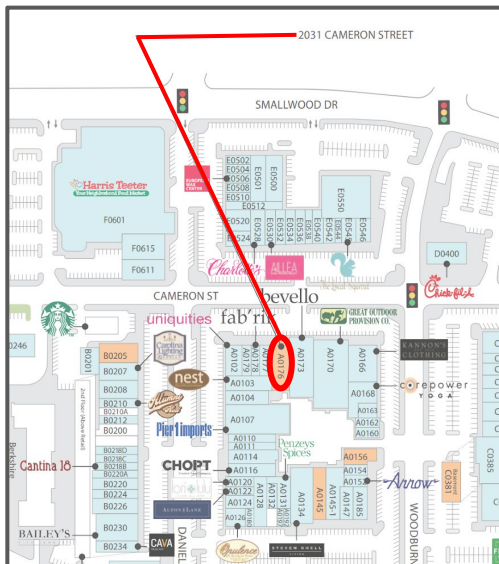
## Where's the shop?

Just Brewd will be located in Raleigh, North Carolina. Raleigh is a sprawling city with 464,758 residents as of 2017. 62.4% of residents are between the ages of 18-65 and have a median per capita income of \$3,917 above the national average (US Census, 2019). The city is one point of the Research Triangle, known for its life science and technology innovation and startups with 676 started in the last 5 years (Raleigh Startup Map). It is also home to several universities such as North Carolina State University, Meredith College, and Shaw University. With the increase in population, income, and relevancy, one crucial industry has not seen the same amount of growth--coffee.

Raleigh was ranked the #29 city in America for coffee (McCann, 2019). The rankings are based off of many aspects such as price of a cappuccino, spending on coffee per household, number of coffee drinkers, etc. While being ranked #29 might not sound like the best, it is actually very good because it means the city is not oversaturated with coffee shops. There are 19 other coffee shops in Raleigh, and Just Brewd will be the 20th. Raleigh is not oversaturated like some of the higher ranked cities, but still has a large demand for coffee. It is

also only 30 minutes away from Durham, NC which was ranked the #64 coffee city in America. Figure 12 gives an insight into what the area directly around Just Brewd will look like.

Figure 12: Just Brewd Location



(LoopNet, 2019)

## The Store

Figure 13: Just Brewd Storefront



(LoopNet, 2019)

Just Brewd will be located on 2031 Cameron Street. This is in an area just northeast of downtown Raleigh. This building was chosen for several reasons: the rent was fairly cheap, there is a lot of space to work with inside (slightly over 3,000 square feet), and the building is located right next to many other businesses that could bring in potential customers (LoopNet, 2019). This location also has promising demographics pertaining to the residents who live within one mile of the store.

For starters, there are 19,200 residents. There are also 15,200 employees, and many of these employees may need a coffee before going into work. The median per capita income of the residents is \$60,600, which is nearly double what the average is in the rest of Raleigh. With this large amount of disposable income, a lot of spending occurs in the area. Annually, about \$204 million is spent within one mile of the store. Finally, the average age is 32 years old which perfectly fits in with the 22-45 target customer age (Loopnet, 2019). Figure 13 above is an image of the actual location where Just Brewd will be located. There is outdoor seating and a spot available for a sign to be hung.

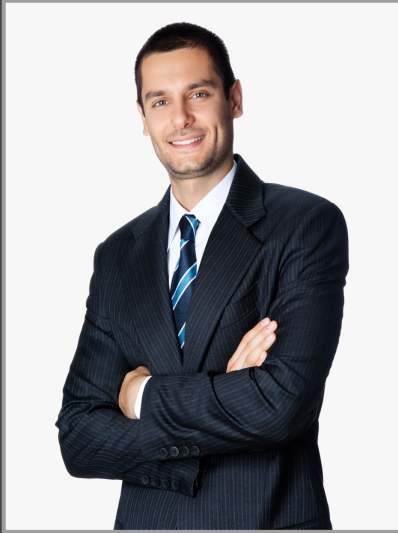
# Target Customers



To make marketing efforts more targeted and specific, it is important to know the types of customers expected to walk in the door of Just Brewd. Using the insights and knowledge found about the coffee industry, three customer personas were created to group the types of customers expected to visit Just Brewd. These are extremes in each case, but most customers will likely fall somewhere in between these customer personas.

Joe

Figure 14: Joe Customer



(ClipArtWiki, 2017)

Wants to get in and get out

Running late

Just wants a quick black coffee

More apt to use mobile ordering for convenience

Brandon

Figure 15: Brandon Customer



(VintandYork, 2019)

Coffee connoisseur

Wants the best coffee he can buy

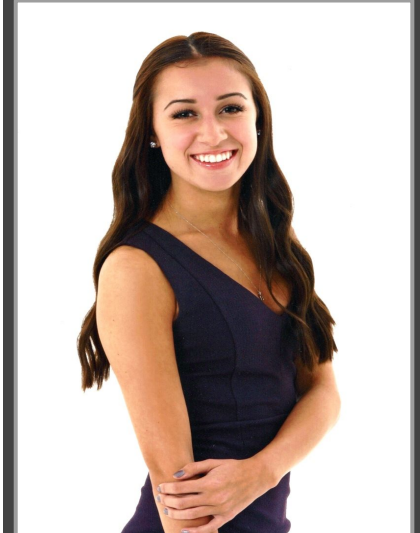
Talks about roasts and brewing styles with the barista

Cares about the origin for flavor profiles

Enjoys his drink alone with a laptop

Sally

Figure 16: Sally Customer



(Dobie, 2018)

Sociable

Atmosphere focused

Adventurous

Starbucks is getting boring, makes her feel rushed

Learning about origin stories makes her feel good

If she can't post it on Instagram, she won't buy it

Just Brewd's target customer is 22-45 years old. They care about quality and responsibly sourced products with a transparent production process. They also, especially in coffee culture, view strong corporate social responsibility as a must. 73% of global millennials are willing to pay extra for sustainable offerings--they are demanding and financially rewarding the companies who have a public commitment to good corporate citizenship (Rudominer, 2019). In the coffee industry, this includes topics such as economic implications to the coffee bean farmers, sustainable environmental and health practices, and recycling efforts (Market Inspector, 2019).

Insights

Concept

Our Store

Customers

Advertising

Logistics

Looking Ahead





## Marketing Just Brewd

As a new coffee shop, it is essential to get people in the door right away. A marketing strategy has been crafted that will appeal to target customers and bring them into Just Brewd. The strategy starts with a large grand opening event that will brew up excitement about the business. From there, Just Brewd will advertise through many different platforms year round. This will keep Just Brewd relevant to the people of Raleigh at all times.

## Grand Opening

The grand opening of the store will have several aspects that appeal to the target demographic. First, 10% of all sales that day will go towards a charity called Team Trees. This is an organization that will plant one tree for every dollar donated. This charity was chosen because it has similar values to Just Brewd's customers. The insights that were gathered through interviews and other research found that many coffee consumers care about the environment.

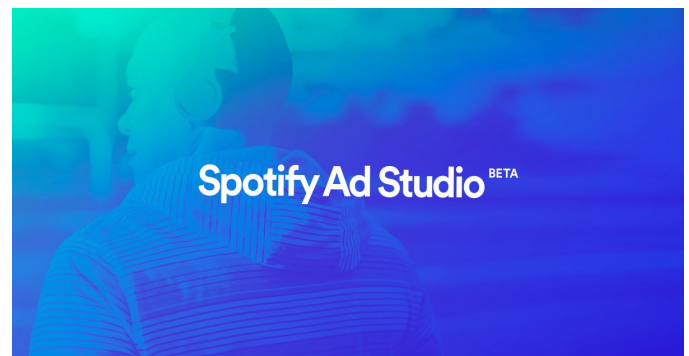
Another promotion that Just Brewd will be doing during the grand opening is a giveaway for a free month of coffee. To enter this giveaway, the customer will have to post a picture of their Just Brewd coffee to Instagram with the hashtag "#JustBrewd". This promotion will be beneficial for several reasons. To start, the prospect of free coffee for a month will draw in many customers who want to win the prize. When they start posting the pictures of the coffee, Just Brewd will gain free exposure. All of their Instagram followers, many of whom are likely from the area, will see the coffee shop. This giveaway would only cost around \$150, as Just Brewd's average drink is \$5 and a month is 30 days.

The final marketing effort that would be incorporated before opening is to send flyers out through the mail. USPS would be used to send the flyers to every house within one mile of the store. This effort would cost \$1,360 and reach 8,391 houses (USPS, 2019).

## Spotify Advertising

After the store has been established, Just Brewd will move on to other forms of advertising. One of the largest online forms of advertising will be Spotify advertising. Spotify advertising allows businesses to target their advertising heavily based off of the interests of your target demographic. The Just Brewd ads will be chosen to target listeners who are interested in business, culture & society, fitness, podcasts, studying, cooking, and education. This advertising would cost \$1,080 per month, but it would give Just Brewd 72,000 advertisements for the month (Spotify Ad Studio, 2019).

Figure 17: Spotify Ad



(Spotify Ad Studio, 2019)

## Bus Advertising

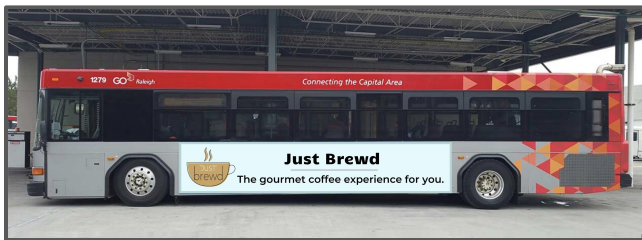
A second channel that the company would use to market is bus advertising. Raleigh has a high use of public transportation (LoopNet, 2019). This means that a bus advertisement could be especially effective. The largest bus system in Raleigh is called GoRaleigh. They are operated by the city and allow companies to buy advertisements on the side of the bus (RaleighNC, 2019). According to the city, GoRaleigh buses attract 21,000 bus riders every day (RaleighNC, 2019). These bus advertisements would also be seen by thousands of people every day that the bus drives past.



The bus advertisements would be utilized every month except for the summer months of May - August. This is because the bus passenger boarding numbers decrease in the warmer months (RaleighNC, 2019). At this point, the company would already have been open for nine months, using the bus ads. By then, the company name should have a steady brand awareness. Just Brewd will start using bus advertising again in September, when the number of passengers begins to increase again.

The bus advertisement option Just Brewd will use is the largest size they offer. It covers the entire side of the bus below the windows. To make the wrap for this advertisement, it would cost \$4,000 (BusBank, 2016). From there, it costs \$500 per month to run the ad on just one bus (RaleighNC, 2019).

Figure 18: Bus Advertising



(RaleighNC, 2019)

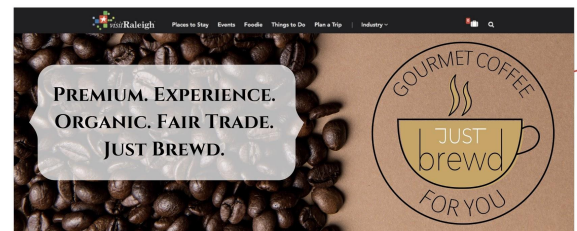
## Blog Advertising

Another form of online advertising that Just Brewd would implement is blog advertising. Just Brewd would advertise on visitRaleigh, which is the largest blog in Raleigh. They had over three million visitors on their website between 2018- 2019 (visitRaleigh, 2019). This blog is designed to show visitors and residents of Raleigh good places to go. In 2018, 16.8 million people visited Raleigh. These tourists collectively spent \$2.7 billion (visitRaleigh, 2019). If Just Brewd can hold a prominent spot on the website, it could drive business.

Just Brewd would advertise in two different ways on this website. The first is to pay for a feature listing under the 'Restaurants' category on the website. This would automatically display Just Brewd as a potential restaurant to go to. Buying a feature listing will cost \$250 per month and generates 15,000 monthly impressions.

The second way that Just Brewd would advertise on the website is to purchase a premium header. This header would be displayed on the 'Foodie' sub-pages of the website. This advertisement would cost \$300 per month and generate 15,000 monthly impressions (visitRaleigh, 2019). The impressions on this ad tend to last longer than the feature listing. Just Brewd would alternate which ad is displayed for each month, so that there is variety on the website.

Figure 19: Blog Advertising



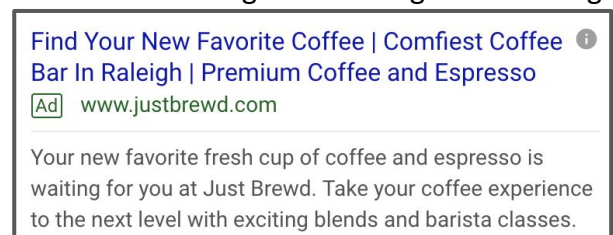
(visitRaleigh, 2019)

## Google Ads

The final method of online advertising that Just Brewd would deploy is Google Ads. Google Ads allows the website to appear at the top of a search list when certain phrases are googled. Paying for the phrase 'coffee shop', there would be an expense of about \$500 per month for Google Ads. It costs about a dollar per click on the ad, so Just Brewd could get a high amount of clicks on the website from this. Within a five mile radius of the location, 4,245 people search for the term 'coffee shop' each month (Google Ads, 2019).

The website will not be a main revenue stream, however, it will allow the name of Just Brewd to be seen by more people, especially those who are looking for local coffee shops. The website will allow customers to view what Just Brewd offers and what the company is about. The figure below shows what a potential Google Ad for Just Brewd would look like.

Figure 20: Google Advertising



(visitRaleigh, 2019)



## Spectrum TV Advertisements

A mainstream form of advertising that Just Brewd would display is television advertising. Just Brewd would advertise through Spectrum with a 10 mile radius of the location. A thirty second ad would be created that displays the hardships of other coffee shops and how Just Brewd solves these problems.

It costs about \$4.13 for every ad played (Spectrum Reach, 2019). Just Brewd would have a budget of \$500 a month which would give a total of 121 airings. Spectrum estimates that this would give 47,366 total views a month. Again, this is another marketing channel that would get the Just Brewd name in the minds of a lot more individuals.

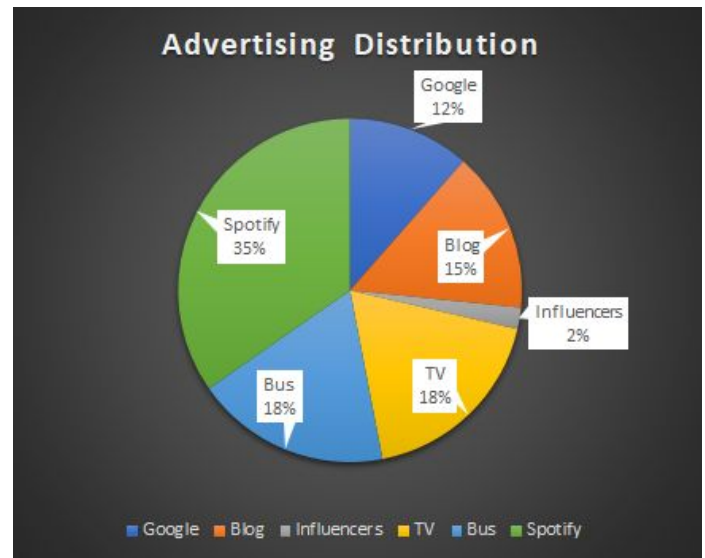
## Email Advertising

Mass emails would be used to market Just Brewd as well. These will not be one of the main forms of advertising, but will be an effective way to raise awareness of the brand. Just Brewd will do this through a company called SendInBlue. This company will allow 300 emails to be sent per day, for free (SendInBlue, 2019). The emails that will be sent will be announcements of upcoming events, such as brewing classes that Just Brewd is hosting.

## Influencers

The final form of advertising that Just Brewd will use is advertising through influencers. Just Brewd will pay certain influencers in Raleigh to make sponsored posts advertising Just Brewd. The influencer that would be used first is Ashley Christensen. She is one of the biggest influencers in Raleigh, with 42 thousand followers on Instagram (Influence, 2019). She is a chef that makes posts about her favorite restaurants to go to in Raleigh, and she charges \$110 per sponsored post (Influence, 2019). This would be a perfect collaboration for Just Brewd to do because the company matches her values. If she were to post about Just Brewd, it will drive attention and traffic to the coffee shop.

Figure 21: Advertising Distribution



## Advertising Distribution

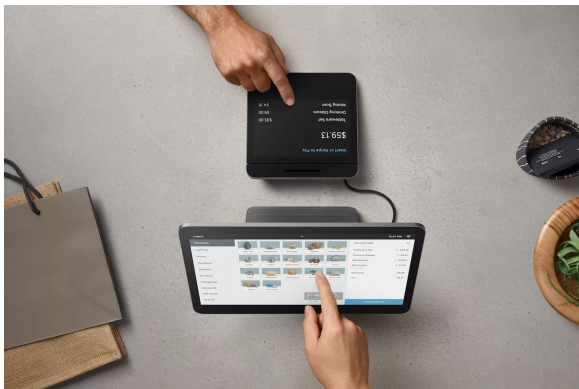
The advertising campaign will span across many different marketing channels. Between the fact that the target customer age is made up of individuals who frequently use the internet and that Just Brewd offers mobile ordering, online advertising will be crucial for the business. Therefore, most of the marketing budget will go towards online advertising such as Spotify, Google Ads, and blog posts.

While online ads are useful, they will not reach everyone. Just Brewd will have a physical presence with the bus advertisements and a mainstream presence with the TV ads to ensure that as many people see the company as possible. Finally, some of the advertising budget will go into using influencers, because they typically have a closer connection to their followers than mainstream platforms. The figure above shows a breakdown of how the budget will be spent on each of the marketing channels. View Appendix K: Marketing Calendar to see the marketing calendar for a more comprehensive understanding of the times of year that utilizes each marketing channel.

## Software Needs

The Point of Sale System was main software/technology needed. To determine the best point of sale system to purchase for Just Brewd, a decision matrix was made to compare some of the top options. Each POS system was rated on a scale of 1-5 based on three different criteria. Those criteria included cost, ease of use, and inventory tracking, with cost weighted at 40% importance and ease of use and inventory tracking at 30%. The cost was most important given that Just Brewd is just starting up, so saving money where at all possible is crucial to the success of the concept. Ease of use and inventory tracking were equally as important when deciding the best POS system to purchase because with new employees and lots of inventory to track, one was not more important than the other.

Figure 22: Square POS System Terminal



(Square, 2019)

With the Square POS System, Just Brewd will be getting built in CRM and ERP systems to better track the customers, accounts, employees, and financials. Square also offers inventory tracking which will allow Just Brewd to keep tabs on the most popular and fastest selling products. The website will also be built around the Square POS that allows for online and in-store pickup ordering (Square, 2019).

For more information regarding the scores of all four POS Systems within the decision matrix, refer to Appendix L: POS System Decision Matrix..

Other software needs include a security system with cameras, website, and social media platforms. Just Brewd selected SimpliSafe as the most affordable yet reliable security system for Just Brewd. The website will be through Square as mentioned before and Instagram and Facebook will be the main social media platforms used. For more information regarding Just Brewd additional software needs please refer to Appendix M: Additional Software Needs.

Figure 23: Square Logo



(Square, 2019)

## Total Software Costs

Square POS - The chosen POS System will cost \$1,475 upfront with a 2.6% + 10 cents fee per credit card transaction (Square, 2019).

Security System - The SimpliSafe security system will cost \$345 upfront with an ongoing cost of \$25 per month to pay for 24/7 surveillance (SimpliSafe, 2019).

Website - With Square POS System, Just Brewd will be creating the website through them which will be free to create.





## People Capabilities

The first category of key performance indicators is people capabilities which includes order fulfillment cycle time, inventory turnover ratio, and website traffic. These three measures will also help to track Just Brewd's internal business processes and improve upon the store efficiencies. The order fulfillment cycle time will measure the average total time it takes from when a customer orders their drink to when they receive it. Inventory turnover ratio will give Just Brewd insights to what products are the most popular and quickest selling. The website traffic will tell how many users are clicking on the website per day, so Just Brewd can gauge how effective different marketing tactics are driving consumers to the website.

## Sales & Profit

Within the KPI category of sales and profit, there are five indicators to measure: net profit, cost of goods sold, operating cash flow, quick ratio, revenue per client. All five of these KPIs will give insights into the health of Just Brewd from a financial standpoint. Net profit is expected to be at \$26,600 every year taking into account the yearly revenue and costs. Cost of goods sold will factor into Just Brewd's net profit and how much is being spent on product inventory. Operating cash flow will ensure that Just Brewd has enough money to keep up with operations as the company grows. The quick ratio relates to the use of operating cash flow in that it will tell if Just Brewd can pay off liabilities and debts. Lastly, the revenue per client will give the average profit for each customer that makes a purchase at Just Brewd. The revenue per client will allow the company to improve upon profit margins if needed and track how much Just Brewd is making month to month.

## Customer Satisfaction

Under the customer satisfaction category, there are three major indicators: customer satisfaction rate, customer retention rate, and online reviews. Both the customer satisfaction and retention rates will tell how Just Brewd's customers are responding to the brand and experience. The online reviews will allow the company to look for areas of improvement, in turn, hopefully leading to a rise in the overall customer satisfaction. Online reviews would be looked at through Google, Yelp, and other consumer review sites.

Figure 24: Google Logo



(Google Reviews, 2018)

Figure 25: Yelp Logo



(Yelp, 2019)

## Staff Health

There are two indicators used to measure the success of the staff health category: training hours per employee and employee turnover. Just Brewd is aiming to give each employee an overly sufficient number of training hours to ensure the company is giving customers the best experience possible. Just Brewd's employees will be trained to know all of the latest barista techniques and how to deliver a warm and welcoming persona to customers. Employee turnover will gauge the healthiness of the staff and how often the company goes through employees. Just Brewd aims to have the employee turnover as low as possible to encourage long-term workers and connections. For more in-depth descriptions of each KPI, please refer to Appendices N and O: Key Performance Indicators.



## Price

Just Brewd charges an average of \$5 for a customized drink. Just Brewd is a premium oriented coffee shop justifying the higher than normal prices. The average price of a Just Brewd drink is \$1.04 higher than the average Starbucks drink (Real Menu Price, 2019). For more information on how Just Brewd stacks up against other competitors, please refer to Appendix Q: Perceptual Map.

The increased price is traced to a quality atmosphere, excellent customer service and overall experience. Just Brewd uses quality ingredients to create a premium product. Along with the product, Just Brewd is experience based rather than a quick, convenience based coffee shop. The customer is paying for the drink as well as the experience. The combination of high quality ingredients and a unique atmosphere are the reasons for Just Brewd’s average price being higher than Starbucks.

## Volume

Just Brewd is aiming to sell around 200 cups per day. This was calculated through location averages, starting inefficiencies, and mobile ordering assistance. The average amount of customers per day going to a coffee shop in Raleigh is 230 customers (Lee, 2019). Just Brewd expects to get less than 230 customers per day because it is a new start up and would still be in the process of finding the best processes operationally. Additionally, there would be low brand awareness for Just Brewd starting off.

Without mobile ordering, Just Brewd could expect around 180 transactions per day. Mobile ordering raises the amount of units sold, typically by 13% (Pymnts, 2018). Because of this, Just Brewd can expect about 200 customers each day. With the average drink costing \$5 and 200 cups being sold per day, average sales would end up at \$1,000 per day. A standard year’s sales for coffee would be \$365,000.

## Non-Coffee Sales

Just Brewd will be doing more than brewing coffee beverages. On top of drinks, Just Brewd will serve pastries and other food items. Coffee shops obtain about 20% of their total sales from food sales (PJ, 2019). This means that Just Brewd will be projected to make \$91,250 from food sales based on annual revenue.

Additional revenue streams planning to be implemented include classes and merchandise. Although, these are not included in the income statement. Just Brewd is planning on adopting these non-food revenue streams after being open. The streams most likely wouldn’t be implemented until after the first year.

## Net Income

The annual net income for Just Brewd is projected to be \$26,568.15. Just Brewd has a profit margin of 6% which lines up with normal coffee shops in the United States. It will be Just Brewd’s first year and advertising expenses will be higher in the first year. Just Brewd’s payback period will be 6.58 years with projected sales and costs. The amount of time to pay back the initial costs is under 7 years which lines up with the typical payback period for start ups of 5 to 7 years.

Figure 26: Income Statement

Income Statement	
<b>Sales (\$5)</b>	\$ 456,250.00
<b>COGS</b>	
Dry Stock	(19,358.28)
Food and Drinks	(96,676.07)
Employee Payroll	(211,335.00)
<b>Gross Profit</b>	<b>128,880.65</b>
<b>Operating Expenses</b>	
Ad Expense	22,812.50
<b>Operating Income</b>	<b>106,068.15</b>
<b>Non-Operating Income</b>	
Rent	61,500.00
Utilities	18,000.00
<b>Net Income</b>	<b>\$ 26,568.15</b>



## Cost of Goods Sold

The cost of goods sold for Just Brewd include dry stock, food and drink, and employee payroll. Dry stock includes the non-food items. Non-food items include the cup itself, sleeves, and lids. For a large hot drink, the lid, paper cup, and sleeve will cost \$0.44. For a large cold drink the plastic cup and plastic lid will cost \$0.96.

Food and drink refers to the cost of materials needed for sourcing food and importing coffee beans. Just Brewd is planning on selling pastries near the point of sale for potential impulse buy sales. Just Brewd will be buying beans imported from locations of Colombia, Guatemala, and Peru. Just Brewd will also be putting on events where specialty beans from locations such as Costa Rica will be featured.

Employee payroll was calculated on varying times of high customer flows as shown in the figure below.

Figure 27: Daily Employee Pay Schedule

Daily Employee Hour/Pay Schedule				
	7 to 11	11 to 2:30	2:30 to 5:30	5:30 to 9
Hours	4	3.5	3	3.5
Employee	4	2	3	3
Rate	10	10	10	10
<b>Employee Total</b>	<b>\$ 160.00</b>	<b>\$ 70.00</b>	<b>\$ 90.00</b>	<b>\$ 105.00</b>
Manager	1	1	1	1
Rate	11	11	11	11
<b>Subtotal</b>	<b>\$ 204.00</b>	<b>\$ 108.50</b>	<b>\$ 123.00</b>	<b>\$ 143.50</b>
Daily Total	\$ 579.00			
Yearly Total	\$ 211,335.00			

Just Brewd will have operating hours between 7:00 am - 9:00 pm. Morning hours being designated as 7:00 - 11:00 am, slower hours being 11:00 - 2:30 pm, snack hours being 2:30 - 5:30 pm, and closing hours at 5:30 - 9:00 pm. Just Brewd will have at least 3 employees for each shift, except during the slowest hours of the day. The time 11:00 - 2:30 pm will have the lowest amount of workers, with two employees and one manager. This is due to a coffee shop not being a lunch destination. The industry notices lower units sold between those hours (Martel, 2019).

## Operating Expenses & Fixed Costs

Operating costs and fixed costs for Just Brewd include marketing expenses, rent, and utilities. Marketing expenses are also referred to as Ad expenses. Just Brewd would use Ad expenses to increase brand exposure. Promotions such as coupons wouldn't be used by Just Brewd because this could take away from the premium image of the company. The Ad expense budget will be 5% of revenues, which amounts to \$22,800.

The rent is based upon the monthly amount needing to be paid for renting the location. The rent amount for Just Brewd was found by emailing the realtor of the potential location for how much the monthly rent would be. On an annual basis, rent will be \$61,500.

The utilities cost includes electric, water, internet, trash, etc. This price for utilities is expected to be \$18,000 per year. This is based off of what similar sized coffee shops pay for utilities.

## Startup Costs

The startup costs for most coffee shops is between \$100,000-\$350,000. Just Brewd is predicting a startup cost of \$174,934. The startup cost includes equipment, technology, and renovations. Just Brewd's startup equipment would be items such as an espresso machine and a refrigeration unit. Technology needed for starting includes building a website, integrating a POS system, and setting up a security system.

Renovations for Just Brewd would be interior and exterior. The interior needs to be altered to match Just Brewd's desired layout. The company would pay to create a more cozy feeling in the store. Just Brewd would need couches and tables for customers having the intention to stay a long time. Exterior design would be altered by adding signage. Tables and chairs would also be bought to create a seating area just outside of the building for the customers who wish to sit outdoors.





## Just Brewd's Main Challenges

In running a coffee shop, Just Brewd should expect to run into challenges both in the implementation of the business model and eventually running the coffee shop. Listed are the most important challenges found from an in-depth concept review sessions with potential customers, meetings with the senior partners, and additional research into the cafe and coffee shop industry.

### Standing out from the competition

In the saturated coffee shop market in the United States, distinguishing Just Brewd from other local coffee shops will be key to driving customer traffic and loyalty. Through Just Brewd's unique operational model and fantastic customer experience the company will be distinguished from other local coffee shops and cafes.

Figure 28: Just Brewd Tagline



### Remain relevant in customers' minds

By emphasizing the unique value Just Brewd provides to customers in all marketing and advertising, the company will remain at the top of their minds when they consider where to get their coffee.

### Upkeep of Just Brewd's shop environment

Just Brewd will need to keep the shop clean and without any major flaws. The atmosphere is one of the drivers behind the premium pricing and the value Just Brewd provides to customers. By maintaining a clean and comforting interior, Just Brewd will also be preserving the branding and image.

### Constantly getting feedback from customers

This can be done through online interviews and asking customers in-store. From interactions like these, Just Brewd can be making menu improvements, increasing customer engagement with the business, and making changes that enhance the customer experience. Tracking inventory - at Just Brewd, the focus is on freshness of products to customers. However, Just Brewd also wants to maintain the image of responsible sourcing and not being wasteful. Just Brewd should be constantly striving to produce the most beneficial schedule for sourcing where cost-effectiveness and peak freshness meet. This is advantageous to both Just Brewd and consumers.

### Employee well-being

The Guides are the face of Just Brewd, they are who the customer sees first and last at every visit. Therefore, it is of the utmost importance that the employees at Just Brewd are genuinely enjoying their job and its benefits, as that will affect the customer experience. To do this, Just Brewd wants to monitor how changes in employee raises, personality development, and overall happiness affects customer satisfaction and loyalty.

# Next Steps & Conclusion



## Pre-Opening

Prior to the grand opening, Just Brewd will be conducting at least 100 more interviews focused on potential customers in Raleigh. With these additional interviews, there will gain even more insights to improve the business plan and processes. The Raleigh specific interviews will also give a better picture of the customers Just Brewd will be serving.

Regarding the shop's interior decoration, potential artists in the Raleigh area will be contacted and asked to feature their work in the coffee shop. Featuring local artists and creators will add a more personal touch and sense of community to the store. Since Raleigh is Just Brewd's first location, showcasing the culture of the area and the customers being served will drive loyalty.

Just Brewd will be outsourcing bakery items, so contacting a local bakery to purchase fresh pastries and desserts from will be done prior to the grand opening. The sale of food items will increase total sales and encourage customers to stay in the shop longer. An eventual partnership with a local baker is planned to increase cost reliability, to stay true to Raleigh roots, and to provide customers with local handcrafted flavors.

## Post-Opening

After opening, plans to refine the business processes to further improve sales, customer satisfaction, and growth capabilities are in place. As of now, the operational hours are 7:00 am to 8:00 pm Monday through Friday. Necessary changes to those times based on peak hours and when customers want Just Brewd to be open, such as earlier or later. The number of employees per shift may also change as work loads at different hours of the day are accessed. As the busiest times for Just Brewd change, the number of guides working at a time will change accordingly.

In terms of inventory, being open for a couple of months will allow the company to gauge what products customers are purchasing most often. Having this data will provide the information necessary to order the items customers want to buy. The majority of the next steps after opening will be based on data collected from the first couple months. Using that data effectively will push Just Brewd towards success and growth.

As time progresses, Just Brewd aims to be a profitable coffee shop delivering customers the same quality coffee experience imagined from the start. In terms of future stores, Just Brewd currently plans on only having one Raleigh location and creating a strong brand within that storefront.

## Conclusion

A comprehensive business plan has been constructed to show the plausibility of success that Just Brewd would have if it were to be opened. This plan covered key insights discovered, the concept, what the store would be like, who the customers are, the marketing strategy, and the logistics of running a coffee shop. The information gathered for each of these sections was heavily researched and is accurate.

Just Brewd penetrates a new part of the existing coffee shop market. The heavy focus on quality and a good experience will make Just Brewd stand out from other coffee shops in Raleigh. The high income area that Just Brewd is located in will also ensure that the company does not scare customers away with the prices.

The conclusion reached is that Just Brewd should be opened. It has a planned profit of \$26,500 in the first year and that is expected to grow as post-opening adjustments are made to address inefficiencies. The payback period for Just Brewd is about 6.5 years which is around what one would expect for a new business. Just Brewd has the potential to be a successful coffee shop with room and opportunity to grow



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# Appendix A: Customer Interviews

## Evan

- Male, 23, Columbus Area, College, No Kids, Wife: Convenience, service, ability to get coffee in relaxing atmosphere and work is best, slight knowledge of roasts
- Female, 20, from a small town near Toledo, college student: Doing homework or enjoying coffee with a friend, hates busy coffee shops, needs explanation of what drinks actually are, no knowledge of roasts
- Male, 21, Findlay, college, single working professional: Likes friendliness and needs help deciding what to get, likes when they know your name, hates when it's crowded and there is nowhere to sit, would like a "Do not disturb" section in coffee shop

## Justin

- Female, 19, Cincinnati, Ohio, College Student. Gets coffee after class, doesn't like when the tables are small because there is no room for her to set her study materials. Enjoys baristas that explain her order to her. Doesn't know much about coffee, but wants to know more.
- Male, 23, College Graduate, Working. Doesn't know anything about coffee, but would like to. Feels intimidated when ordering. Only goes to coffee shops with his girlfriend and she tells him what to order. Thinks coffee shops are too crammed, not welcoming.

## Kali

- Female, 31, 3 kids, Raleigh, hairdresser: Sometimes needs convenience, always wants nice staff. Values (and lacks) education on roasts and brewing methods (see Jubala Coffee). Will buy beans/grounds for the house from a coffee shop. Wants a welcoming atmosphere, decor, and quality food. Feels like coffee shops are missing engaging and thoughtful staff.
- Female, 53, No Kids, Raleigh, President/CEO of an endowment: Likes an inviting and easy shop with great service. Loves a nice relaxing, peaceful atmosphere with private niches and quality mugs. Doesn't want an in-and-out, loud environment. Prefers family-owned shops with local/organic ingredients, recycled products, and that are socially conscious. Knows she likes dark roasts, but usually trusts the barista to pick her coffee. Sees an opportunity for coffee shops to employ people with disabilities, recovering from addiction, and other social enterprise models to make communities more inclusive.

## Anibel

- Female, 24, Wife, No Kids, Athens, Ohio: Values the educational aspect of the concept; feels intimidated by what all goes into a typical Starbucks drink. Drinks coffee sometimes, usually 2-3 times per week.
- Female, 19, College Student, Lancaster, Ohio: Drinks coffee at least once a week. Enjoys using a coffee shop as a study area/meeting place, but sometimes there isn't enough room or seating. Wishes the coffee experience was more detailed and showed more in-depth descriptions of coffee types and specialty drinks.
- Female, 19, No Kids, College Student, Athens, Ohio: Typically goes to Starbucks for her usual coffee drink. Values hearing about the backstory of where her coffee comes from and how it is made. Often uses coffee shops as a relaxing place to get work done and study.



# Appendix B: Creative Brief

## Cluster P2 – Creative Brief

**Situation** (What circumstances currently exist which your P2 business will be introduced into?)

Coffee is one of the most popular drinks in the world and the coffee industry is currently growing at a rate of 5.5% per year (Mordor Intelligence, 2019). Consumers desire to customize their coffee more frequently, rather than just purchase a plain black coffee. While there are many coffee shops in Raleigh, the location where Just Brewd's coffee shop will be is not oversaturated, unlike other areas in Raleigh. All of these factors combined should lead to an opportunity for a new coffee shop to see success in Raleigh.

**Objective** (What problem, opportunity, need, or desire will your P2 business strive to address?)

There are several problems with typical coffee shops that were discovered through the interviews the Just Brewd team conducted. Three main insights were that coffee shops are too fast paced, intimidating, and have poor environments. Just Brewd will meet this desire for a calmed down coffee shop experience that is educational and has a welcoming environment. It is the coffee shop that will be all about providing an enjoyable experience for the consumer.

· **What are FACTS about who we are talking to, (age, income, gender, etc.)?**

- Aged 18-45
- Above average income
- Man or woman
- Not in a rush

· **What are their attitudes and how do they feel about this type of business?**

- They want to know more about the coffee they drink
- They want to relax in the coffee shop rather than leave right away
- They want to drink high quality coffee
- They care about the environment and fair-trade sourcing

**Promise** (What is an essential message your business must say or convey?)

Just Brewd strives to provide its customers with a personalized coffee experience that is welcoming to the consumer.

**Support** (What are the relevant reasons the audience should believe this promise?)

1. Just Brewd has 'Guides' to help the customer through the ordering process, making it less intimidating
2. The ordering process allows customers to fully personalize their cups of coffee
3. Just Brewd will have a large area for lounging that will be furnished with comfortable seating and tables
4. The hardwood floor and brick finishes display an environment that is high class and welcoming

**Tone** (What is the tone of voice for your business communication?)

Premium, Welcoming, Transparent

# Appendix C: Instagram & Facebook Pages

Just Brewd’s Instagram and Facebook will be relatively similar. Both social media accounts will have paid advertisements that will reach the target audience. These advertisements will focus on promoting the brand identity, roasts of the week, events Just Brewd is sponsoring, and sweepstakes for customers to win free coffee for a certain amount of time.

To the right is a sample of what the Instagram page will look like, and below is a sample post.

Figure A1: Just Brewd Instagram Post

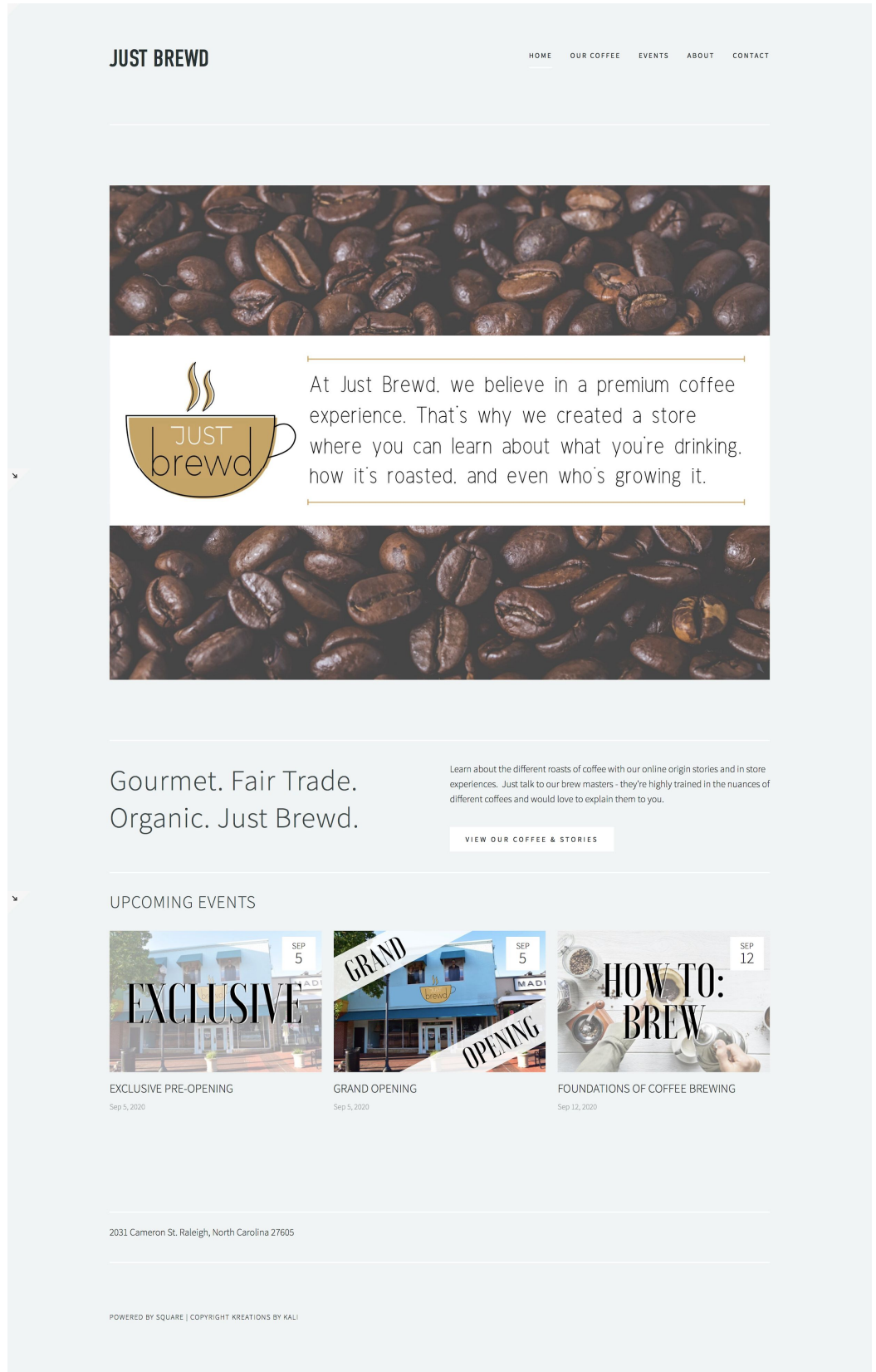
Figure A2: Just Brewd Instagram Profile

# Appendix D: Website - Home Page

The figure on the right is the home page on Just Brewd's website. The home page will feature a short description of what Just Brewd is and what concepts the business is built around. The bottom of the page will feature the next three upcoming events. Customers can click on a button to view more about Just Brewd's coffee and can also click on each event to see its details.

Visit the actual interactive website at <http://disc-lynx-llmj.squarespace.com>

Figure A3: Just Brewd Website



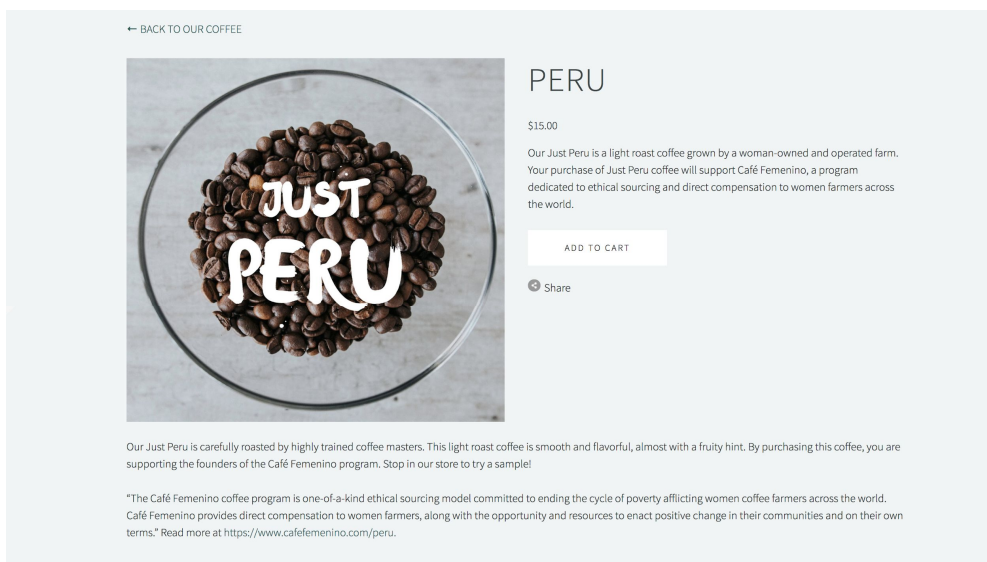
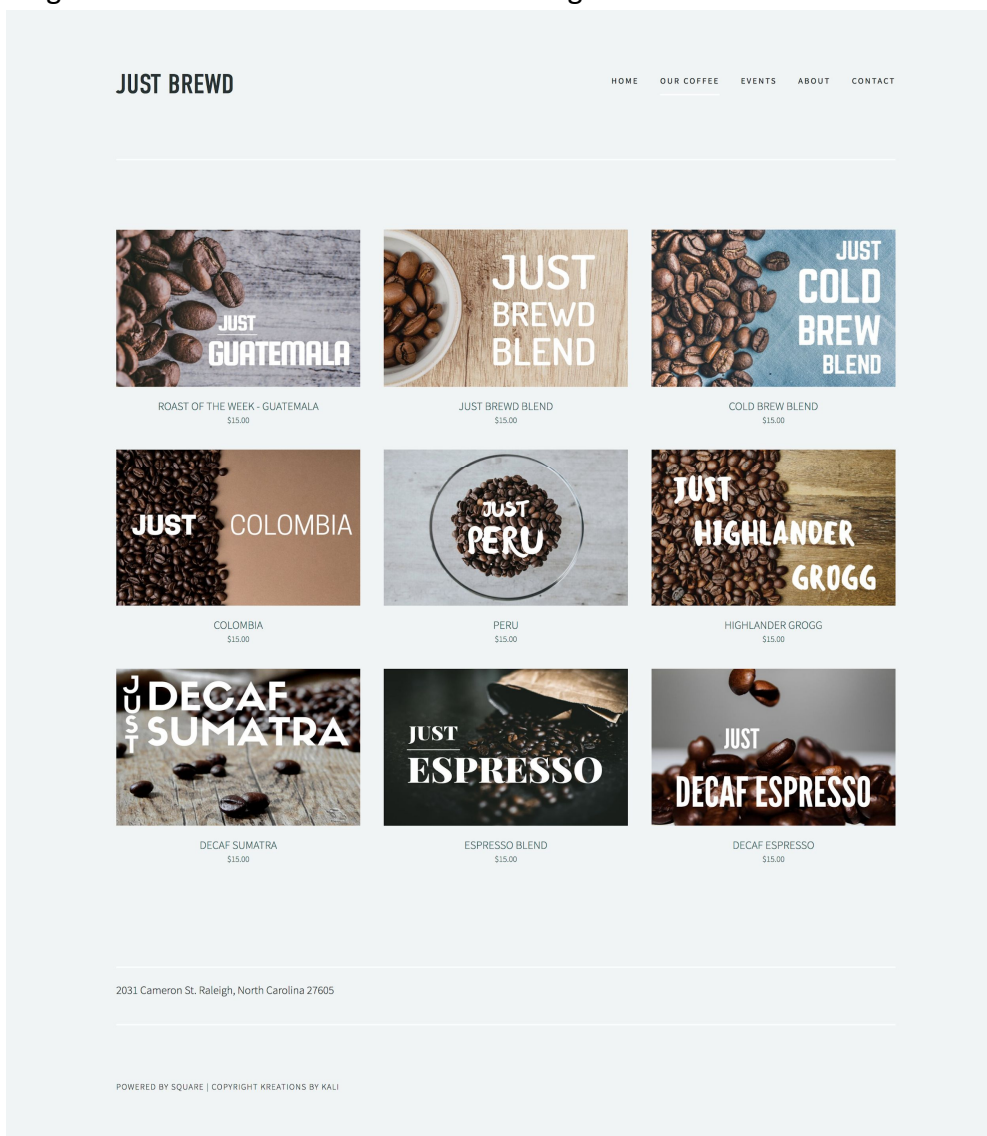


# Appendix E: Website - Our Coffee

The figure on the top right is the “Our Coffee” page on Just Brewd’s website. This product page will feature the different types of coffee currently brewing in the store. Customers can click on each product and see the details about their flavor notes and the farmers who grow them. The bottom right figure is an example of this.

Visit the actual interactive website at <http://disc-lynx-llmj.squarespace.com>

Figure A4: Website - Just Brewd Coffee Page

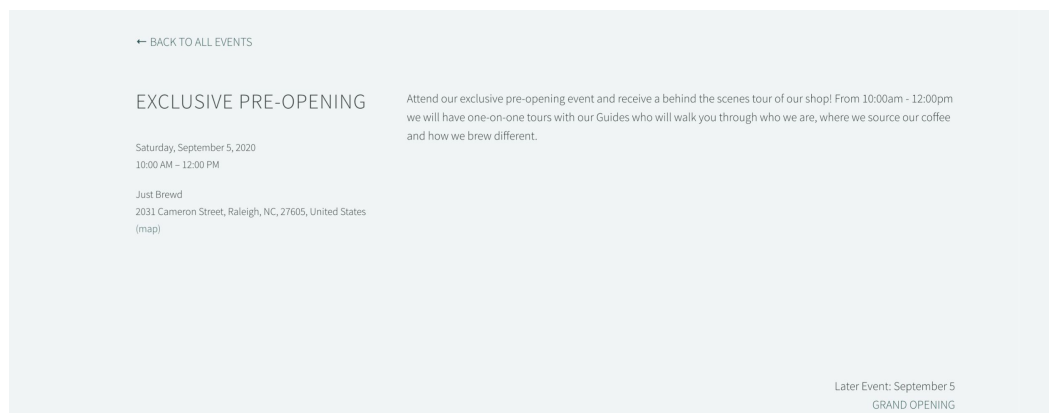
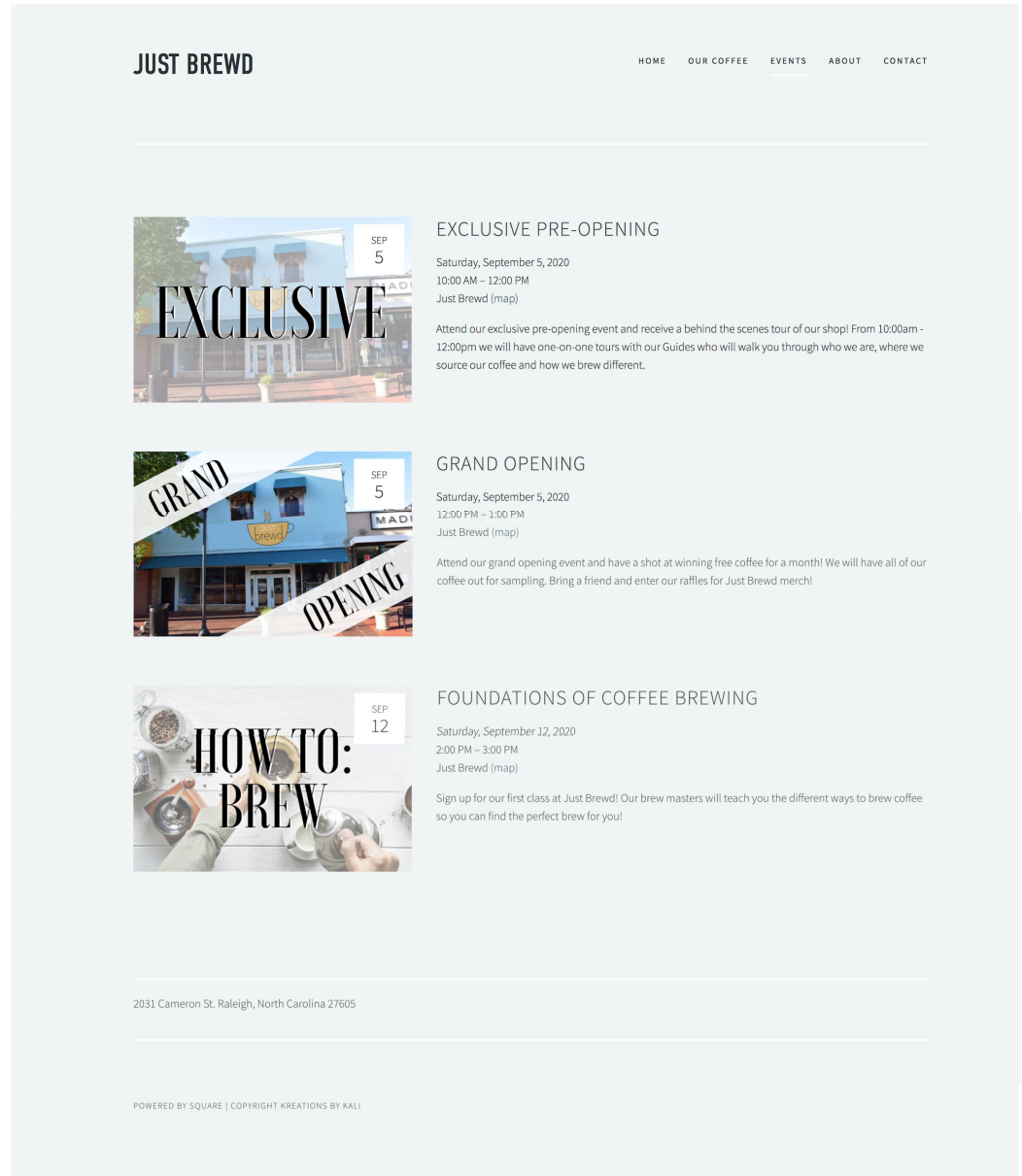


# Appendix F: Website - Events

The figure on the top right is the events page on the website. This event page will feature each event with a short description of the details. The figure on the bottom right shows what a customer will see when they click on an event.

Visit the actual interactive website at <http://disc-lynx-llmj.squarespace.com>

Figure A5: Website - Events Page



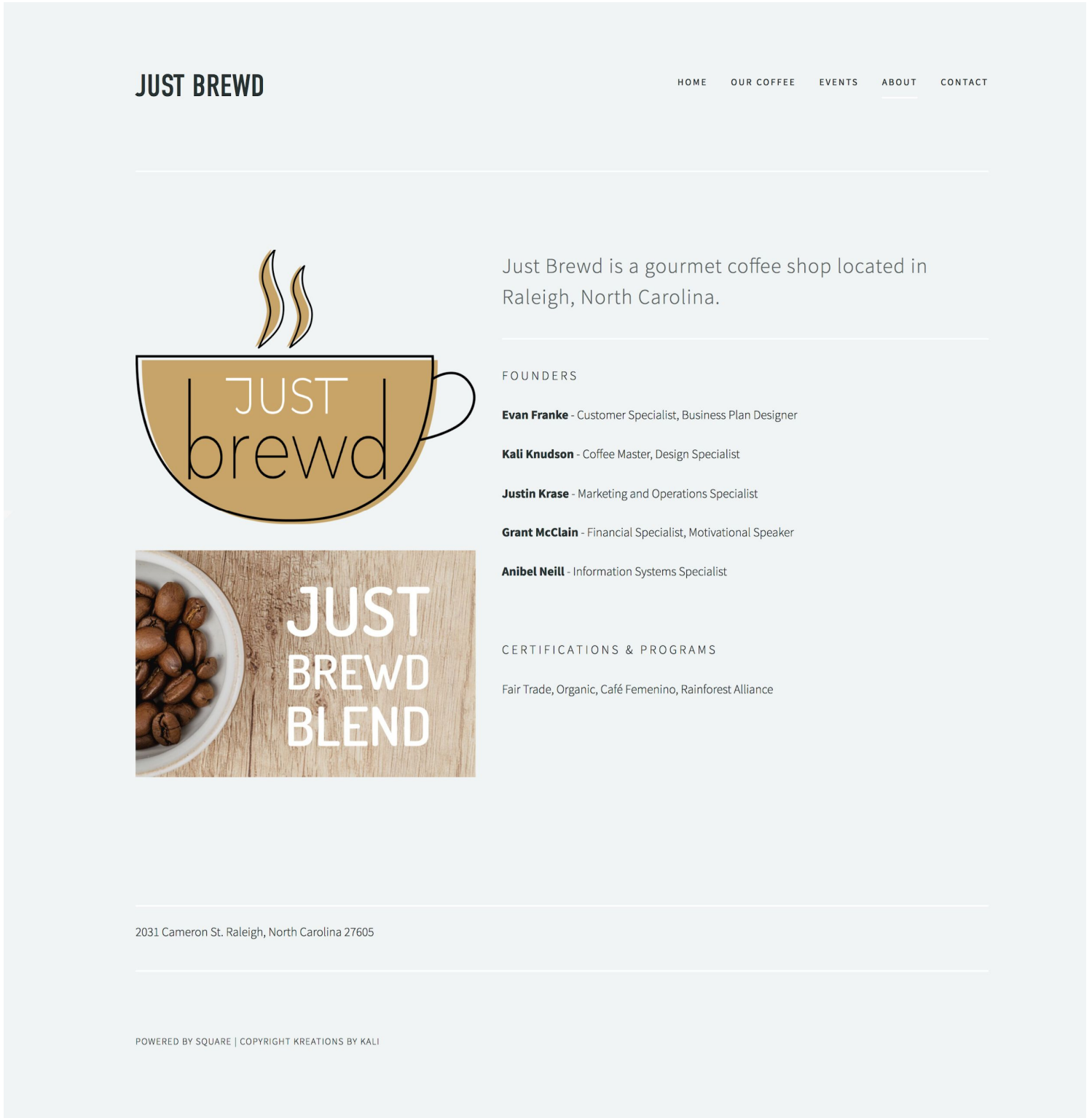


# Appendix G: Website - About

The figure below is what the “About” section will look like on the website. This page will tell Just Brewd’s customers more about its founders and certifications.

Visit the actual interactive website at <http://disc-lynx-llmj.squarespace.com>

Figure A6: Website - About Page

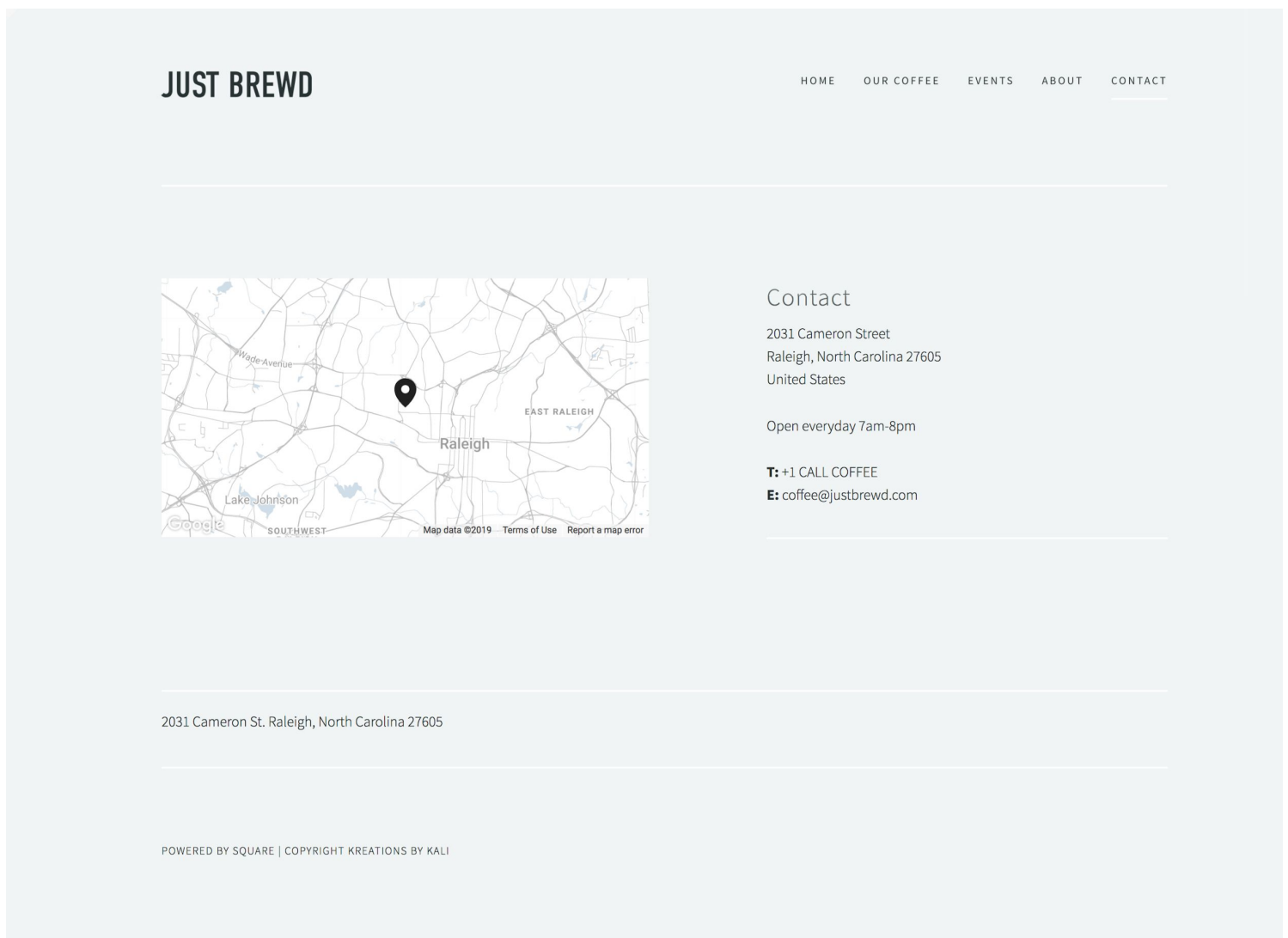


# Appendix H: Website - Contact Us

The figure below is a picture of the “Contact” section on Just Brewd’s website. This page will have an interactive map showing the store location, as well as the address, hours, phone, and email.

Visit the actual interactive website at <http://disc-lynx-llmj.squarespace.com>

Figure A7: Website - Contact Us Page



# Appendix I: Layout

Below is a side by side comparison of the floor plans of the building on Cameron Street and a mockup of a conceptual layout Just Brewd could have. The previous business was a bakery called Sugarland, and the floor plan reflects their layout. The realtor contacted for these floor plans said the building is essentially gutted and would need completely redone for a new business. This is actually ideal for Just Brewd, allowing the ability to customize the space to fit the goal aesthetic.

Figure A8: Store Floor Plans

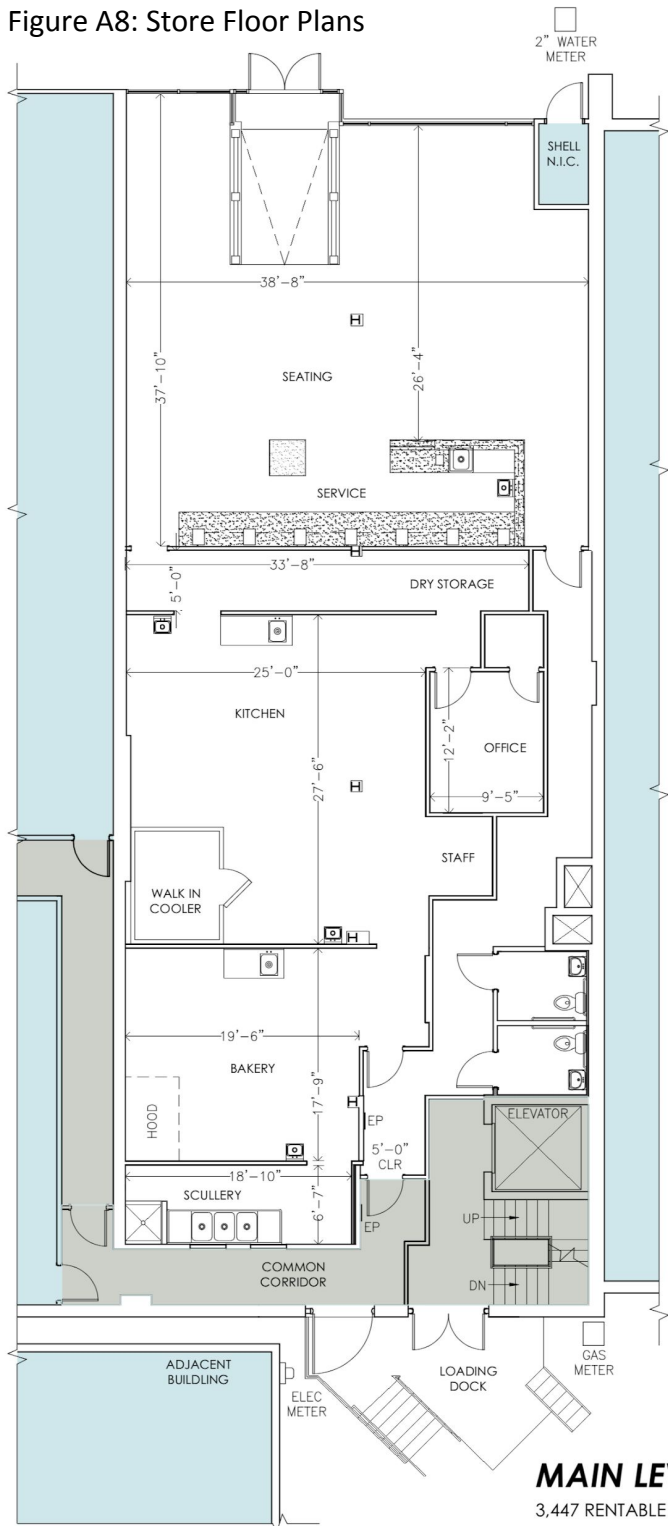
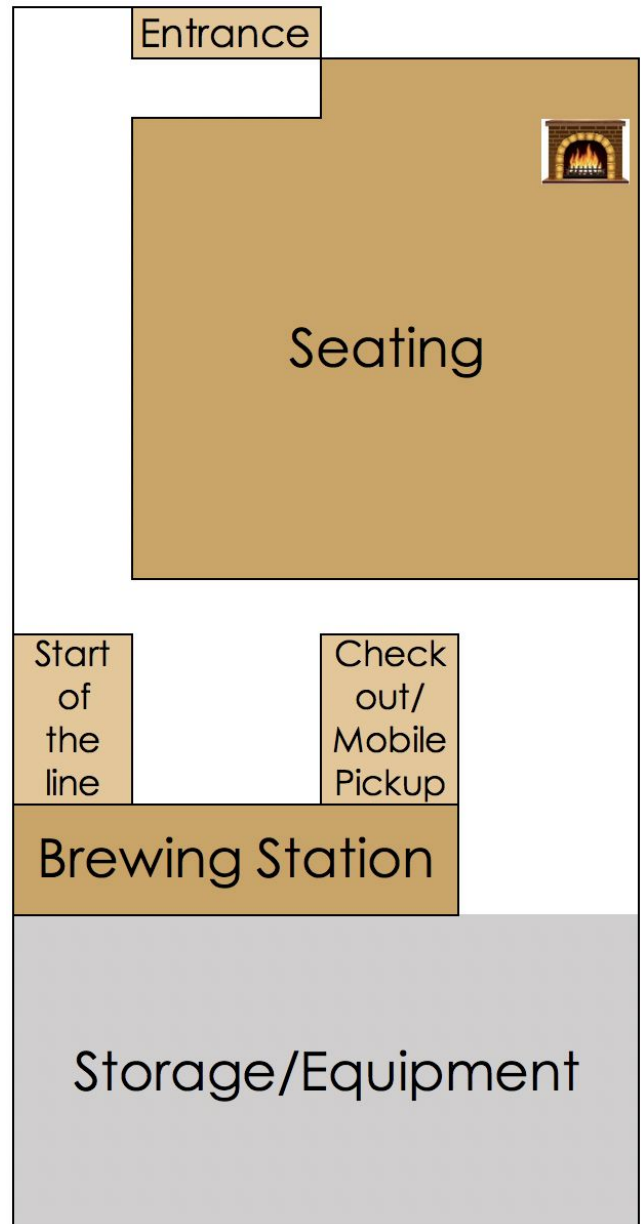


Figure A9: Store Layout



(LoopNet, 2019)

# Appendix J: Decor

Just Brewd will have stories about the coffee farmers around the store. To the right is a mockup of what one of these story posters could look like.

Additionally, the store walls will have maps with push pins that point out countries where the current blend of coffee originates from. The figure below is a mockup of one of the possible maps in the shop, detailed with a matching color scheme.

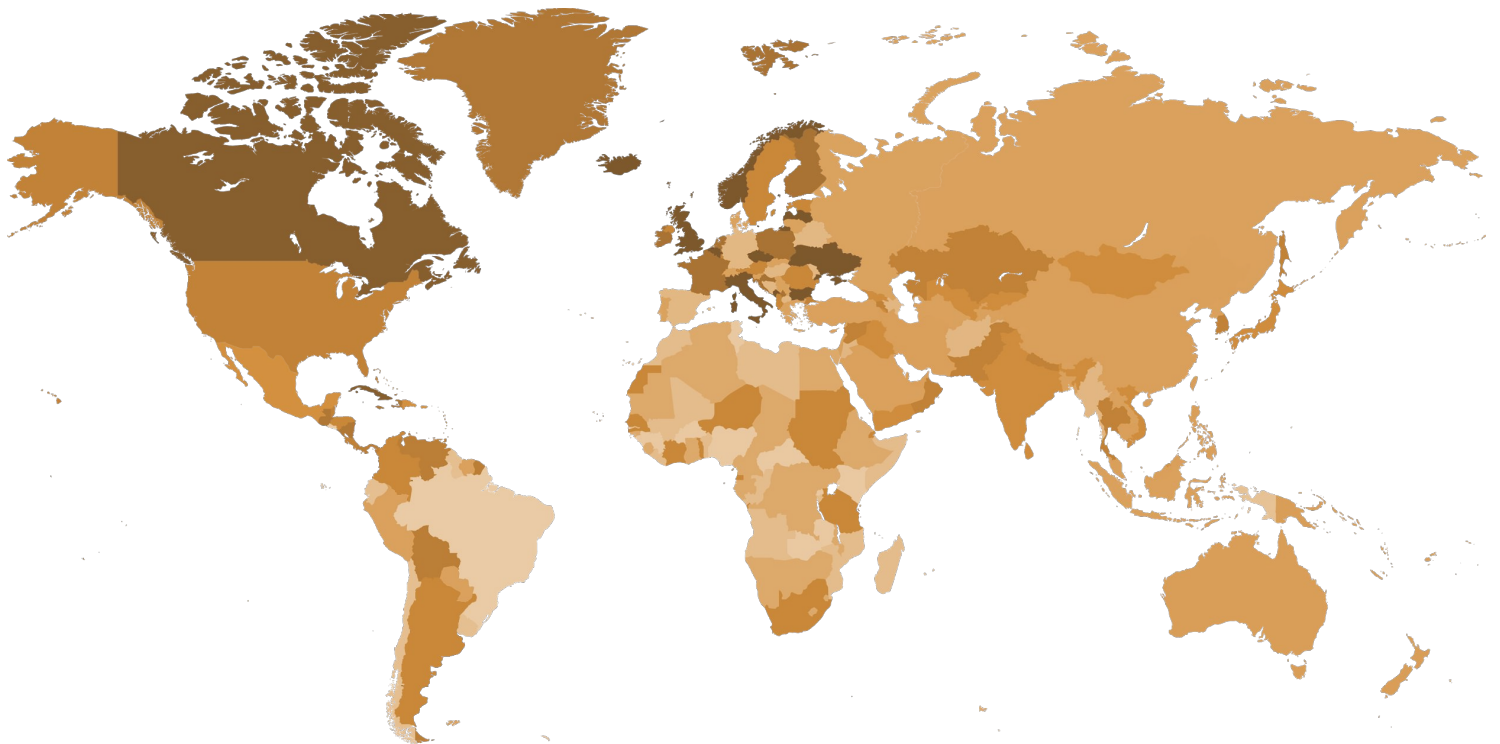
Figure A11: Sample In-Store Story

This is Luis Peréz.



Luis owns a small coffee farm in Guatemala. He has run the family farm alongside his wife and children since he was old enough to start working with his father. The Guatemalan coffee beans he grows translate into a gourmet taste in each cup.

Figure A10: Sample In-Store Map





# Appendix K: Marketing Calendar

The grand opening of Just Brewd will be on September 5th, 2020. During this day all of the marketing strategies displayed in the 'Startup' column will be utilized. From there a variety of other strategies will be used. The free holiday mug sweepstake in December will be held through Instagram. Similar to the grand opening sweepstake, customers will have to post a picture of their coffee with #JustBrewd to be entered into the sweepstake. Also, every third month, a free coffee brewing class will be offered to get customers interested in the classes. After the first year of marketing, Just Brewd will assess which channels have been the most useful, and adjust the marketing calendar for next year based off of this.

Figure A11: Marketing Calendar

Marketing Calendar	Startup	Autumn			Winter		
		September	October	November	December	January	February
Sweepstake	Free Coffee for a month				Free Holiday Mug		
Email	Mass Email, 1 mile radius	300 Emails a day for free					
Social Media	Instagram Sweepstake				Instagram Sweepstake		
Events		Free Coffee Class 9/12			Free Coffee Class 12/5		
PR	10% of sales to TeamTrees						
Blog	Feature Listing on visitRaleigh	visitRaleigh Header	visitRaleigh Featured Listing	visitRaleigh Header	visitRaleigh Featured Listing	visitRaleigh Header	visitRaleigh Featured Listing
Direct Mail	All houses within 1 mile						
Google Ads			Google Ads		Google Ads		Google Ads
Influencers	Ashley Christensen Instagram				Ashley Christensen Instagram		Ashley Christensen Instagram
TV			Spectrum TV Ads		Spectrum TV Ads		Spectrum TV Ads
Bus Ads	(Purchase of Bus Wrap)	Kong Bus Wrap on one GoRaleigh bus					
Spotify		Spotify all month		Spotify all month		Spotify all month	
Total	\$ 5,990.00	\$ 1,880.00	\$ 1,750.00	\$ 1,880.00	\$ 1,860.00	\$ 1,880.00	\$ 1,860.00

Marketing Calendar	Spring			Summer			Total
	March	April	May	June	July	August	
Sweepstake							\$ 200.00
Email	300 Emails a day for free						\$ -
Social Media							\$ -
Events	Free Coffee Class 3/6			Free Coffee Class 6/5			\$ -
PR							\$ 120.00
Blog	visitRaleigh Header	visitRaleigh Featured Listing	visitRaleigh Header	visitRaleigh Featured Listing	visitRaleigh Header	visitRaleigh Featured Listing	\$ 3,550.00
Direct Mail							\$ 1,360.00
Google Ads		Google Ads		Google Ads			\$ 2,500.00
Influencers		Ashley Christensen Instagram		Influencer Post			\$ 550.00
TV		Spectrum TV Ads	Spectrum TV Ads	Spectrum TV Ads	Spectrum TV Ads	Spectrum TV Ads	\$ 4,000.00
Bus Ads	Kong Bus Wrap on one GoRaleigh bus						\$ 8,000.00
Spotify	Spotify all month		Spotify all month		Spotify all month	Spotify all month	\$ 7,560.00
Total	\$ 1,880.00	\$ 1,860.00	\$ 1,880.00	\$ 1,360.00	\$ 1,880.00	\$ 1,880.00	\$ 27,840.00



# Appendix L: POS System Decision Matrix

**Square** received a score of 5 for cost based on their \$0 monthly fees and relatively cheaper upfront cost compared to the other three systems. The overall cost for the Square POS system would cost \$1,475 in total, including all hardware needed such as the iPad, cash drawer, receipt printer, etc. Additional costs would include a 2.6% + 10 cents fee per credit card transaction, but no monthly costs owed. For ease of use, Square received a 5 due to their extremely easy to understand interface. Square also uses Apple’s iPad which is simple to use and has a relatively small learning curve for new Apple users. As for inventory tracking, Square received a score of 3 based on the disconnect between menu items and inventory count. Because Square does not automatically adjust inventory based on the items being sold, it lost a few points in the criteria.

**Toast** received a score of 2 for cost based on being the priciest POS system out of the four. Their pricing starts at \$1,350 to purchase the startup necessities such as register, iPads, cash drawers, etc. along with a monthly fee of \$79 per register. As for ease of use, Toast received a 5 based on great customer reviews regarding their system. Loyal customer reviews said Toast was easy to set up and left them very happy with their decision. Toast also received a 5 for inventory tracking, as they automatically tie store sales to their inventory count. The real-time tracking of inventory is especially helpful for efficiency and optimization within Just Brewd’s startup.

**ShopKeep** received a score of 3 for cost based on their somewhat pricey rates in comparison to other POS systems. ShopKeep charges \$69 per month per register, along with the startup costs of purchasing iPad stands and iPad Register Kits starting at \$800. For ease of use, ShopKeep received a 5 based on its great customer reviews. Users said the system was easy to use and get started with, along with having helpful customer service availability. As for inventory tracking, ShopKeep received a score of 5 for this criterion based on their excellent inventory counting. This POS system ties each sale to the usage of different ingredients, making it simple to reorder low inventory and track which items are used more frequently when.

**Clover** received a score of 4 for cost based on its startup costs beginning at \$1,149 including a register, device, cash drawer, etc. and their \$29 monthly fee per register. Clover’s pricing is cheaper than Toast and Shopkeep when comparing monthly fees and the beginning cost is comparable to those of Square and Toast. As for ease of use, Clover scored a 4 based on their system not integrating iPads into their interface and reviews stating that customer service was lacking. With new devices to learn that many are not familiar with, Clover could come with somewhat of a learning curve if users have difficulty picking up new technologies without help from customer service. For inventory tracking, Clover received a 5, as it is comparable to ShopKeep and Toast’s interfaces that tie sales into inventory counts.

Figure A13: POS Decision Matrix

Best POS for Just Brewd	Importance Percentage	Square	Clover	ShopKeep	Toast
Cost	40%	5	4	3	2
Ease of Use	30%	5	4	5	5
Inventory Tracking	30%	3	5	5	5
<b>Total Weighted Score</b>		<b>4.4</b>	<b>4.3</b>	<b>4.2</b>	<b>3.8</b>

# Appendix M: Additional Software Needs

## Software Needs

**Security System** - Just Brewd will implement a security system into the business to ensure that inventory and the store itself is protected. SimpliSafe is the security system that will use based on strong online reviews and easy setup. The total costs include \$345 to purchase three security cameras, three motion sensors for each doorway, a home base to connect all of the devices, and an entry keypad set with security codes. There will also be a monthly cost of \$25 to pay for 24/7 live alarm monitoring, a mobile app to arm/disarm the system with alerts, and unlimited camera recording.

**CRM** - Included within the POS system, Square. With Square, Just Brewd can add every customer to a collective directory right from the system. Credit cards can be saved securely on the system for future transactions. With this built-in CRM system, each customer's shopping experience can be personalized with notes, purchase history, and contact information. This collective directory will allow Just Brewd to keep up with frequent customers, as well as log new customers into the system.

**ERP** - Included within the POS system, Square. With Square, there is a feature called Square Dashboard that houses inventory management, customer profiles, all financials, store locations, employees, and invoices. This feature will allow Just Brewd to track the Accounting, HR, and Invoices for suppliers in one simple to use place. Square Dashboard also tracks company sales and analytics to run reports at any time. The ERP system and Analytics feature will give Just Brewd an efficient way to track multiple aspects of the business.

**CS (Website, Social Media)** - For Collaboration Systems, it will cost Just Brewd nothing to create the website through the Square POS System. As far as social media, Just Brewd use plan on using all mediums such as Facebook and Instagram to market the business concept. These social media platforms will be at no cost both upfront and monthly.

# Appendix N: Key Performance Indicators

## People Capabilities -

**Order Fulfillment Cycle Time** - This internal business process KPI was chosen to track the amount of time it takes from when a customer places their order to when they receive it. This KPI will serve as a gauge to how the company is pleasing customers in a timely manner. Just Brewd is an experience-based coffee process, but does not want to be taking too much of the customers' time or become redundant. As Just Brewd becomes a more established company, this KPI to determine what the optimal order fulfillment cycle time needs to be.

**Inventory Turnover Ratio** - Inventory turnover is a measure of the number of times inventory is sold or used in a time period such as a year. It is calculated by dividing the cost of goods sold by the average inventory for the same period. Inventory turnover, in the coffee industry especially, is necessary to see if the business has an excessive inventory in comparison to sales level. Ensuring the beans remain as fresh as possible will depend on keeping this ratio as high as possible.

**Website Traffic** - Website traffic was chosen as one of the internal business processes KPIs in order to track the success of the website. This KPI will use analytics to measure how many visits the website receives, as well as how many users are clicking on certain pages/buttons. Website traffic information will allow the company to hone in on what aspects of Just Brewd customers are looking at most online and be able to market those specific aspects.

## Customer Satisfaction -

**Customer Satisfaction Rate** - Customer satisfaction rate was chosen as one of the KPI customer measures because it will tell how satisfied customers are with the business processes. This KPI could be calculated by a survey sent out to customers via their receipt, on the website, or while in the store. Through this KPI, the company hopes to improve the Just Brewd process and give customers the most pleasurable and memorable coffee experience.

**Customer Retention Rate** - Customer Retention Rate provides the percentage of customers the company has retained over a given time period. It is the opposite measure of churn rate, which displays how many customers a company has lost in a given period. Retaining customers is an effective way of showing how enjoyable the environment and product is, encouraging repeat customers.

**Online Reviews** - Online reviews were chosen as one of the customer measures because it will tell managers how Just Brewd is being viewed by the consumers. This KPI will be calculated based on the average online rating from reviews on a variety of sources such as Yelp and Google. Through this KPI, Just Brewd hopes to learn what improvements can be made to the business and allow for optimal customer service.

# Appendix O: Key Performance Indicators

## **Sales & Profit -**

**Net Profit** - The team chose net profit as one of the financial measures because it will show how effective the business is at generating profit for each dollar sold. Net profit will measure the profitability of Just Brewd and assist in the making of long-term and short-term financial decisions. As net profit increases, the concept will be on the way to being successful and financially healthy.

**Operating Cash Flow** - Operating cash flow is a measure of the amount of cash generated by a company's normal business operations. Typically this is done by taking revenue and subtracting things like salaries paid out to employees, cash paid to vendors and suppliers, cash collected from customers, interest income and dividends received, income tax paid and interest paid. Operating cash flow indicates whether the company can generate sufficient positive cash flow to maintain and grow Just Brewd's operations.

**Quick Ratio** - Quick ratio measures the ability of a company to use its liquid or near liquid assets to pay off its current liabilities immediately. It is measured by subtracting inventory from current assets and dividing that by current liability. This is a conservative way to test if the company has good financial health.

**Revenue per Client** - Revenue per client was chosen as one of the financial KPIs because it will gauge how much the company is making off of each customer that makes a purchase in the store. This KPI would be calculated by dividing total revenue by the total number of customers based on a given time period. A higher revenue per client, the better for Just Brewd and this KPI will track profitability from each consumer.

**Cost of Goods Sold (COGS)** - Cost of goods sold refers to the direct costs of producing the goods sold by a company. It is essentially the cost of the inventory that was sold. This is a good way to track what the company is sourcing from products in a financially responsible way when COGS is compared to the price Just Brewd is selling the inventory for.

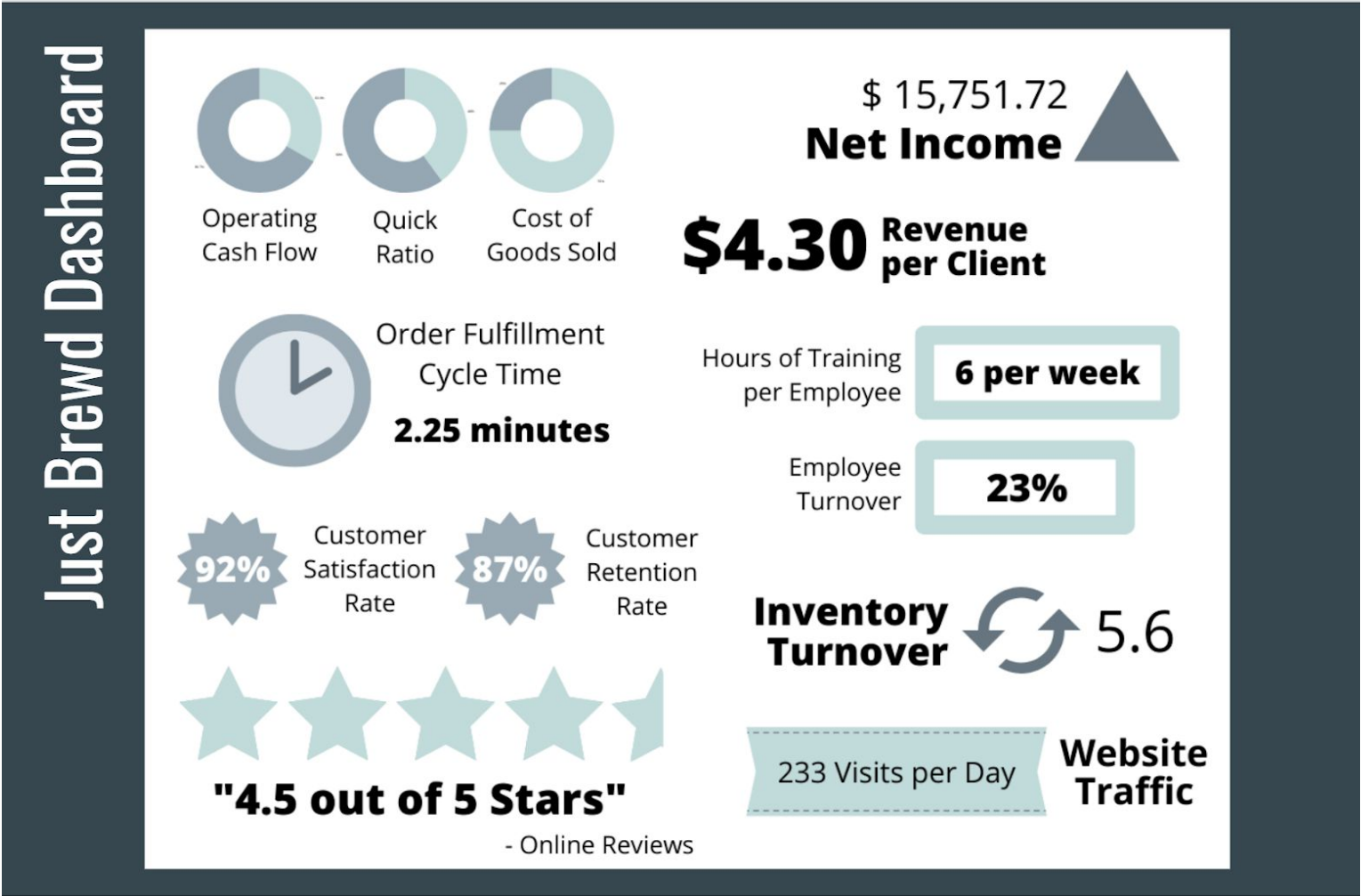
## **Staff Health -**

**Employee Turnover** - Employee turnover simply answers the question, how many employees who leave and are replaced by new workers. Leaving can mean termination, downsizing, retirement, death, etc. Paying for employee training to be a good barista is an expensive process, so keeping turnover low will be essential.

**Training Hours per Employee** - The team chose this learning and growth KPI as it will allow the company to properly train all of the employees. The hours of training each employee will receive gives them more experience and a better sense of understanding for how to serve customers of Just Brewd. This KPI will be calculated by dividing the total number of hours employees spend getting training divided by the total number of employees within a given time period. As a company, Just Brewd will aim to have a higher number of training hours per employee.

# Appendix P: KPI Sample Dashboard

Figure A14: KPI Dashboard

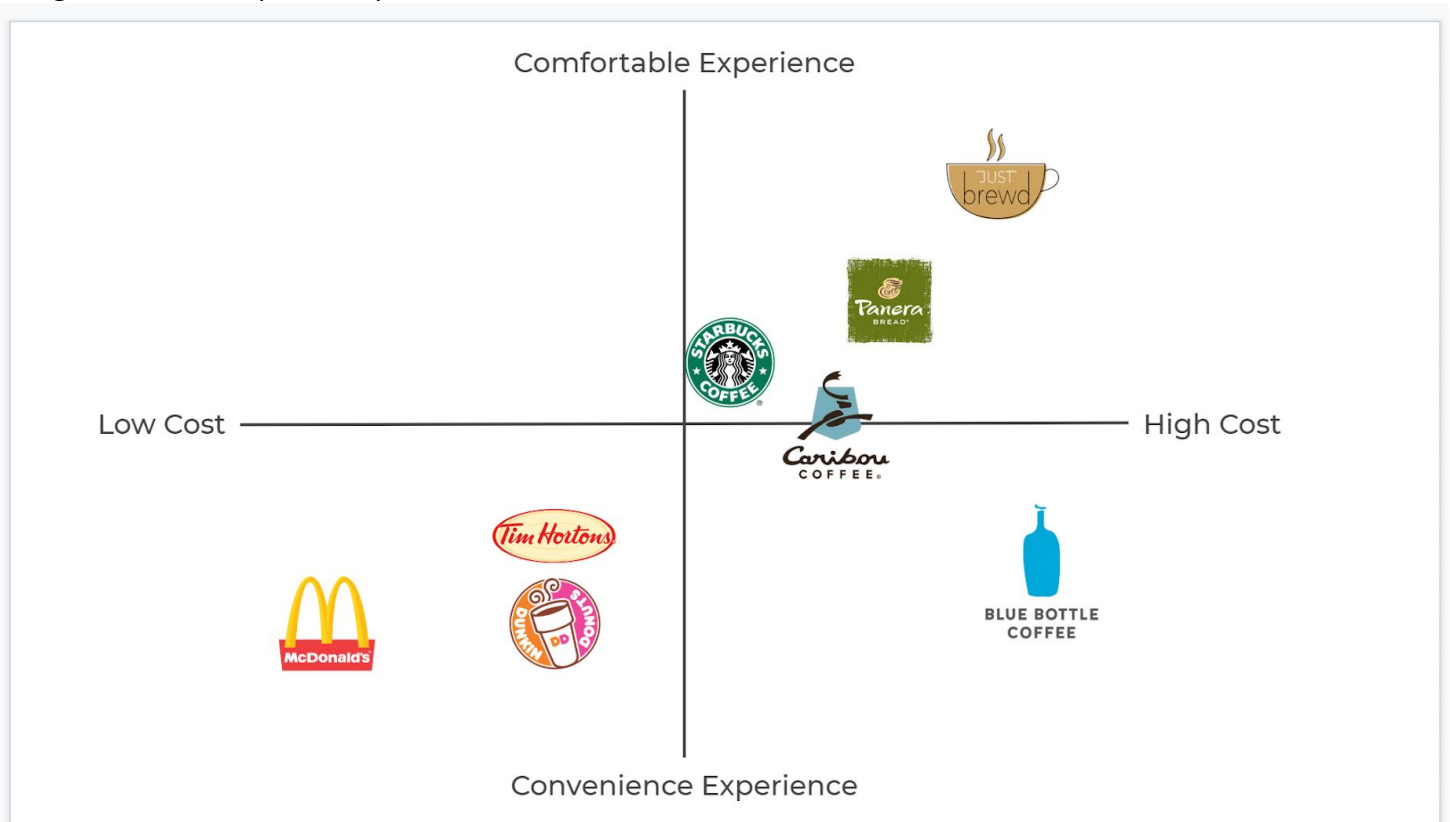




# Appendix Q: Perceptual Map

This perceptual map displays several companies that sell coffee. The y-axis is based off of the experience when you go inside. A store that offers a 'comfortable experience' is one that people tend to stay in for longer periods of time rather than grabbing their coffee and leaving. A convenience experience is when customers typically grab their coffee and go. The x-axis is based off of cost. The left has relatively low cost for coffee and the right has a relatively high price.

Figure A15: Perceptual Map



# Appendix R: Alfredo Martel Interview

## Just Brewd

- Good exec summary
- Customer insight - service industry - everything should start with the customer and what you're solving for them
- Holy grail of coffee companies
- Familiar for a coffee exec
  - Might have to explain more of why (value proposition wise) to people who aren't in coffee
  - How are they going to get embedded into the coffee process
- Positioning statement
  - Look at the wording and think "premium"
  - Don't refer to chipotle style
- Coffee is 90% water - \$5 cups of water
- Use language that's tighter and elevated - premium, craft, individually crafted blends, personal, coffee-master
- Blue Bottle can be so premium that their coffee experience is too much
- As we're customizing blends, customize the experience to what we're going for
  - Don't want to lose sales potential
- Process - Teavana/matcha tea - think about coffee having supplements - explosive
  - Gluten-free, vegan, Nutritional (premium, elevated, what Starbucks won't be able to do)
  - Can be fast-moving gecko, let Starbucks be the slow-moving dinosaur
- Logic behind location - an underserved market
- Open a store literally across the street from Starbucks and steal market share from them - they have the best real estate analysis
  - Beat them with the value proposition that they can't offer
- Customers - coffee aficionado
- Demand - 2600 customers - clarify w appendix
- All of finance is low
- Try to break half a million-dollar mark - higher success rate
- Potential customers/visits
- Coffee has 60-75% margin
- Can have much lower COGS
- Profit margin should be 6+

# Appendix R: Alfredo Martel Interview continued

## KPIs

1. People capabilities - traffic/transactions, then ticket average
2. Satisfy customers
3. Sales & profit - inventory turn, financials
4. Staff health

Think about the person who will be renting you space

Is Raleigh a good location?

- Strategic decision w strong rational
- Blue - huge market, Red - small market

Smaller - 400,000 works (like a kiosk or in-store)

Take the fight straight to Starbucks and other competitors w strong value prop

- Starbucks can afford expensive rent but we could get kind of close

Brand word: **FRESH**

Philanthropy platforms, esp for farmers, rainforest alliance, water project, etc

Our margin is lower and cogs higher bc we're doing all these corporate social responsibility things

Look at labor costs - we pay higher because we believe \_\_\_\_

Creating backstories about who you are and why people should buy from us

## Operations

- Scaling to drive through - how to get that done in a few mins
- Can do mobile ordering - people doing coffee run for a bunch of people
- Think **Teavana** store experience - things ready to go to sample
- Registering things as people's favorite in an app
- Don't let the person who has one minute and two bucks veto you
- Milk costs a lot of money
- Ticket average vs.
- Pre office hours

Open at 7

11:30-2:30 low

3:00 afternoon jump

Pick up again after dinner

# Appendix S: Brand Identity

Figure A16: Just Brewd Brand Identity

