

START UP A COFFEE SHOP – OPEN SUCCESSFULLY REDUCE RISK CHECKLIST

Research	Clarity	Your Why – It's critical you get 100% clarity on what your business stands for, and what its purpose is. Who will it serve? What its ethics are? What are your 'red lines'? How much do you need to earn from it What is the long-term goal? Will it charge high, medium, or low prices? If it was a radio station, newspaper, color, football team, type of car, what would it be?
		Where - Where would a business like this thrive?
		Who - your Avatar Who are your guests – who will your coffee shop attract
		Test
	Location	Pop up's
		Work in a cafe
		Clicker – count the number of people who go past that your café will attract
		People like you – could be a trap
		74 point Location Checklist

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	<p>Read/Youtube/Events/FB groups/Training</p>	<p>Spend time getting under the hood of the business you want to run, it's highly unlikely that it has not been done before.</p>
<p>Team</p>	<p>Suppliers</p>	<p>Designer The better the design the more you can charge. Unless you are on a very tight budget or you have experience, then we recommend getting a design done by someone who understands cafes.</p> <p>Builders They always take longer than they promise, the better the plan the easier the build is. Try and add a penalty clause or agree a timescale. Shopfitter are faster but more expensive.</p> <p>Legal Choose the right type of lawyer who is a specialist in what you need- e.g. property, business transfers, leases, company set up.</p> <p>Accountants You will need someone to do your tax returns, and produce a P+L. Choose someone with experience in hospitality</p>

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		<p>Businesses.</p> <p>Payroll Sometimes done by the accountant but getting staff's pay right is vital.</p> <p>Food & Consumables Find suppliers who fit your values, aim for a long term relationship.</p> <p>Utilities Power, Waste Collection, Water, Internet, Telecoms. There are commercial rates that you can negotiate, not like the domestic market.</p> <p>Equipment Do your research, be aware that suppliers of equipment will want to sell you what they sell rather than what you need.</p> <p>Coffee Roasters A good sign is when these guys will only want to sell to cafes that will maintain their standards and protect their brand. They should offer coffee training for your team as well. They also will try to sell/lease you a coffee machine – if so it should be a good price and come with maintenance.</p>	
	Mentors	<p>Not included in the list of people above! Not your friends or family Have experience with coffee shops, cafes and hospitality Not have hidden commercial objectives like being tied to a roaster.</p>	
	Investors	<p>Banks Hard to get funding atm, unless you have a track</p>	

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		record or lots of equity in the business. The better the business plan the more likely they will take you seriously.
		Private Funds Friends, Family, Investors – make sure there are signed agreements for every case.
	People	Life Partner Prepare to ask for support and forgiveness especially in the early day.
		Business Partner Agree roles & responsibilities and who is accountable for what. This helps with managing the team especially if you are life partners.
		Key Team Members Build in long term loyalty through a combination of financial reward and opportunities for personal development.
	Family Build in time and energy in your week.	
	Local Influencers	Local Council/Mayor/Food Hygiene/Planning Officers/Fire/Chamber of Trade/Residents committees.
Lease	The Basics	#1 source of failure
		10% of sales
		Landlord relationship
		Searches
		The Landlord and Tenant act (UK)

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	Negotiate	Cost – fixed or sales related	
		Length	
		Break Clauses	
		Types of uses	
		Rent free periods	
		Monthly/Quarterly payments	
		Rent reviews	
	Understand all the small print	What are you responsible for?	Repairs
Renewals			
What can't you do?		Drains	
		Sell Alcohol	
		Open Late/Early/Sundays	
	Live Music		
	Fry Food		
Covenants	Personal Guarantees	Leases	
		Loans	
		Suppliers	
	Shareholder & Loan Agreements		
Size	Small	Lower sales potential <	
		Risk ≠	
	Large	Higher sales potential =	
		Risk ≧	
Fixed costs	Buy v Lease		
	2nd Hand equipment		
	DIY		
Menu	100% costed	Margins understood	

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	Golden Rules	Margin
		Taste
		Speed
Budget	Cash Flow	
	Sales	
	Profit	
	Time v Cash	
Marketing	Don't be a hidden Gem!	