SMALL BUSINESS EXECUTIVE SUMMARY SAMPLE

Concept Description (In one sentence)

Describe your concept
Jolly's Java and Bakery (JJB) is a start-up coffee and bakery retail establishment located in southwest Washington.

Customer Problem

Who are your customer/user segments and what problem are you solving for them?
JJB expects to catch the interest of a regular loyal customer base with its broad variety of coffee and pastry products. JJB focuses on the middle- and upper-income markets. These market segments consume the majority of coffee and espresso products.

Because Washington has a cool climate for eight months out of the year, hot coffee products are in demand. During the warmer months of the year, iced coffee products are in high demand along with slower but consistent demand for hot coffee products. Much of the day's activity occurs in the morning hours before 10 a.m., with a relatively steady flow for the remainder of the day.

Local Residents
JJB wants to establish a large regular customer base. This will establish a healthy, consistent revenue base to ensure the stability of the business.

Tourists
Tourist traffic comprises approximately 35% of the revenues. High visibility and competitive products and service are critical to capture this segment of the market.

How do you know that this is a real problem experienced by the customer/user?
Being a local resident for more than a decade, the JJB team has researched on the potential customer segments from both segments over this time and also seen a lack of coffee stores with this types of service in this area. The research has taken place over emails, phone calls and quick interviews from a large number of customers. They desire a quick to-go coffee shop, but also want a place where they can come and work/study through the day in a comfortable environment.

The cool marine climate in southwest Washington promotes the consumption of hot beverages throughout the year. Coffee drinkers in the Pacific Northwest care about the quality of beverages offered at the numerous coffee bars across the region. JJB will position itself as a
place where customers can enjoy a cup of delicious coffee with a fresh pastry in a relaxing environment.

*See attached results from the conducted surveys, interviews and online research.

**Your Solution**

*Describe how your solution solves the problem?*

The bakery provides freshly prepared bakery and pastry products at all times during business operations. Six to eight moderate batches of bakery and pastry products are prepared during the day to assure fresh baked goods are always available. JJB also plans to set-up a comfortable and ambient space where customers can eat or drink while they work, study, read, or relax.

**What is your product or solution’s unique value proposition?**

Keys to success for JJB will include:

1. Providing the highest quality product with personal customer service.
2. Competitive pricing.

**Business/Social Innovation Model**

*Please describe your model.*

*For Business - It can contain aspects such as distribution channels, key partners, key activities, value proposition, key resources, pricing, cost structure, revenue stream, etc.*

JJB offers a broad range of coffee and espresso products, all from high-quality Columbian grown imported coffee beans. JJB caters to all of its customers by providing coffee and espresso products made to suit the customer, down to the smallest detail. The company plans to build a strong market position in the town, due to the partners' industry experience and lack of competition. JJB's Break-even Analysis is based on the average of the first-year figures for total sales by units, and by operating expenses. These are presented as per-unit revenue, per-unit cost, and fixed costs. These conservative assumptions make for a more accurate estimate of real risk. JJB should break even by the fourth month of its operation as it steadily increases its sales.

JJB wants to establish a large regular customer base and will, therefore, concentrate its business and marketing on local residents, which will be the dominant target market. This will establish a healthy, consistent revenue base to ensure the stability of the business. Also, tourist traffic is expected to comprise approximately 35% of the revenues. High visibility and competitive products and service are critical to capture this segment of the market.

*See attached cost, pricing, and break-even analysis excel sheets.*
Tell us how you’ll generate revenue.
JJB expects to raise $4,000 of its own capital and to borrow $4,000 guaranteed by a local funding organization called the SBA as a two-year loan. This provides the bulk of the current financing required.
JJB anticipates sales of about $10,900 in the first year, $20,600 in the second year, and $30,500 in the third year of the plan. JJB should break even within the first year of its operation as it steadily increases its sales. Profits for this time period are expected to be approximately $1,300 in year 1, $2,600 by year 2, and $3,600 by year 3.

*See attached financial budget, prediction, and forecast showing these numbers.

Tell us about your team and their roles/qualifications? How do you plan to obtain the skills/resources required for your business?
JJB is incorporated in the state of Washington. It is equally owned and managed by its two partners.
Mr. Austin Patterson has extensive experience in sales, marketing, and management. He was Vice President of marketing in our student-run school cafeteria. Mr. David Fields brings experience in the area of finance and administration, including a stint as Chief Financial Officer with the student-run online spirit store.
JJB will be reaching out to alumni, school influencers, mentors, and other parties that can help the team fill the gaps required. JJB, as students, also have entrepreneurship teachers helping to understand what are the best ways to acquire certain resources such as furniture and machinery that will be required for day to day operations.

Market
How large is the market for your product/service?
The retail coffee industry in the U.S. has recently experienced rapid growth. The annual growth rate of global coffee consumption is 1.3% (International Coffee Organization). Drinking coffee every day is a routine for 40% of college students (ages 18 – 24). 14% of Millennials drink an espresso beverage almost every day.

Coffee Consumption: Over 50% of Americans over 18 years of age drink coffee every day. This represents over 150 million daily drinkers. 30 million American adults drink specialty coffee beverages daily; which include a mocha, latte, espresso, café mocha, cappuccino, frozen/iced coffee beverages, etc.

Southwest Washington has a population of 654,601.

What share of the available market will be served by your product/service?
Based on the above statistics, if we calculate 50% of Southwest Washington residents drink coffee, we have 327,300 potential consumers. Being conservative, if JJB captures 0.05% of that market it equals approximately 160 people visiting our store every day.

**Competition**

**Identify and describe your competitors?**

**What’s your competitive advantage or “secret sauce”?**

**How will you be able to defend your position against competitors?**

Competition in the local area is somewhat sparse and does not provide nearly the level of product quality and customer service as JJB. Local customers are looking for a high-quality product in a relaxing atmosphere.

Leading competitors purchase and roast high quality, whole-bean coffees along with Italian-style espresso beverages, cold-blended beverages, a variety of pastries and confections, coffee-related accessories and equipment, and a line of premium teas. These items are sold primarily through company-operated retail stores. In addition to sales through company-operated retail stores, leading competitors sell coffee and tea products through other channels of distribution (specialty operations). Larger chains vary their product mix depending upon the size of each store and its location. Larger stores carry a broad selection of whole bean coffees in various sizes and types of packaging, as well as an assortment of coffee- and espresso-making equipment and accessories such as coffee grinders, coffee makers, espresso machines, coffee filters, storage containers, travel tumblers and mugs. Smaller stores and kiosks typically sell a full line of coffee beverages, a more limited selection of whole-bean coffees, and a few accessories such as travel tumblers and logo mugs. During the fiscal year 2000, industry retail sales mix by product type was approximately 73% beverages, 14% food items, eight percent whole-bean coffees, and five percent coffee-making equipment and accessories.

JJB will offer a unique mix of all of these based on the demands and needs of our customers by having an exclusive store with reasonably priced items, JJB plans to be the leading coffee store in this area.

JJB's competitive edge is the relatively low level of competition in the local area in this particular niche. JJB aims to offer its products at a competitive price to meet the demand of the middle-to higher-income local market area residents and tourists.

**Growth**

**Describe the next steps you will take to launch this business.**

**Tell us how you will grow your business. What are your most immediate needs?**

The company intends to hire two full-time pastry bakers and six part-time baristas to handle customer service and day to day operations.
JJB’s most immediate needs are cash resources, team skills that complement the existing team, and advice and mentorship from professionals who have been in the service and hospitality industry to guide the team with the venture.

**Citations**
- Survey Links, etc.
- Costs Spreadsheet
- Financial Spreadsheet