



**Business Plan  
2015**

# **Business Information**

Stompin' Grounds  
Campus High School KS  
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## **Executive Summary**

### **Description of Business Ideas**

Everyone enjoys convenience and something that can brighten early mornings when they get to school every day. There is no better way to set our school apart than to provide something that the student body, as well as teachers, enjoy and that the community can embrace. At Campus High School, there are limited amounts of food and drinks that appeal specifically to our market and we are aiming to satisfy that high demand with a variety of food and drinks that we will be offering. Not only that, but we are also geared towards bringing the community together and teaching students skills about both business and the coffee industry and also providing a high quality job experience.

We have a captive market in the way that the students and teachers will be around our business every school day. In order to effectively communicate with our market, we are utilizing social media as well as flyers, announcements and a website in the future. Social media is an important way to connect with high school students and the community and get feedback. We are encouraging following our accounts through several marketing ploys such as talking to the middle schools and promotions on social media. At this point, we have close to half of the student population following us. We are close to six hundred followers on twitter in a school of fourteen hundred students. Additionally, we are able to target our market through appealing to them by putting up a banner in front of our build-out that will attract them to our business. We will be appealing to our customers further by using the nationally recognized brand, PT's Coffee, to purchase our product, as they are partnering with us.

In order to make our business successful, we will utilize a select group of students who are dedicated to working in the coffee shop and learning about business, as our employees. We will make significantly more profit, as we do not have overhead costs. We are asking for a forty-five thousand dollar loan, which will be paid back in six years. The main costs are the build-out and equipment costs. Based off of Washburn Rural High School's coffee shop's projections, we will make forty-six thousand dollars per year (before purchasing project). We have significant competitive advantages that will make our business successful, primarily that we are a healthy alternative, we have an extremely convenient location and also that we enhance Campus High School, which increases the large amount of support that we have.

### **Mission Statement**

Our mission is to enhance Campus High School and tie the students, school, and Haysville community together with the student-ran coffee shop, Stompin Grounds'. We want to offer high quality products at affordable prices that appeal to the student market that we are servicing.

# **Business Analysis**

## **A. Problem or Need**

We want to satisfy our customer base, create a coffee culture, meet nutritional guidelines, and create a brand, which is unique to Campus High School.

## **B. Business Goals**

<b>Goals</b>	<b>Objectives</b>
1. Pay back loan within 6 years.	We will accomplish this by selling our coffee before school, during lunch and during some school related events. We will also have trained workers to ensure that the coffee tastes good so people will come back for more. Our goal is to make \$200 in net sales a day.
2. Bring in more student and community involvement.	To bring in more student and community involvement we will be open during school events like dances resulting in more people coming to the dances or during conferences where adults are more inclined to buy.
3. Decrease the amount of tardies in first block.	Since Stompin' Grounds will be open before school, students will be less likely to stop at convenient stores before school causing them to be late to class.
4. Give back to the business department and the school.	Once we pay back our loan, we will not need to pay the students in labor, so the money that we earn will mainly go towards purchasing product and funding BPA and other miscellaneous Campus programs.

## **B. S.W.O.T. Analysis of Business**

<b>Strengths</b>	<b>Opportunities</b>
The strengths of Stompin' Grounds are we are student ran, healthy, have a welcoming environment, convenient, offer a variety of products, and we accept credit cards and cash. We are also cheaper than many of our competitors.	The opportunities of Stompin' Grounds are that we have the potential to bring more income to Campus High School and to offer scholarships. Additionally, we give students an opportunity for real life work experience working in the shop and in management positions.
<b>Weaknesses</b>	<b>Threats</b>
We can only serve one customer at a time and our portion sizes will be smaller for most of our drinks.	Threats to Stompin' Grounds would be the school snack line or other businesses that offer similar products for a lower price. Another threat includes local and national chains that are already recognized and popular

### C. Competitive Advantage

<b>Competitor's Name</b>	<b>Advantages</b>	<b>Disadvantages</b>
Lunch line/ Snack line	They are more regulated, consistent, well known, and less expensive.	Stompin' Grounds offers more customized beverages, student ran, appearance of the coffee shop, greater variety of beverages, fresher products, and accept credit cards and cash.
QuikTrip	They offer more variety of food and beverages, always open, faster, accept credit cards and cash, and less expensive.	Stompin' Grounds is closer, accept credit cards and cash, higher quality of products, product made for the consumer, student ran, and healthier products.
McDonald's	They are always open, less expensive, and accept credit cards and cash.	Stompin' Grounds is closer, accept credit cards and cash, higher quality of products, fresher and healthier products, and student ran. Our business is also more convenient.
Starbucks	They are an established brand and provide a wide variety of drinks that appeal to many people.	Stompin' Grounds is a healthy alternative and more convenient for high school students and teachers.

**What is the main competitive advantage of your business: cost, quality, location, selection, speed/delivery, or service?**

**Explain your reasoning in detail.**

Stompin' Grounds will be student run with a healthy variety of fresh quality products in a welcoming environment where we will accept credit cards and cash at the convenience of students and staff members.

## Market Analysis

### A. Target Market

**Age:** 14 and Up

**Sex:** Male and Female

**Location:** In school, in Haysville, KS

#### Primary Market Segment:

Our market segment is teenagers between the ages of 14 and 18. But also, the teachers in the school will be a big contribution to the success of our coffee shop. They will be most interested in our business because it is easily accessible to them.

### **Customer Buying Behaviors:**

We believe that the price, quality and service will be big contributors to the success of our coffee shop and insure that our target market will continue to buy our products. Our target market will be influenced by our accessibility, inexpensiveness, and our ability to give back to our school.

## **B. Trade Area/Industry Analysis**

### **Geography:**

Haysville, KS

### **Market Potential:**

1,500 students + estimate of 140 teachers

### **Trading Area Criteria**

The student body and faculty of Campus High School.

## **Business Strategy**

### **Business Type**

Retail, Service

The business type of Stompin' Grounds is a not for profit. However, we will be providing a service as well as selling products such as cups, coffee bags, and tea. The not-for-profit side of Stompin' Grounds will provide scholarships and club money for all clubs at Campus high school. Therefore, all money generated by Stompin' Grounds will go back to all school activities who request funds as well as students who apply for any need-based scholarships.

### **Legal Structure**

Not-For-Profit Organization

The advantages of having a not-for-profit organization are nonprofit organizations are allowed to solicit charitable donations from the public. Many foundations and government agencies limit their grants to public charities. A nonprofit organization exists as a legal entity in its own right and separately from its founder(s). Incorporation puts the nonprofit's mission and structure above the personal interests of individuals associated with it. Not only will the school district benefit from Stompin' Grounds, but Campus activities and students will also benefit from the profits. On the other side of the spectrum, the disadvantages of having a not-for-profit legal structure are a nonprofit organization is a legal entity under federal, state, and local laws, the use of an attorney, accountant, or other professional may well prove necessary, therefore bring about miscellaneous fees to those respected persons for their services.

## **Legal/Accounting Services Required**

Legal services needed would be filing status as a not-for-profit organization. Accounting services needed will be handled through the accounting II class offered here at Campus under the direction of Darral Garner. Liability insurance will be covered by Campus High School since it is a high school class and under the state curriculum guides.

**Not consulting with an accounting service.**

## **B. Licensing and Permits**

### **Before Deadline**

A.

<b>Permit and/or license</b>		<b>Yearly Cost</b>	
1. Business Professionals of America Tax Exempt		\$	
<b>Total</b>		\$	
<b>Organization/Contact Name</b>	<b>Permit/License Name</b>	<b>Phone Number or Website</b>	<b>Why do you need this particular license or permit?</b>
1. Business Professionals of America	1055 Code	(316)554-2236 ext. 1507	Tax Exempt

## **Organizational Analysis**

### **A. Business Mentors**

<b>Mentor Name</b>	<b>Occupation</b>	<b>Key input to your success</b>
Ozzie Mendoza	Account Ambassador	Ozzie has been influential in our communication with PT's Coffee Roasting. He has offered his service multiple times in our start up to ensure that we are successful.
P&T	Owners of roasting company	P&T are the two owners of the company we partnered with. On the visit to their headquarters, they were very friendly and helpful with the questions we had.

Brian McFall	Teacher and Head of Common Grounds at Washburn Rural	Bryan McFall has experience in a coffee shop and has given us a working coffee shop in a school environment to model ours by. As well as whenever we had questions, he was only an email away and was very helpful.
Dave Kahmann	Contractor	Dave is helping us with the build out of the coffee shop and gave us a design of how the shop should be structured in terms of cabinets and counter tops.

## **B. Owner Responsibilities**

### **Owner's Title:**

Teacher/Advisor

### **Roles & Responsibilities**

Mr. Kliewer is overseeing the class and ensuring that we do everything correctly. If we, as a class, have any questions or concerns, we consult Kliewer and he aides us in being successful as a business.

## **Employee Projections**

### **Projected Number of Employees**

16

### **Employee Positions**

- Title:** Manager  
**Duties:** To oversee the workers and make sure they are performing efficiently.  
**Qualifications:** Leadership skills and experience in the coffee shop establishment  
**Pay rate:** 0
- Title:** Worker  
**Duties:** To create coffee and work under the manager efficiently as well as work well with other workers.  
**Qualifications:** Good communication skills and an enthusiastic work ethic.  
**Pay rate:** 0

<b>Position</b>	<b>Hourly Rate</b>	<b>Hours / Month</b>	<b>Total</b>
Manager	0	15	\$ 0
Worker	0	15	\$ 0
<b>Total</b>	0	30.00	\$ 0

## **Market Strategy**

### **Marketing Mix – Applying the 4 "P's"**

- **Branding**

#### **Vision**

Our vision is for people to describe our company as a professional yet, fun environment for students to interact with the student body. As well as producing a fabulous cup of coffee or other beverages.

We plan to measure our customer's positive experiences through social media feedback.

- **Product**

We will be selling cappuccinos, tea, coffee, smoothies; Frappuccino's, Propel slushies, latte, and we are exploring many more options. See Appendix 1.

Our multiple product lines all tie into each other because they are for the benefit of the coffee shop.

- **Price**

Our business is demand based because coffee is an item that a lot of people want and also get on a daily basis.

Washburn Rural average price = \$3.86 Starbucks average price = \$4.50  
QuickTrip average price = \$4.25

Ozzie Mendoza - PT's Account Ambassador Washburn Rural High School  
Starbucks.com QuickTrip.com

- **Promotion**

Social media plays a major role how we advertise to our demographic. On twitter, we have had a rise in followers due to our ice cream promotion. We have also gone to the two middle schools in our district (HWMS and HMS) and promoted the coffee shop to the 8th graders. We have a Facebook and Instagram account for the more mature audience outside of Campus High School. In the future we plan on doing free giveaways and other promotions

using our social media. We have been published on the front page of the Haysville Sun-Times and the Colt Special.

o **Place**

Our sales of our products will take place in Campus High School, inside the cafeteria.

This location affects our competitive advantage because we are next to the lunch line and snack line. Also, our prices will compete with other places that sell coffee, such as, QuikTrip, McDonald's, Starbucks, and Dunkin Donuts.

**Does this company require a physical location?** Yes

**Cost per square foot:** Free

**B. Marketing Campaign**

**Anticipated Annual Marketing Budget**

96

**Types of Promotions**

Stompin' Grounds will use banners, social media, and the newspaper for promotions. For us, social media and any articles in the newspaper are free. However to get more followers on social media we are spending \$266.02 on ice cream. We will have a Website through Square that will cost us \$8.00 per month.

<b>Marketing Budget:</b>		
<b>Frequency</b>	<b>Promotion Type and Planned Uses</b>	<b>Cost</b>
4	Newspaper Ad	\$ 0
12	Square	\$ 8.00
<b>Total</b>		<b>\$ 8.00</b>

# Financial Development

## A. Start-up Assumptions

### Start-Up Costs

<b>Category</b>	<b>Description</b>	<b>Cost</b>
Starting inventory	T-Shirts, Mugs, merchandise-covered by business department	\$ 0
Equipment	Total Before Discount: \$23908.75 Total After Discount: \$21908.75 Business Department: \$3683.49 Loan: \$18225.26	\$ 18,225.26
Computers	Provided by the school	\$ 0
Furniture	N/A	\$ 0
Lease Hold Improvements (Build Out)	Structural Engineer for Block Wall - \$750.00 Removing Block Wall and Block Repair - \$3,500 Framing Labor - \$2,000 Framing Material - \$1,250 Plumbing Material and Labor - \$3,500 Electrical Material and Labor - \$3,500 Trim Material - \$2,000 Painting - \$2,000 Cleaning and Trash - \$1,250	\$ 15,500.00
Fixtures/Shelving	Cabinets - \$3,000 Formica Counter tops - \$2,200	\$ 5,200.00
Cash reserve	3 times fixed cost	\$
Supplies	Include cups, lids, tea blends, coffee blends, espresso, jackets, syrups and assorted flavors	\$ 887.26
Insurance (Pre-paid)	School Insurance	\$ 0
Utility deposit	Provided by school	\$ 0
Rent deposit	Provided by school	\$ 0
Marketing/Grand Opening	Ice Cream and bowls (from business department)- \$266.02 Banner (from business department) - \$1200.00	\$ 0
Permits & Licenses	Food handlers (Mrs. Tamson and FACS Department) BPA License (Mr. Willig)	\$ 0
Accounting/Legal (Set-up)	Accounting 2 class	\$ 0
Other		\$
<b>Total</b>		<b>\$ 39,812.52</b>

## **B. Funding Assumptions**

**Total Capital Required for Start Up:** \$

Our start-up cost will be financed through the Board the Education. The rest will be funded by the Campus High School Business Department.

	<b>Financing Source</b>		<b>Amount</b>	<b>Type</b>
<b>1</b>	Board of Education	\$ 45,000.00	Debt	
<b>2</b>	Business Department	\$ 3,683.49	Debt	

We will not receive any equity financing.

The interest rate will be 0% and our term for our loan is 6 years.

## **Financial Analysis**

### **Economics of One Unit of Sale**

#### **One Unit of Sale**

An average unit of sale for Stompin' Grounds, since we will be selling multiple products would be about \$2.00 to \$4.50.

### **RETAIL/WHOLESALE COMPANY**

**Selling Price Per Unit** \$ 3.00

**Cost of Goods Sold Per Unit** \$ 0.20

**Gross Profit Per Unit** \$ 2.80

### **Identification of Monthly Fixed and Variable Costs**

#### **Fixed Costs**

<b>Category</b>	<b>Description</b>	<b>Cost</b>
Utilities	Covered by Campus High School	\$ 0
Salaries	N/A	\$ 0
Advertising	Social Media Scroll (Rise Vision), Square, Discounts, and Misc. Adv.	\$ 150.00
Insurance	N/A	\$
Interest (on loan)	\$45,000 over 6 year	\$ 625.00
Rent	N/A	\$
Depreciation		\$
Unforeseen costs (repairs)	Misc. Repairs	\$ 50.00
Other	Website and Website Repair	\$ 15.00
<b>Total Monthly Fixed Costs:</b>		<b>\$ 840.00</b>

## Variable Costs

Category	Description	Cost
Packaging	N/A	\$ 0
Shipping/Postage	Java Jacket Shipping: \$25.00 PT's Shipping: \$75.00	\$ 100.00
Credit Card Service Charges	Credit/Debit Card Fee: 2.75% Swiped Credit Debit Card Fee: 3.15% + \$0.15 Keyed in Transaction Variable rate based on daily sales estimating \$50.00 in Credit/Debit sales.	\$ 3.11
Other	Square Gift Cards: \$1.50 x 250 Cards	\$ 375.00
<b>Total Monthly Variable Costs:</b>		<b>\$ 478.11</b>

## Financial Feasibility

<i>Payback</i>	<i>Total Start-up Costs</i>	<i>Net profit per month</i>	
1.13 years	\$ 39,812.52	\$ 2,947.80	X 12

<i>ROS%</i>	<i>Net profit per year</i>	<i>Total Sales per year (revenue)</i>	
56.02%	\$ 35,373.63	\$ 63,150.00	X 100

<i>ROI%</i>	<i>Net profit per year</i>	<i>Start-up costs</i>	
88.85%	\$ 35,373.63	\$ 39,812.52	X 100

<i>Breakeven Units</i>	<i>Monthly Fixed Costs</i>	<i>Gross Profit per Unit</i>
300.00	\$ 840.00	\$ 2.80

# **Transition Strategy**

When Stompin' Grounds become successful our involvement will lessen as this is a student ran business. The decrease in involvement from non-student managers will allow the students to grow in their business knowledge and skills. The non-student managers will still be supervising, but will allow the students to use and adopt leadership skills.

If Stompin' Grounds does not meet our expectations of success, then we will adjust according to the problem. Generally, our adult supervisors will become more involved and our student managers will work towards a solution. These solutions could possibly assume, decreasing prices, simplifying the menu, or cutting down on unnecessary ingredients or equipment.

If it is necessary to transition out of our business then in order to regain a portion of our profit we will liquidate all of our current assets.

# Appendices

Logo(s)



## Projected Net Income Statement

MONTH	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
UNITS SOLD	2250	1500	2000	2500	1500	0	0	1500	2250	2750	2300	2500	21,050
UNIT SELLING PRICE	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	
<b>TOTAL SALES (REVENUE)</b>	\$6,750.00	\$4,500.00	\$6,000.00	\$7,500.00	\$4,500.00	\$0.00	\$0.00	\$4,500.00	\$6,750.00	\$8,250.00	\$6,900.00	\$7,500.00	\$63,150.00
Cost Of Goods Sold PER UNIT	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$2.40
<b>TOTAL Cost Of Goods Sold</b>	\$450.00	\$300.00	\$400.00	\$500.00	\$300.00	\$0.00	\$0.00	\$300.00	\$450.00	\$550.00	\$460.00	\$500.00	\$4,210.00
<b>GROSS PROFIT</b>	\$6,300.00	\$4,200.00	\$5,600.00	\$7,000.00	\$4,200.00	\$0.00	\$0.00	\$4,200.00	\$6,300.00	\$7,700.00	\$6,440.00	\$7,000.00	\$58,940.00
<b>Other Variable Costs</b>													
Credit card service charge	\$20.63	\$13.75	\$18.33	\$22.92	\$13.75	\$0.00	\$0.00	\$13.75	\$20.63	\$25.21	\$21.08	\$22.92	\$192.96
Shipping/Postage	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,000.00
Packaging	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$0.00	\$0.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$3,750.00
<b>Total Variable Costs</b>	\$495.63	\$488.75	\$493.33	\$497.92	\$488.75	\$0.00	\$0.00	\$488.75	\$495.63	\$500.21	\$496.08	\$497.92	\$4,942.96
<b>Fixed Costs</b>													
Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Salaries/wages + Taxes: Employees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Advertising/Marketing	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$0.00	\$0.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,500.00
Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$7,500.00
Rent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional services (Legal, Acct)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unforeseen Costs (Repairs)	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Other	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00
<b>Total Fixed Costs</b>	\$840.00	\$840.00	\$840.00	\$840.00	\$840.00	\$690.00	\$690.00	\$840.00	\$840.00	\$840.00	\$840.00	\$840.00	\$9,780.00
<b>TOTAL OPERATING COSTS</b>	\$1,335.63	\$1,328.75	\$1,333.33	\$1,337.92	\$1,328.75	\$690.00	\$690.00	\$1,328.75	\$1,335.63	\$1,340.21	\$1,336.08	\$1,337.92	\$14,722.96
<b>PROFIT (LOSS) BEFORE TAXES</b>	\$4,964.38	\$2,871.25	\$4,266.67	\$5,662.08	\$2,871.25	-\$690.00	-\$690.00	\$2,871.25	\$4,964.38	\$6,359.79	\$5,103.92	\$5,662.08	\$44,217.04
<b>INCOME TAX EXPENSE (20%)</b>	\$992.88	\$574.25	\$853.33	\$1,132.42	\$574.25	-\$138.00	-\$138.00	\$574.25	\$992.88	\$1,271.96	\$1,020.78	\$1,132.42	\$8,843.41
<b>NET PROFIT (LOSS)</b>	\$3,971.50	\$2,297.00	\$3,413.33	\$4,529.67	\$2,297.00	-\$552.00	-\$552.00	\$2,297.00	\$3,971.50	\$5,087.83	\$4,083.13	\$4,529.67	\$35,373.63

## **Menu**

### *Stompin Grounds Menu*

#### Coffee

Our Custom Blend Brewed Coffee  
Flying Monkey Blend Brewed Coffee  
Cappuccino  
Latte  
Americano  
Iced Coffee  
Mocha  
Frappuccino

#### Teas

Green Tea  
Herbal Tea  
Black Tea

#### Smoothies

Strawberry Smoothie  
Strawberry Banana Smoothie  
Blueberry Smoothie  
Peach Smoothie

#### Propel Slushes/ Drinks

Grape  
Berry  
Raspberry Lemonade  
Kiwi Strawberry

Hot Chocolate

#### À La Carte Flavors

Chocolate  
White Chocolate  
Caramel  
Hazelnut  
Vanilla  
(Seasonal Flavors)