



Wellsville High School

Wellsville, Kansas

Business Plan

2018-2019

Jeff Ebeck, Paige McCarty & Sean Roberts

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Brewing Opportunities



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EXECUTIVE SUMMARY

Have you ever left a coffee shop feeling you have genuinely witnessed a difference being made? A morning brew is commonly associated with the start of a new day. Now, imagine if that cup not only kick started your day, but another's dream. While we may not all be coffee consumers, I am sure we all can agree that such a difference would be wonderful. **Brewing Opportunities** is the café that brings that dream to life.

As owners, we have family and friends with special needs and have worked with individuals with unique abilities, but today's statistics show that 70% of the disabled population is unemployed. However, like most individuals, they want to be employed to feel self-gratification and self-worth, as well as to supplement their incomes. They want to make a difference and demonstrate their abilities in careers that are satisfying to them. Based off of these statistics, we have developed a business plan to assist in bringing independence and self-worth to individuals with disabilities and special needs, all while providing an ever-growing service and product to our customers; hence the name, **Brewing Opportunities**.

Our business will provide an enjoyable and convenient venue for the community of Lawrence and the University of Kansas students, faculty and staff to keep up with their daily routines through a bistro/delicatessen that employs primarily disabled individuals. We will also offer weekly creative craft workshops that will allow those with developmental disabilities to create items that can be displayed and sold within **Brewing Opportunities'** brick and mortar location and through our e-commerce site.

We, Jeff Ebeck, Paige McCarty, and Sean Roberts, have all had the amazing opportunity to engage with individuals with special needs throughout our lives. All graduating from Wellsville High School, we have each received the privilege of collaborating with its Living Skills Class, which focuses on training handicapped individuals on how to transition into daily activities. Through assisting with class projects, such as strengthening vocabulary skills, creating fun crafts, or simply playing interactive games, we have witnessed the amazing opportunity that mentoring others can provide.

The corporate coffee industry has grown over the past 40 years, with 2.25 billion cups of coffee being consumed every day. However, coffee consumption has slightly decreased since 2017, though sales have increased in the area of specialty coffees. Over the past 20 years, LLC partnerships have comprised a growing segment of the coffee market industry. With the availability of a new coffee shop in Lawrence, Kansas, **Brewing Opportunities** is setting to become a piece of that market, except to make us stand out, we are adding a new component. Our coffee shop will hire 70% mentally and physically handicapped individuals and their career coaches. Our mission is to make a profit through the uniqueness of our offerings, while providing career opportunities to an underemployed segment of our population.

We are utilizing our knowledge and experience to establish the success of **Brewing Opportunities**. With a Fine Arts degree from the University of Kansas, Paige enjoys engaging with the disabled at Cottonwood, Inc. as the facilities' on-site nurse. She is currently completing her masters in art therapy, with plans to one day work in third-world countries helping village members become entrepreneurs and develop new skills. With degrees in Law and Entrepreneurship from Washburn University, Sean currently serves as an attorney in business law for Newbery, Ungerer and Hickert LLP. He also takes pro bono cases for parents who are seeking guardianship of their handicapped children. Jeff, on the other hand, has been an entrepreneur with his father for many years. With degrees in Finance and Business Management from Kansas State University, he has worked for Financial Life Matters for the past year.

As we continued our friendship throughout college and beyond, we continually discussed operating a business venture together. As individuals with a passion for helping those mentally and physically disabled, we decided



to combine that passion with our desire to open a business. We wanted to create a business that made a difference to both our employees and our customers.

After graduation, we knew we had the skills, resources and experiences to begin a business venture. In October of 2017 we started brainstorming the possibilities and came to the consensus that a bistro/deli and coffee shop that was almost fully staffed by individuals with special needs was the perfect option to satisfy all of our passions. We soon realized that with planning, preparation, research and a small loan, we could make **Brewing Opportunities** a reality. **Brewing Opportunities**—“Where every ‘BEAN’ makes a difference!”

COMPANY PROFILE

After we thoroughly evaluated our options, we knew the ideas and the ingenuity behind **Brewing Opportunities** could definitely be possible. Upon completing a plan of action, we knew there were a number of important items to consider if we were to actually put our business plan into place.

Legal Form of Business

With this entire business concept being the idea of the three business partners, it was easy to decide that we would need to form an LLC partnership. Although a sole proprietorship is the easiest type of business to create and dissolve, we knew that together we had the expertise to make each of our input equally important. In addition, each of us would bring particular skills and assets to the business as well.

The official business name will be **Brewing Opportunities**, which will be a partnership set up as a Limited Liability Company to be established by Jeff Ebeck, Paige McCarty and Sean Roberts. This form of business was chosen because it is the best structure based on the needs of our company and because it combines features of a partnership and a corporation, while being fairly easy to establish. We also chose this form of business because if anything happened to our business, there would be no possibility of losing our personal possessions. The only losses the owners risk will be in their individual investment in the business.

To establish an LLC in Lawrence, Kansas, we will nominate resident agent, Barbara Emerson, L.C. to serve as legal counsel to assist in the compliance of guidelines set forth through the Kansas Secretary of State. **Brewing Opportunities** will observe all federal, state (Kansas) and local tax laws and regulations. Benefits of an LLC include:

- *Limited Liability*
- *Protected Assets*
- *Flexible Tax Options*
- *Less Paperwork*

To maintain cohesiveness, an LLC operating agreement will be created to direct and/or define the following **(SEE SOURCE DOCUMENTS 1-3)**:

- *Owners’ contributions*
- *Company operating terms*
- *Owners’ profit sharing*
- *Owners’ management policies and procedures*
- *Owners’ day-to-day duties*
- *Owner withdrawal or dissolution*
- *Decision making procedures*

Effective Date of Business

Planning for this business began in August of 2017, but actually developing our knowledge and implementing this type of operation began in January of 2018. Our inspiration came through working with Wellsville’s Living Skills Class in high school and various other special needs programs. With the planning stages beginning in October of 2017, we set our goal to have our business fully operational by November 1, 2018. This would allow us to open our doors as the cold months approached, and we could sell gift cards for the holiday season. We also knew this would be the most convenient time for our schedules, as we would have the summer

Brewing Opportunities



months dedicated to making any necessary adjustments, preparing final adjustments to the renovation of our facility, developing our e-commerce site and preparing for our grand opening.

We realized we had a great deal of research and paperwork to complete before actually opening our doors on November 1, 2018. We utilized our time and the experienced input of our business instructor, Dawn Rottinghaus, while constructing the details of our business. With Mrs. Rottinghaus' help, we developed a business plan, a marketing strategy, and honed our presentation skills. We also utilized the knowledge of the Mid-America Bank Vice President, Casey Lytle, to obtain our loan and to look over business plan proposal figures. Rick Staab, CEO of special needs employment company Clayworks, provided detailed advice on how to run a business focused on employing special needs individuals. Finally, we received insight as to the possible problems that may occur as an entrepreneur from both Joe Ebeck and Jessica Roberts; parents of Jeff and Sean, who both are entrepreneurs themselves.

Following is a table of the strategies we implemented or plan to implement the first year and one month.

MONTH	IMMEDIATE PLANNING STRATEGIES IMPLEMENTED
<i>October 2018</i>	Brainstorm ideas, meet with competitors in Lawrence and surrounding small towns and search for backup business locations that will meet our needs. Begin research of the equipment needed and its affordability. Decide upon a business name, slogan, mission statement and target market. Also establish intermediate and long-range goals. Implement by utilizing the internet to find all competitors, information on our targeted business industry, target market, equipment needs, back up locations and scheduling personal interviews with competitors.
<i>November 2018</i>	Talk to families, potential customers and adult work enrichment programs about our business ideas and possible tax incentives for hiring individuals with disabilities. Discuss discounted or donated lease and possible renovation options with Robert Ogden, CEO of Ogden Newspapers Inc., for partial use of The World Company building at 645 New Hampshire Street, Lawrence, Kansas. Implement through personal interviews. Establish an advisory committee to assist in decisions, legalities and improvements to be made.
<i>December 2018</i>	Sign lease contract with Robert Ogden. Design renovations to the business area. Find a contractor that will donate labor for renovations. Contact home improvement businesses or lumber yards to see if they will sell materials at cost or donate items. Implement by drawing up the contract lease with an attorney, personally visit local contractors, and calling and writing corporations.
<i>January 2019</i>	Begin writing a business plan as a guideline to follow successful business direction and to assist in obtaining a loan. Implement with the expertise of Dawn Rottinghaus and local Mid-America Bank Vice President Casey Lytle.
<i>February 2019</i>	Research in more detail potential customer market and employee market. Implement by researching University of Kansas statistics, Lawrence demographics and programs designed to work with those who are disabled.
<i>March 2019</i>	We will research equipment, utilize price comparisons and contact suppliers for possible discounts. Conduct surveys with individuals with disabilities and/or their guardians through adult enrichment service programs to solicit potential employees. Implement via surveys, personal contacts and internet research.



April 2019	Contact facilities that work with handicapped individuals within a 50 mile radius to see their interest in providing craft/art items to sell within our facility and through our e-commerce site. Implement by visiting facilities and speaking to their directors.
May 2019	Complete business plan and secure the loan for our business. Secure renovation contractors. Implement by applying for a loan through Mid-America Bank in Lawrence and signing an agreement with our contractor.
June 2019	Purchase or obtain donated materials, supplies, and equipment to begin renovations. Establish and create the menu, menu boards, pricing and set the grand opening date. Implement by looking at the pricing of similar establishments.
July 2019	Develop and sign contracts with each facility that is providing crafts/art to sell. Advertise through work enrichments facilities, the newspaper and electronic job boards with employee descriptions and openings to prepare for interviews. Implement by having bank and lawyer create contracts and job descriptions to be dispersed.
August 2019	Begin the hiring process for employees and their career coaches (if needed). Establish the necessary accounting system to use for the business.
September 2019	Obtain first shipments from craft/art providers from all facilities to photograph for e-commerce site and set for display in the business. Have all necessary legal and financial documentation completed.
October 2019	Finalize the last details needed for full operation of the business and organize office space. Train employees, order consumables and food items, advertise for Grand Opening (including a door-to-door walking campaign to homes, adult care service providers and the University of Kansas campus) and have all equipment operational.
November 2019	Open our business to the public and continue advertising in local newspapers, via the internet, direct mailings, local businesses and adult work enrichment facilities.

Company Mission Statement/Vision

Brewing Opportunities' philosophy for its employees is to provide adults with intellectual and physical disabilities the opportunity to work in an atmosphere that promotes enjoyment and value, while creating a path of acceptance and inclusion within the community. It will also encourage independence for adults with disabilities to create personal artistry that can be sold to supplement personal income.

As for its customers, **Brewing Opportunities'** philosophy is to create a comfortable and enjoyable climate for relaxation and study. It will also provide a tasty array of affordable food and beverage choices for breakfast and lunch that will be developed around special daily and weekly offerings. It will also provide unique decorative and gift ideas for its customers that can be purchased at an on-site gallery or via e-commerce.

With our business fulfilling two important roles—one for the employees and one for the customers, we finally finalized a mission statement that would fit our goals and objectives.

“Whether enjoying our relaxing atmosphere or the personalities of our employees as they serve each customer with a smile, **Brewing Opportunities** strives to provide the best service and products to our customers, while creating career opportunities that promote community inclusion and appreciation for all differences.”



Company Slogan and Logo

Brewing Opportunities—“Where every ‘BEAN’ makes a difference!” is the slogan. The logo for **Brewing Opportunities** displays a handheld cup of freshly brewed coffee that emanates steam in the form of a heart to represent warmth and love for every “being” (bean).

Company Governance

Brewing Opportunities is governed by the ethics, values and compassion of its owners, Jeff Ebeck, Paige McCarty and Sean Roberts. Their personal experiences, whether it be with family or friends, affects the daily operations and future directions of their employees and customers. Holding three distinct leadership roles within the company allows for a more concrete overview on all decisions being made by the owners. Jeff Ebeck will serve as the Finance and Business Managers, Paige McCarty will be the Marketing & Communications Manager and Sean Roberts will hold the position of Operations Manager. The governance of the business includes policies that all owners deem necessary for the maintaining of the business and its prosperity. Creating a comfortable experience and environment in a professional, yet also passionate manner is the purpose behind **Brewing Opportunities’** governance.

Company Location

The *Lawrence Journal World* newspaper building is owned by Ogden Newspapers Inc. The Ogden family is a philanthropic family based out of Wheeling, West Virginia that owns small market newspapers, and publishes telephone directories and shopper guides all across the United States. Ogden Newspaper Inc. has been known to make charitable contributions to universities, small business entrepreneurial projects and organizations pertaining to the betterment of individuals with developmental delays.



With The World Company building being a three story 31,222 square foot facility, we realized that with the drastic downsizing of *The Lawrence Journal World* newspaper staff to 20 this past year, they had a vast amount of room and two floors they were no longer utilizing. With this in mind, we set out to discuss leasing the portion of unused space at The World Company building at an affordable cost or at no cost with Robert Ogden, CEO of Ogden Newspapers Inc. We proposed an enrichment program for adults with disabilities, which would suffice as a tax write off for Ogden Newspapers, Inc.

Robert Ogden donated the use of The World Company’s building (main level) for five years, with a renewable contract option at the end of the fifth year. The option to renew will be based upon five criteria (**SEE SOURCE DOCUMENT 4**). **Brewing Opportunities** will pay one half of all utilities (includes utilities *The Lawrence Journal World* staff uses), no renovations will be made to the exterior of the building and all interior renovations had to be cleared through Robert Ogden. **Brewing Opportunities** also has to provide documentation as to their plan of hiring individuals with disabilities and providing opportunities for supplemental income for individuals with disabilities through the e-commerce site. A final draft of the business plan had to be viewed as well.

Brewing Opportunities is located at 645 New Hampshire Street, Lawrence Kansas 66044. The owners obtained a leasing contract with Robert Ogden (Ogden Newspapers Inc.) for 15,000 square feet (first floor) of The World Company building located directly off Massachusetts Street. Across the street and in front of the building ample parking is available, with handicap accommodations already having been made to the building to comply with ADA standards. Renovations within the building that have been approved by Robert Ogden



include a kitchen, dining area, and craft display room that will be constructed by **Jason Tanking Construction (JTC)** out of Lawrence, who will be donating all the labor expenses.

Immediate Development Goals

The importance and timeliness of establishing immediate development goals is crucial to begin the operations of any business. We also realized the importance of establishing intermediate, because they provide a direction in which a business owner or owners would like to see their venture progress, and they help accomplish the business' objectives by setting deadlines. We devised the following fifteen intermediate goals for our first year of existence.

1. Create a timeline as to what and when activities need to be accomplished to serve as a guide for a successful business implementation.
2. Create a business name that will depict our services, while providing brand recognition.
3. Develop a mission statement, logo, slogan and intermediate goals for the business.
4. Decide what each partner would contribute to the business.
5. Calculate the potential target market by collecting data and decide upon the actual target market.
6. Obtain building space for our business that is professional, displays creative appearance, accessible, affordable for our business concept and has easy access.
7. Develop projected financial statements that will depict all funding needed to operate the business.
8. Secure a loan for business operations.
9. Determine what products and services will be sold to generate revenue.
10. Develop an advertising campaign that will notify and entice customers to patronize our business using social media, print and televised media, a website and oral presentations.
11. Hire and train a customer-friendly staff—70% with disabilities (doesn't includes career coaches).
12. Secure volunteer art instructors to teach craft workshops one night a week to individuals who are physically or mentally challenged, so that their crafts may be sold on the e-commerce site.
13. Develop an on-line ordering e-commerce site for the crafts created by workshop attendees from our business and by clients in adult day services.
14. Secure four adult day services providers from surrounding communities to contribute crafts/art to the e-commerce website.
15. Gain a 5% net profit at the end of one year.



Overview of Company's Financial Status

By establishing our business in Douglas County, we open **Brewing Opportunities** to a larger target market, which will add to financial goals being met. Also, with the contract we agreed upon with Robert Ogden, we were able to focus our finance acquisitions more toward the purchase of equipment and renovations that need to be completed.

The financial documents for **Brewing Opportunities** provides a more detailed explanation of what equipment and financial items will be brought into the business by each partner. It also provides the necessary monetary amount that will need to be acquired through a business loan to start-up and operate.



INDUSTRY ANALYSIS

Description of Industry

As with any business, owners must take a detailed look into the industry's changes over the years. We chose to focus our industry analysis on the coffeehouse portion of our business. Because employing a majority of mentally and physically challenged individuals is a relatively new concept, we knew there would not be much information readily available about this portion of our endeavor. However, with this business concept, we knew we must not only structure our business to thrive within the bakery/deli and coffee shop market, but it must also accommodate our special needs employees. With the help of our advisory committee, we realized the first step would be to find those with special needs who are seeking career opportunities. With the unemployment rate of persons with disabilities being 70%, as compared to the 4.2% of those without disabilities, this is obviously a population in need for employment.

Size

Due to Americans' obsession with coffee, it is fair to say that the coffee shop industry has a relatively large presence within the U.S. As a matter of fact, the U.S. is the leading consumer of coffee globally. A 2017 survey found that approximately 62% of Americans claim to drink coffee on a regular basis, with average consumption per day being 2 to 3 cups. And as for the job market it employs, JobMonkey.com reports that over 1.6 million jobs in the U.S. were related to the coffee industry in 2015 and employment numbers will continue to rise.

Growth Rates

There of course are many coffee shop locations within the U.S that provide for our country's coffee demands. As of 2015, there were 31,490 different coffee shop locations across the U.S., which has represented a growth of over 20,000 over the last 20 years. When considering our business's role as a coffee/deli shop and as a special needs employer, we see opportunity for success within both industries. With coffee sales by just U.S. retailers increasing from \$1.65 billion in 2013 to \$2.66 billion in 2017, there is obviously a high demand for coffee within the U.S. that has led to a continuous growth in business. Plus, with the federal government's support of special needs employers, business that fall into this category have recently seen success.

Nature of Competition

When considering the nature of our competition, we found it best to study the market within our chosen location of Lawrence, Kansas. Lawrence is a university town that hosts a wide range of demographics, though the most predominate age range is 18 to 34. This most likely contributes to Lawrence's booming coffee industry, as this age range also contains some of the most avid drinkers of specialty coffees. Despite national trends, Lawrence also seems to have a large number of privately-owned coffee shops (15) as compared to corporate locations (19). Because of this, our competition will be almost evenly composed of privately owned and corporations.



Successful coffee shop owners have moved past just selling coffee to creating environments that encourage longer visits such as surfing the internet, working from laptops, or communicating with friends, family, and colleagues. Wireless technology is changing the way people live. Hotspots can be found in almost all coffee shops. Some offer free access while others require paid subscriptions. Offering free wireless Internet in a coffee shop is one sure way to boost the chances of success. People are now given the option to make a connection over a cup of coffee and over the internet.

Brewing Opportunities



Although the largest coffeehouse chain in the world is Starbucks, many “Mom and Pop” locations have entered into the industry in varying sizes of cities and communities. With small businesses not only focusing on specialty coffees; they are following the lead of the big chains and also offering bakery items and delicatessen foods. However, small businesses pride themselves on their personal customer service, as well as food varieties to make them stand out above the corporate chains.

History

It is widely argued that coffee cultivation began in Ethiopia OR Yemen around the 9th century. It was not until the 17th-century; however, the knowledge of coffee spread to Europe, which some believed to be a bitter invention of Satan’s. With the approval of Pope Clement the VIII, many began enjoying its aroma, taste and the energized feeling they received from drinking this dark liquid. In the 1600’s, coffee was brought to New York. Just as in Europe, coffeehouses began to appear where individuals and groups could socialize and communicate.

After the infamous 1773 Boston Tea Party, Americans felt it their patriotic duty to switch from tea to coffee. From that time on, American’s haven’t looked back, as millions of consumers cannot fathom starting their day without it. As a matter of fact, businesses have built their empires perfecting this important American staple.

Although some may be concerned over the negative effects of coffee, it has also been noted that consuming coffee can reduce the risk of mental illnesses such as Alzheimer’s, Parkinson’s, and Clinical Depression for people young and old alike. Not only has coffee been shown to improve mental health, but it also has many physical benefits such as: boosts in antioxidant levels, reduced risk of Type 2 Diabetes, and protection against liver and heart complications. As you can see, coffee is not just an enjoyed beverage, but a product that studies have proven provides many health benefits.

It is recommended that individuals avoid drinking coffee until age 12, and it has been observed that most people start consistently consuming coffee at the age of 15. Coffee Consumer’s usually drink coffee in the early hours; 80% of their daily intake occurring at breakfast. The type of coffee being consumed varies between individuals, with the leading variations consisting mostly of black coffee, cappuccinos, mochas, and espressos. With so many variations available, it is important for coffee shops to provide a wide variety of options to conform to the demand of customers.

Trends and Strategic Opportunities Within Industry

When deciding to start a coffee shop, one question came up repeatedly; “Should we serve less expensive, lower-quality coffee, or more expensive, higher-quality brews?” To consider this, we researched the quality of coffee popular and local retailers offered, and how customer choice could dramatically affect a coffee shop.

When researching, we found less expensive coffee-based beverages were often sold at large corporate restaurants, alongside large food menus. These locations were mostly classified as our indirect competitors, as coffee is just a small portion of the diverse menu offered. Below are the primary advantages and disadvantages we found when considering selling lower-quality coffee versus higher-quality brews.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Cheaper production costs• Less complex brewing process• Demographics expands due to lower price• Faster customer service	<ul style="list-style-type: none">• Less unique branding• Smaller menu• Lower customer interest



When researching businesses with complex coffee focused menus, we found they represent businesses classified as our direct competitors. These shops possess coffee focused menus that also offer a small quantity of baked goods, herbal teas, and smoothies. Primary pros and cons of offering higher-quality coffee at a more expensive price-point are as follows:

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Unique branding• Diverse menu• More revenue per sale• More customer interest	<ul style="list-style-type: none">• More expensive production cost• Complex brewing process• Available to less demographics due to price.• Slower customer service

After researching and reviewing our options, we concluded that offering a select number of specialty drinks would be in our best interest. Specialty drinks over basic coffee are normally preferred by most that are in our target market, with approximately 59% of this market saying they only order specialty drinks. Lawrence’s largest age demographic also represents the biggest percentage of those who prefer specialty coffee. It is for this reason we concluded that including specialty drinks in our menu would create more potential with our financial success.

Another popular trend within the coffee shop industry includes providing a warm and relaxing environment that increases customer comfort. This trend is particularly popular in university towns such as Lawrence, as it provides students with a location to meet, interact, and study. Studies have also shown that small casual business meetings are held in many coffeehouses. Because of the large number of young professionals and the university students in the Lawrence area, we chose to design our coffee shop to be as inviting as possible, in hopes of taking advantage of this trend.

TARGET MARKET

Target Market Defined

With over 31,000 independent coffee shops in the United States, many coffee shops strive to find the niche that makes them stand out. **Brewing Opportunities** has done this by merging a coffee shop business plan with a community enrichment program that provides career opportunities for those with intellectual and physical disabilities. Not only are customers able to purchase excellent food and coffee at an affordable price, but they are also helping to promote independence for a group of individuals that face 70% unemployment. With this concept, **Brewing Opportunities** will focus on five target markets.

1. The busy college student (millennial), non-traditional student, faculty or staff member from the University of Kansas who needs a quick caffeine fix or would like to relax while studying, working on a group project, grading papers, etc. Age ranges are from 18-50, both men and women.
2. Educated, urban and affluent (income \$35,000+) white-collar professionals that may be on the go or need a place to meet others. Age ranges are from 24-45, both men and women.
3. Persons who are compassionate or have a desire to make a difference in the lives of mentally or physically handicapped individuals. Although both men and women ranging from the age of 18-60 will be targeted, more emphasis will be placed on women.
4. Visiting family and friends who support their college student(s) or university programs and tourists who like to enjoy Lawrence. Age ranges are from 12-65, both men and women.
5. Finally, we will develop our market niche for the eclectic individual by handcrafting products that will serve as personal and unique decorations, art or gifts. Age ranges are from 18-45 and typically women, since 75% of woman are crafters and the “go to” gift purchasers.



Size

Lawrence is currently the sixth most populated city in Kansas, with almost 100,000 people. With the city's population, business and industry continuing to expand, our two main target bases will continue to grow. The coffee industry is a \$30-\$32 billion a year industry that is increasing at an average rate 20% per year, and specialty coffee comprising 10% of the market. With over 150 million Americans choosing to drink specialty coffees, the demand is there for independent coffee shops as they generate \$12 billion in annual sales. Starbucks Corporation and Dunkin' Brands Inc. dominate over 50% of the industry; however, "Mom & Pop" coffee shops are increasing and generating competition.

Brewing Opportunities looks to take the best business practices from the larger coffeehouse chains, but yet incorporate a family friendly atmosphere that caters to our target markets, yet leaves customers with not only a bistro that provides excellent food and service, but also leaves the customer with a "feel good" attitude. We will develop a marketing plan that will focus on catering our efforts to Lawrence, KU and surrounding communities.

Growth Potential

Brewing Opportunities' growth potential will come from the expected growth of Lawrence and the enrollment projections of the University of Kansas. Although the Board of Regents reports that the University of Kansas' full-time student numbers are dropping, KU reports growth in the overall number of students attending. This works well for **Brewing Opportunities**, because it allows expansion into the target market for the students who are on the go or who need a study spot or relaxation area between classes. Due to Downtown Lawrence Inc.'s dedication to preserving the historic downtown area and to the excitement for KU sporting programs, foot traffic in the Lawrence downtown area will continue to be high, especially from those individuals we are targeting. With a strong marketing campaign and visual awareness, we expect to grow the traffic and the sales of our e-commerce site by 10% at **Brewing Opportunities** to better serve the artists who are displaying and selling their unique and handcrafted wares through our store.

Needs

With over 100 stores, shops and community outlets located within two miles of **Brewing Opportunities**, there is a need for a business that offers Wi-Fi, quiet study opportunities, specialized coffee and simplified meals that are reasonably priced in the downtown Lawrence area. Although there will be competition from corporate and "mom and pop" coffeehouses, none are located in the downtown area and none have the concept of hiring a large percentage of employees who are mentally or physically challenged. **Brewing Opportunities** will not only offer a reasonably priced menu, but it will also sell handmade crafts created by individuals with disabilities. Coffeehouses are also a necessity for college students and individuals from 22 on up. With a hectic school schedule, students seek to complete their work in between classes without having to go far from campus. While employees of the downtown businesses seek afternoon caffeine energy boosts and a quick bite for lunch. And individuals/families visiting college students, attending KU sporting events or just enjoying the ambience of the downtown Lawrence area will appreciate the opportunity to sit and relax while grabbing a meal or refreshing drink as well.

Effective Analysis of Market's Potential, Current Patterns, and Sensitivities

Potential within the coffee shop market is at an all-time high, as it has been steadily increasing since 2011. The industry is currently growing at a rate of 7% per year, making it the fastest growing food industry within the U.S. Ownership of coffee shops offering specialty drinks is also on the incline, with a growing rate of 12% every year since 2013. This is definitely in demand, as it was estimated in 2017 that 30 million people order a specialty coffee each day in the U.S.

Brewing Opportunities



We realize we will be facing direct and indirect competitors, but with the concept of hiring mentally and physically handicapped individuals, we are tapping into a market concept that has not been utilized in the Lawrence area. With having to compete against large corporate coffeehouses such as Starbucks and Dunkin Donuts and the “Mom and Pop” coffeehouses that have already been in existence in Lawrence, we know our business and our employees must achieve several goals to obtain success. Those goals are listed below.

1. Focus on our quality of food and beverages over the quantity of offerings we can provide. Remember: a limited assortment is permissible, if it is a quality assortment. This will be true with our employees, as well—serving with quality over a quantity of customers.
2. Create a niche reputation through the hiring of employees who are seen as unemployable to many businesses. The atmosphere of helping to make a difference in someone’s life can be felt through not only our employees, but by our customers as well.
3. Familiarize ourselves with your customers. Offer them loyalty or rewards points, discount days, etc. Know their names and their orders if they particularly order the same thing constantly.
4. Make our business unique by expanding offerings beyond just food and coffee. Our unique crafts created by our employees and other challenged individuals will help to make our business stand out.
5. Because some of our employees may take a little longer to train, develop a strong business ergonomics plan that allows for ease of use to help the employees feel more confident in their skills.
6. Advertise weekly promotions that are highly visible to the customer and devise rewards for loyalty.
7. Promote community service and have owner and employee involvement in the community.
8. Prepare staple items ahead of time to allow for faster customer service and for less confusion.
9. Never forget we are selling products, but MOST IMPORTANTLY, we are selling a positive “feel good” service that promotes inclusion, understanding, diversity, and self-worth.
10. Utilize the location of our business to its fullest advantage with our targeted areas.

Market sensitivity is always a consideration when offering a product or service. **Brewing Opportunities’** greatest sensitivity will be the response the customer has to the employees we plan to hire. Some employees will not work as fast as what the customer is expecting or they may not always get an order exactly right, but this occurs in all businesses. However, it is an even stronger sensitivity in our business concept plan. Other sensitivities in this industry include: pricing fluctuations, shifting customer preferences and expectations, social media reviews, mobile ordering, brand consistency, and ever-changing technology.

COMPETITION

Key Competitors Identified

It is extremely important for **Brewing Opportunities** to evaluate direct and indirect competitors alike, and ensure that our business stands out in the crowded coffeehouse market. Even though there are an abundance of competitors within our target market, **Brewing Opportunities** will draw customers by providing not only coffee and a menu, but also a unique positive atmosphere and personalized one of a kind arts that are created by adults with special needs. Not only will be obtain clientele from Lawrence and the surrounding communities, but our personalized crafts will be sold globally.

Through personal observation and by utilizing the internet and various social media sites, we thoroughly studied the strengths and weakness of our local competitors. The first competitors we focused on were independent coffeehouse shops in Lawrence (some had multiple locations).

- **The Scone Lady’s Espresso Bar**—specializes in selling coffee beans, but not in selling prepared specialized coffee drinks. It also does not offer a breakfast and lunch menu.
- **Wheatfield’s Bakery Café**—focuses on bread and baked goods and a few menu items; however, they are not actively working to build an employee team consisting of special needs individuals.

Brewing Opportunities



- **S&S Artisan Pub and Coffee House**—offers both specialty coffees and baked goods, but they provide interactive events and workshops for their customers on some weekends. We not only provide personally created craft items made by special needs adults on weekdays, but we also provide a craft workshop for these same artists one night during the week.
- **Henry’s Coffee Shop**—focuses on specialty espresso drinks; however, they do not provide baked goods or any craft items.
- **The Java Break**—focuses on the needs of college students rather than the broader target market we are hoping to reach. The food items they do serve are quick and limited.
- **Alchemy Coffee & Bake House**—offers a wide variety of cold brew coffees and cake, with a limited luncheon menu; however, they do not provide job opportunities for the special needs population.
- **1900 Barker Bakery and Café**—provides a range of breads for sell, but no delicatessen.
- **Aimee’s Coffeehouse**—provides customers with specialty coffees and baked goods; however, they do not sell crafts or provide a place for people to meet or study.
- **J&S Coffee**—specializes in their unique variety of flavors that can be added to coffees, but they do not have a deli luncheon menu.

Our largest individually owned competitors will be **S&S Artisan Pub and Coffee House**, (offers coffee and baked goods as well as weekend activities); **The Java Break** (caters to the needs of college students and are geographically close to the University of Kansas), **Alchemy Coffee & Bake House** (offers a lunch menu, but no career opportunities for special needs adults); and **J&S Coffee** (offers a unique variety of flavors but no luncheon menu).

As for our local competitors that are corporate, there are 19 of them. They all produce specialty coffees and have menu items. All of these corporate specialty coffee shops have a larger brand recognition and advertising presence, but none of them seek to hire individuals with special needs and the merchandise they do sell are based upon their corporation. The largest corporate coffeehouses competitors are **Starbucks** and **Caribou Coffee**. They have significant branding and are the choice of many 16-24 year olds. Their name is recognized worldwide. However, many who would like to have a quiet place to meet or study do not prefer them because they are not conducive to long periods of stay.

Effective Analysis of Competitors’ Strengths and Weaknesses



Independently (**I**) owned coffeehouses in Lawrence offer the same services and items as their corporate (**C**) counterparts, but they strive to differentiate themselves through the items they sell and the ambiance they provide. **Brewing Opportunities** plans to combine the best practices and improve the weakness of their competition, while developing a business that serves as a community enrichment program.

Competitors’ Strengths	Competitors’ Weaknesses
<ul style="list-style-type: none"> • I-Sell more extensive & fresh baked items • I-Customer loyalty • I-Established clientele • I-More personalized service • C-Specializes in higher-end coffees • C-Stresses customer service and quality • C-Offer pre-packaged food items • C-Sell merchandise related to corporate • C-Extensive brand recognition 	<ul style="list-style-type: none"> • I-Higher prices • I-Management is not diversified and experienced • C-Community isn’t a priority • C-At home atmosphere is missing • C-Employees do not feel vested in the business • I & C-Do not employ special needs adults • I & C-Deli and breakfast menus are not offered • I & C-Hand-made crafts are not offered • I & C-No quite room or meeting space available



Potential Future Competitors

Brewing Opportunities has a large group of direct competitors due to the broadness of our target market and the ease of entry in establishing a coffeehouse. With our target market other businesses in the coffeehouse industry may partner with organizations such as Cotton Wood, Bert Nash Mental Health Agency, and Lake Mary—Center for Developmental Disabilities, etc., to create potential employment opportunities within their own businesses. If this should happen, **Brewing Opportunities** could lose income and clientele.

As for the e-commerce arts that we sell for adults with special needs, other adult day service providers (Cotton Wood, Bert Nash Mental Health Agency, and Lake Mary—Center for Developmental Disabilities, etc.) could begin providing the e-commerce services for their clientele.

Future competitors could be new locations or additions to corporations already established in Lawrence.

Barriers to Entry for New Competitors Identified

Opening a coffee shop in general is not extremely difficult; however, making a living at it can be challenging. Even though **Brewing Opportunities** can overcome most of the threats associated with owning one's own business, there are certain barriers that are more difficult to overcome. Below is a list of those barriers.

1. Obtaining the start-up capital necessary to create a fully operational business.
2. Devising and promoting features that will make the business stand out against its other competitors.
3. Competing against the corporate powerhouses in the industry who are larger, possess more resources, and have brand loyalty.
4. Knowing and understanding the tax laws, benefits and standards needed to meet to hire special needs adults to serve as the staff in our business.
5. Creating an atmosphere that allows our trained employees to thrive and be successful, while understanding the special needs of each individual employee.
6. Spending extra time to train employees so that they feel confident in the tasks they are assigned.
7. Devising competitive, yet profitable prices that will entice customers to transfer their loyalty.
8. Guaranteeing the site location is safe and accommodating for all employees and customers.
9. Creating customer loyalty within a competitive environment.
10. Working schedules that are fair for all owners based upon the partnership agreement.
11. Obtaining reliable volunteer art instructors for the weekday craft workshops.
12. Seeking business partners that will provide excess craft materials for special needs adults.

MARKETING PLAN AND SALES STRATEGY

Key Message to be Communicated Identified

As a business, **Brewing Opportunities** plans to establish a strong reputation for the quality of our coffee and menu items, and our prominent meeting/studying areas, as well as the pleasant atmosphere that will be provided by our employees. Although our bottom line goal is to obtain a profit to maintain sustainability, we strongly want to also focus on developing careers for adults with handicaps and disabilities. Above all we would like to maintain a safe work environment that allows for the success of our employees, while personifying a business that truly represents our slogan—"Where every 'BEAN' makes a difference!"





Options for Message Delivery Identified and Analyzed Including the Web Process

Because we have five target market areas each have some differentiation. **Brewing Opportunities** has developed a stringent marketing plan for each area. We have decided to use door-to-door, flyers, social media, newspaper, television, electronic bulletin boards, billboards, and a website/e-commerce site.

Door-to-Door & Flyers—Once employees are hired in August, we will work with them to do a door-to-door campaign where we will leave flyers at the doors of homes in Lawrence which will represent the ergonomics of our targeted clientele and on the KU campus. The flyers will explain the **Brewing Opportunities** concept, and have information as to our menu, social media links and our Grand Opening. It will give our employees a chance to work and become vested in our business before opening. We will also hand deliver and mail flyers to adult day service providers and the parents of their clientele, as well as mental and physical disability programs that will be providing our crafts that we will sell. This will not only provide us with potential employees, but it will help us to reach a select target market. (*Inexpensive and reaches 4 of 5 target markets.*)



Social Media—We have chosen to use Facebook, Instagram, YouTube, Pinterest, Twitter, LinkedIn and Yelp for our social media promotions because there are no borders and we can reach our greatest number of individuals in our target market. All of our social media platforms will serve as a method to steer traffic to our website/e-commerce site. We will also use HootSuite (social media management program) to adhere to a strict posting schedule and to make posting easier and more consistent. (*Free and reaches 5 of 5 target markets.*)

- **Facebook (Messaging)** will be utilized as digital advertising and for placing information, pictures and videos about our business and employee stories, craft sales, craft workshop schedules, specials, deals and rewards programs. It will allow us to talk to existing and potential customers in order to obtain feedback and provide customer support, all while raising brand awareness.
- **Instagram** will be used for digital advertising and for placing pictures and short videos about our business and employee stories, targeted advertising, specials, deals and rewards programs. With creative advertising, storytelling and photographs we can raise awareness of our branding.
- **YouTube** will consist of short stories about our employees, commercials, events we will be hosting, workshop events, etc.
- **Pinterest** will be used to showcase the craft items that our special needs adults are selling.
- **Twitter** will arrive in every followers feed; therefore, we can utilize it in much the same way as Facebook, Instagram and YouTube. However, we must learn to communicate efficiently, while branding with our hashtag.
- **LinkedIn** will be useful by our business being active with its content. It can help us to expand our network, find customers and potential employees, and create a professional image. These connections can lead to publicity and the extension of your networking groups.
- **Yelp** will provide us with customer reviews, a way to respond to customers and add photographs. If the app is used, it will allow us to track customers when they visit our store.

Newspaper & Television—We will contact the *Lawrence Journal World* and newspapers of our surrounding communities and the communities of the artists that will be creating our craft projects to feature stories on our new business venture. We will do these same with area television stations to promote our business. (*Free and reaches 5 of 5 target markets.*)



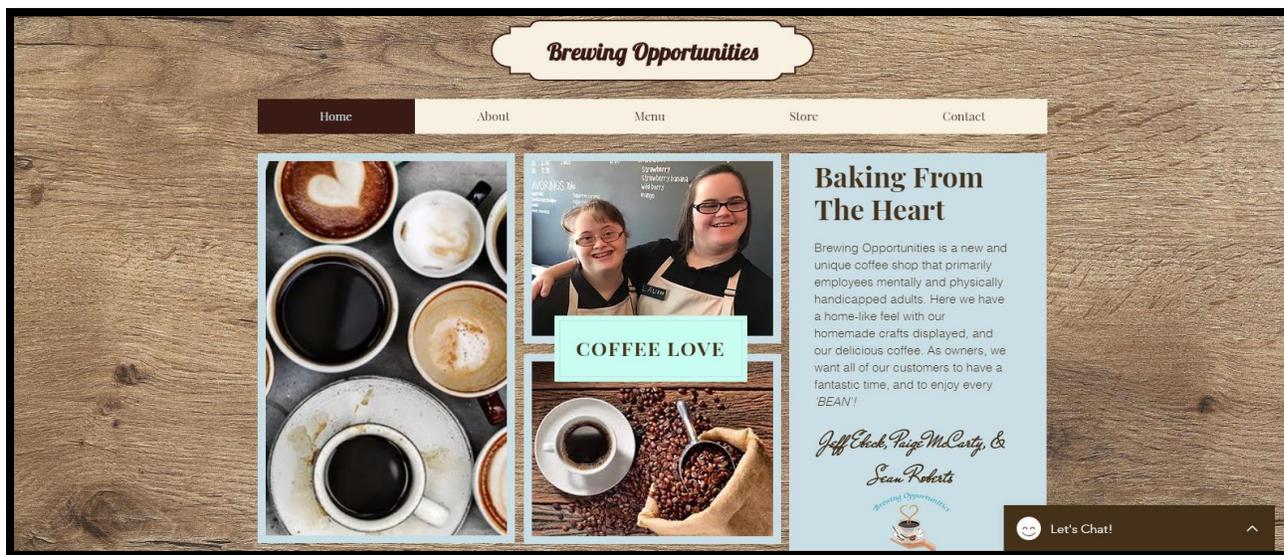
Brewing Opportunities



Electronic Bulletin Boards—Work enrichment programs that work with mentally and physically handicapped adults has an electronic bulletin board in their waiting areas or main office. We will play one minute commercials that depict varies informational angles of Brewing Opportunities and have them play in their electronic bulletin boards. This will not only help in the search for employees, but it will reach many of the caregivers of the employees as well. (*Free and reaches 5 of 5 target markets.*)

Billboards—Our most costly form of advertising will be the billboards we will utilize on all four major highways that lead into Lawrence. Although the cost of each site varies, it will cost an average of \$500 total for one to three months on each billboard. If no one purchases the billboard usage for the following months, we will basically receive free advertising until the next advertiser. We will begin the billboard usage in the month of November when we open. (*Moderately expensive and reaches 5 of 5 target markets.*)

Website/Blogging Page/E-Commerce Site—Although this will cost our business \$26 per month (WIX.com), the website will be our main advertising and promotional strategy. The e-commerce portion of the site will serve as our link to allow people from around the world to shop and support our special needs adults who develop crafts for sale. Through our website we will also promote all of our social media platforms to allow for consistent brand marketing. Included in the website will also be a Blogging page, which will allow our business to join special needs children blogs, parental/guardian blogs, coffeehouse blogs, etc. By gaining a connection with the bloggers we can post pictures, short stories and videos, promotions and shared ideas on their sites as well. The website and e-commerce portion of our site will operate on all mobile platforms as well to allow for ease of use for our customers. We did research utilizing Search Engine Optimization, but the costs did not currently outweigh the benefits; however, we will utilize Google’s Keyword Planner. (*Moderately expensive and reaches 5 of 5 target markets.*)



Sales Procedures and Methods Defined

After obtaining the menus and menu prices from ten different prominent local coffeehouses in Lawrence (independent and corporate), we averaged the cost to help develop our pricing menu. We devised our menu pricing based on the price average, our cost per unit to produce and the industry norm of 300% markup. From there we decided to use the Entry Pricing Strategy and cut 10% off of each product in order attract customers from competitors. We realize that once we created a loyal clientele base we could eventually increase our prices to be more comparable with our competitors; however, we would not make any price increases within the first year of operation and those increases would be made after analyzing our Cost of Goods Sold (COGS) inventory system.



As for the arts and crafts we will be selling for those adults who have special needs, we realized this would NOT figure into our profit margin. Instead, this serves as a community enrichment program for **Brewing Opportunities** to help supplement the income of the artists. We decided it would be best for the adult day service facilities to help their clients decide upon the price they would like us to charge for their wares. We did; however, hold a workshop with all organizations and instructors on how to develop a fair price that would still make the item affordable, cover all material costs (if any), cover our cost of 40% (transporting, shipping, e-commerce site and packaging) and provide some supplemental income to the artist.

OPERATIONS

Business Facilities Described

Brewing Opportunities will be located in a 15,000 square foot portion of a building consisting of a walk-in cooler/freezer, storage area for supplies, custodial storage closet, commercial kitchen, serving and dining area with Wi-Fi, public and employee restrooms, display gallery, craft storage room, and office space for all business activities. **Brewing Opportunities** will be equipped with modernized equipment. It will be open 7 days a week from 6:00 am to 4:00 pm. Breakfast sandwiches and pastries will be sold from 6:00 am to 10:00 am and delicatessen soups, sandwiches, and pastries will be sold from 10:00 am until 4:00 pm. The Gallery display will be available during this time as well, but the e-commerce site will function 24/7. Holiday closings will include Easter, Thanksgiving, Christmas and New Year's Day. The owners will do their best to accommodate their employees with their religious holidays.

Display Case Gallery

A 6' height x 2' deep x 34' width display case with 5 rows of shelving will display the craft items of the individuals from organizations that work with the mentally and physically disabled. This will be located along the west wall. Above the display case will be paintings as well. These craft items will be on display to be sold to customers on location and through our e-commerce site.



Dining Area

The 8500 sq. ft. dining area will seat 124 with 23 square (3' x 3') tables with 4 chairs at each and 8 booths. Each booth will have electrical and charging areas, while the tables will have mounted charging stations and there will be high-speed Wi-Fi access.

Quiet Room

The 896 sq. ft. "Quiet Room" will be used for customers looking for a quiet work space or for groups to reserve for meetings. This room will be equipped with four booths, a 12- and 6-seat table, an L-couch, wall outlets, phone charging stations and high-speed Wi-Fi. This area can seat approximately 36 and can be reserved with advanced notice for parties and meetings.



Storage Room

The 1000 sq. ft. storage room will be where non-perishable food items and supplies will be stored. With a door leading directly into the commercial kitchen, items can be obtained efficiently.

Office Space

The 800 sq. ft. office space will be where the managers carry out their daily duties and responsibilities. The office will be equipped with desks, table space, two computers, one phone, a laser printer/copier, filing cabinets, a photo corner to take photos of the crafts for the e-commerce site and plenty of organizational tools. Managers will be able to efficiently carry out management responsibilities.



Custodial Rooms

Two custodial rooms combine for 300 sq. ft. One is for immediate access for spills and accidents, while the larger room stores excess cleaning supplies and the washer and dryer. Employees will be responsible for laundering uniforms and linens. All stored cleaning supplies will be located here as well.

Craft Storage & Assembly Room

This 600 sq. ft. room will store crafts as they come in and will be where employees package e-commerce crafts to be shipped. All shipping supplies will be located in this room as well.

Commercial Kitchen

The 1248 sq. ft. cooking and baking facility will be utilized by our bakers/chefs and lunch/breakfast cooks and will be equipped with a commercial stove with grill, convection oven, metal table and storage.

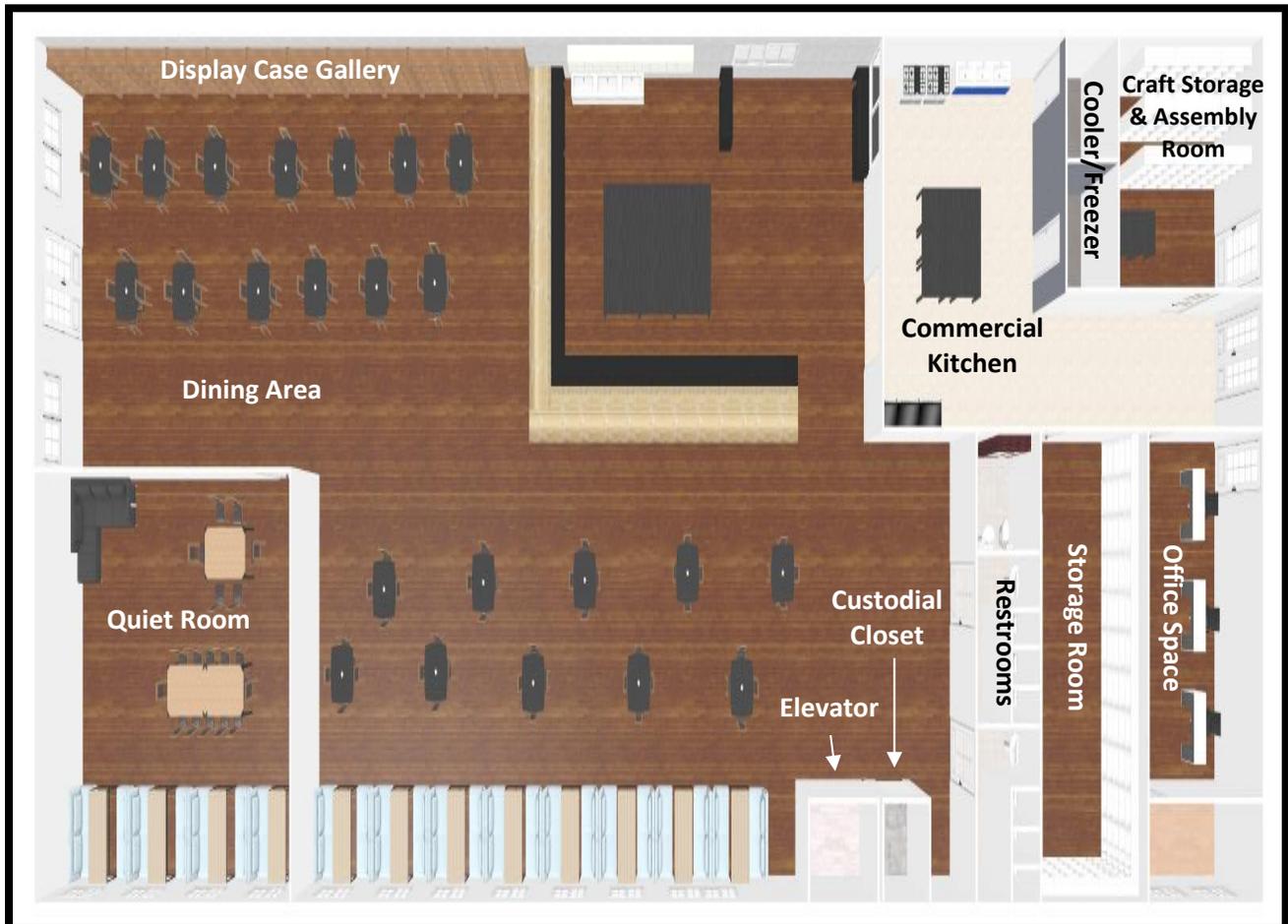
Walk-in Cooler/Freezer

The 12' x 16' walk-in cooler/freezer in the kitchen will house fresh foods at precise temperatures. There will be easy access from the kitchen for all necessary food supplies. With an electronic monitoring system in place and multiple rows of racks, no fresh products will be held beyond shelf life.



Restrooms

These 700 sq. ft. public restrooms will be divided into male and female sections following all ADA guidelines. All restrooms will have one large mirror, be eco-friendly with automatic strong flow hand dryers, automatic water controls for the two sinks and four toilets, with one being handicap accessible. There will also be an employee handicap accessible restroom located in the back of the facility.



Brewing Opportunities



Production Plan Defined and Analyzed

By utilizing a Point of Sale (POS) inventory system that is monitored weekly, **Brewing Opportunities** will maintain an electronic count, as well as a physical count of inventories that need to be ordered electronically from US Foods, a leading foodservice distributor for thousands of restaurants that provides broad and innovative food offerings. Chefs and cooks must prepare weekly meal plans two weeks in advance, with potential changes being made due to an overestimation in supplies. Inventory counts will take place on Thursday, with inventory orders being placed on Friday. Shipments will arrive early on Monday mornings. Weekly fresh food items needed will be ordered on Friday from the local Dillons at a 20% discounted business price, which was mutually agreed upon. Fresh food items will be picked up on Monday.



The craft/artwork will be delivered weekly (each Tuesday) by a volunteer from each community enrichment adult service program. The craft/artwork will be tagged and readied for display or resale within one week.



Workforce Plan Defined and Analyzed

Management

The management personnel of **Brewing Opportunities** are governed by the owners Jeff Ebeck (Finance Manager & Business Manager), Paige McCarty (Marketing & Communications Manager) and Sean Roberts (Operations Manager) through distinct leadership roles within the company. The managers are responsible for providing a strong code of ethics, a safe and professional working environment, the hiring and screening of all employees and developing artistry programs for those who are intellectually or physically disabled. The managers will have specific duties to ensure the business operates effectively and smoothly. They will also be responsible for providing positive nurturing and mentoring for each employee to allow success and a positive experience, but they must provide management intervention when needed. This will help to maintain strong employee performance and customer loyalty. Current and future managers must have experience in business and communication industry. Their duties are shown on the chart following page.



Jeff Ebeck—*Finance & Business*



Paige McCarty—*Marketing & Communications*



Sean Roberts—*Operations*

Brewing Opportunities



<u>Operations Manager Duties</u>	<u>Business Manager Duties</u>	<u>Marketing & Communications Manager Duties</u>	<u>Finance Manager Duties</u>
<ul style="list-style-type: none"> • Manage personnel • Oversee Human Resources Department • Develop and oversee the supervision, hiring, training, cross training and developing of employees • Work with Career Coaches to develop personnel • Maintain inventory control • Manage technology • Maintain efficient product shipping • Create weekly work chart for employees • Implement company policies, standards and rules for employees and customers • Maintain knowledge of new ADA standards, laws and regulations • Develop external relationships with appropriate contacts 	<ul style="list-style-type: none"> • Manage and order food, supplies, equipment purchases and repairs • Oversee general operations • Handle cash management • Develop and implement policies and procedures to ensure cash flows, increased revenues and lower operating costs • Oversee food preparation, portion sizes and presentation of food • Comply with health and food safety standards • Address complaints and compliments • Create work schedules • Establish company policies, standards and rules for personnel performance and customer service 	<ul style="list-style-type: none"> • Serve as public relations to the media and customers • Coordinate and develop marketing campaigns • Create brand marketing and identity • Oversee print, oral and digital communications • Oversee and maintain company website and social media platforms • Create and oversee the marketing budget • Maintain effective internal communications • Analyze competitors 	<ul style="list-style-type: none"> • Create, analyze and report financial & accounting reports—monthly, quarterly and yearly • Prepare tax reporting mandates and utilize tax incentives • Prepare and monitor yearly and monthly budget plans • Conduct reviews and evaluations for cost-reduction opportunities • Formulate strategic and long-term business plans • Keep abreast of changes in financial regulations and legislation • Maintain payroll

Workforce

The management of **Brewing Opportunities** will ensure the organization has the necessary human capital needed to fulfill positions effectively. The company is committed to making an environment where employees are able to grow and learn as they are integrated into the community, while still meeting clientele needs. The owners will also hire trustworthy managers to allow owners to concentrate on helping the business prosper through training, mentoring, creating development opportunities, staying abreast of current industry standards and organizing promotional activities.

Unlawful discrimination against employees or applicants for employment on basis of an individual's race, religion, sex, national origin, age, disability, marital status or any other status protected by the law will not be tolerated at **Brewing Opportunities**. We are committed to equal opportunity employment.



Brewing Opportunities



Counter Assistants/Baristas	Drive Thru Assistants	Assistant Manager
Current—4; Projected—8	Current—2; Projected—4	Current—2; Projected—8
<ul style="list-style-type: none"> • Greet all customers as they arrive in a friendly manner • Take drink and food orders • Prepare all drinks and pastry orders • Repeats all orders for accuracy • Relay breakfast and meal orders to the cook(s) • Assist in bussing tables • Assist with assigned custodial duties • Leave the customer with a friendly goodbye • Replenish bakery display case • Replenishes coffee bean and specialty coffee supplies 	<ul style="list-style-type: none"> • Greet all customers as they arrive in a friendly manner • Take drink and food orders • Prepare all drinks and pastry orders for the drive thru window • Repeats all orders for accuracy • Relay breakfast and meal orders to the cook(s) • Package all food items ordered • Handle all drive thru money transactions • Leave the customer with a friendly goodbye • Assist with assigned custodial duties • Take phone orders 	<ul style="list-style-type: none"> • Oversee the supervision, training, and developing of employees • Work with Career Coaches • Maintain inventory control • Manage technology • Implement employee work chart • Implement company policies, standards and rules for employees and customers • Oversee inventory of food and supplies for reordering • Oversee general operations • Handle cash management • Oversee food preparation • Comply with health and food safety standards • Address complaints/compliments
Bakers/Chefs	Breakfast/Lunch Cooks	Cashiers
Current—2; Projected—4	Current—4; Projected—8	Current—4; Projected—8
<ul style="list-style-type: none"> • Follow all FDA food safety guidelines and OSHA guidelines • Prepare, proof and bake all breads and bakery items for the day • Operate all kitchen equipment • Maintain a clean and safe work environment • Clean all kitchen equipment • Track food supplies to place orders • Prep soup and “Special of the day” ingredients • Prepare “Soups of the Day” • Reports all equipment malfunctions • Assist with assigned custodial duties 	<ul style="list-style-type: none"> • Follow all FDA food safety guidelines and OSHA guidelines • Utilizes communication skills to fill order requests and food prep • Memorize how to prepare all breakfast and lunch items • Follow portion control and quality control standards • Operate all kitchen equipment • Maintain a clean and safe work area • Clean all kitchen equipment • Track food supplies and place orders • Report all equipment malfunctions • Assist with assigned custodial duties 	<ul style="list-style-type: none"> • Greet all customers as they arrive in a friendly manner • Leave the customer with a friendly goodbye and upon completion of transaction • Handle all counter money transactions • Assist in bussing tables • Assist with assigned custodial duties • Stock all paper product supplies in the counter area • Answer incoming phone calls • Take phone orders
Bus Waiters/Dish Washers	Package Assembler	
Current—4; Projected—8	Current—1; Projected—2	
<ul style="list-style-type: none"> • Assist in refilling sufficient supplies such as napkins, silverware, wraps, packaging products, etc. • Assist Cashiers and Counter Assistants/Baristas in serving food and beverages to customers • Wipe tables and chairs using cleaners to ensure food marks and spills are removed • Clear tables once customers have left and carry dishes to the kitchen to be cleaned • Clean and sanitize all dishes to meet Food Safety and Inspection Service standards • Put all washed dishes in their rightful places • Report all equipment malfunctions • Assist with assigned custodial duties • Report sanitation or janitorial issues to manager • Assist Cooks when needed 	<ul style="list-style-type: none"> • Tag, inventory, organize and store all incoming crafts • Maintain display case for craft items • Package all craft item orders • Confirm all completed orders with the manager • Take packages that need to be shipped to the UPS or FedEx store after confirmation from manager • Maintain inventory of all shipping supplies for crafts • Assist wherever needed • Assist with assigned custodial duties 	





Impact of Technology

Although customer service will play a large role in the differentiation of **Brewing Opportunities** over other coffeehouses, the impact of ever-changing technology will play both a positive and negative role as well.

Positive Impacts
<ul style="list-style-type: none">• The specialty coffee makers are becoming more compact and taking up less space• The specialty coffee machines are getting easier to operate; therefore less chance for human error• The industrial specialty coffee machines are becoming more affordable• New espresso machines are decreasing steam time, which increases production and inversely increases profits• Rewards programs are now easier to access through mobile apps; reducing the need to carry a card• Accounting, financial reports, payroll, tax documents, etc. will be easier to maintain utilizing QuickBooks Online• Digital advertising across all social media platforms will be easily accessible for clients and easily manageable for our business due to HootSuite• Near field communication is gaining in popularity and becoming more secure, making transactions more efficient• With more communities receiving fiber optic cabling, it provides for faster wi-fi service within our business
Negative Impacts
<ul style="list-style-type: none">• Manufacturers are creating affordable specialty coffee makers and blends that can be made at home without assistance from a Barista• Must continually be aware of industrial technology changes and their impact upon our business• Retraining of our employees on new equipment may take longer

MANAGEMENT AND ORGANIZATION

Key Employees/Principals Identified and Described

Brewing Opportunities key employees consist of the three owners, our assistant manager, and our Career coaches for our special needs employees. To maintain and improve the efficiency of the business, the managers will have specific duties for which they are responsible, receive specialized training, and have understanding of FDA regulations, FERPA and ADA guidelines and mandates. Our advisory committee is crucial in aiding us to when making important decisions pertaining to our business' future. The positions and work duties of the owners/managers and all employees can be seen on the charts on pages 20 and 21.

Board of Directors, Advisory Committee, Consultants, and Other Human Resources Identified and Described

Due to the nature of our business and to better serve our employees and customers, **Brewing Opportunities** also organized an advisory committee to provide input. Under agreement, we will show the advisory committee our business plan and will meet six months into our operation. After that, we will meet a month after each fiscal year. This will allow the advisory committee to provide any input as to positive practices they see that need to continue and problem areas they see need to be addressed. It will also allow them to help us evaluate our long range goals. The advisory committee consists of Casey Lytle (Mid-America Bank Vice President in Wellsville, KS), Rick Staab (Chief Executive Officer of Clayworks in McPherson, KS), Amy Wright, owner of Bitty and Beau's Coffee, Robert Ogden (guardian/parent of a special needs adult and owner of the World Company building), Jennifer Ramirez (Douglas County BRIDGES Transition & Training Director), Earl Richardson (Employment & Contract Lawyer) and Scott Hedrick (Case Manager for Douglas County ARC). Each individual on the committee has either business/finance experience, experience in working with day services providers, is a guardian for an adult with special needs or had knowledge of this type of business operation. The professional background and variety of experiences of each of our advisors will provide us with the best opportunities for the future of our employees and our company. They will provide various viewpoints based



off of their experiences, which is rare for a small business our size. This puts us furthermore ahead of our competition in the area.

Due to the education and experiences of each owner, we will each maintain a one fourth vote on all decisions, while Robert Ogden will maintain the remaining fourth as stated in the Lease Agreement. Robert Ogden will serve as a silent voting partner on all major decisions, but is allowed all access to financials.

Plan for identifying, Recruiting, and Securing Key Participants Described

With the desire to employ individuals with special needs and varying abilities, we plan to open our employment opportunities to the 14 surrounding adult day services providers and/or career development organizations within a 25 mile radius. Although we would love to hire all adults with special needs, we had to set job performance parameters as guides. Supervisors and career coaches provided input as to the parameters that should be met by employees so that **Brewing Opportunities** can serve as a fully operational coffeehouse. They also assisted in interviewing and administering performance tests that would allow us to better see skill sets by potential employees. Those who are not hired; however, are able to create craft/art items that we can sell for them. Below are the services that will help us to find and hire our key participants.

*Cottonwood
KU Access Center
Workforce Center
Independence, Inc.
Lumina Advocacy
Douglas County Arc*

*Capper Foundation
Franklin county CDDO
COF Training Services
KS Rehabilitation Services
Bert Nash Mental Health
Gateway Services, Inc.*

*Disability Services of Johnson County
KS Adult Care Executives of Topeka*



As for the hiring of our assistant manager, we will utilize Indeed.com, LinkedIn, and all of our social media platforms, as well as our website.

Compensation and Incentives Plan



Through research of the American Disabilities Act, a tax and trust lawyer, our advisory committee, and adult day services providers, we were able to complete a salary schedule that would comply with the Disability Benefits each of our employees receive, while still being fair. Our employees that receive Disability Benefits cannot accumulate over \$2,000 in wealth, if they want to continue receiving their benefit reimbursement monies. Also, when an

employee has a Career Coach, they are not allowed to be paid by **Brewing Opportunities** because they have been requested by Vocational Rehabilitation through a supportive waiver to assist the employee. Basically, the Career Coach is already being paid by the employee's Medicaid plan. Career coaches are to be utilized only to help oversee and guide the employee with their job duties. Utilizing Career Coaches for some of our employees will alleviate anxiety, confusion and stress, which are all emotions that can lead to human error. The Career Coaches provide comfort and guidance, which leads to success in our employees. Our calculations show we will spend approximately \$23,598 per month on salary and wages. Of that amount, \$4,000 each will go to Jeff and Paige; while \$2,500 will be Sean's compensation.





Due to governmental regulations, increasing the pay of our employees with disabilities may be difficult without government mandates. However, by the second year of operation, we will utilize profits to implement programs and workshops to assist our employees with life skills and financial independence.

LONG-TERM DEVELOPMENT

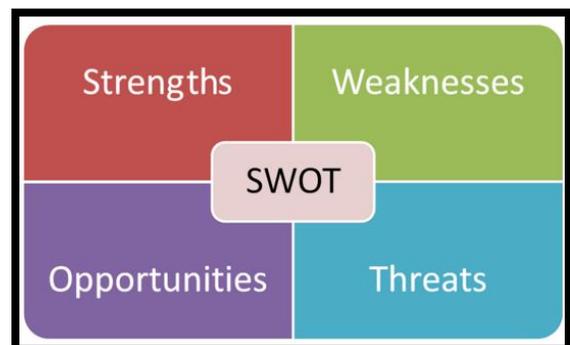
Goals for Three, Five, or More Years are Identified and Documented

After our first year, the business owners and advisory committee will re-evaluate *Brewing Opportunities'* long-term business goals, as we know some of our long-term goals may alter.

Long-Term Goals	
3 Year Plan	5 Year Plan
<ul style="list-style-type: none"> • Offer a bi-weekly craft night for those individuals with developmental or physical disabilities who would like to supplement their income • Develop a charity fundraising event that benefits those with disabilities • Create a scholarship fund for employees who wish to take college courses • Have a net profit of 10% over year 1 • Increase staff by 30% due to business growth • Increase sales of craft items by 50% over year 1 • Prepare to find an alternative location in case the terms of the lease agreement are not negotiated. 	<ul style="list-style-type: none"> • Open another location in Olathe, Kansas • Have a net profit of 20% over year 1 • Increase sales of craft items by 100% over year 1 • Offer career training programs in the evenings for adults who have developmental or physical disabilities • Offer monthly educational workshops for parents and individuals that will assist them as guardians/caregivers for those with disabilities • Pay off loan • Obtain an investment manager and lawyer to work pro bono to assist employees with saving for retirement and establishing trust funds • Develop a new 5-year negotiated agreement with Roger Ogden as for the lease of the building
10 Year Plan	
<ul style="list-style-type: none"> • Open another location in Topeka, Kansas with the same mission and concept • Have a net profit of 45% over year 1 • Establish a nationally recognized brand through our craft products on our e-commerce site • Obtain a new location for the growth of the craft sales for our e-commerce site and hire a full time web master • Develop a new 5-year negotiated agreement with Roger Ogden as for the lease of the building 	

Risks and Potential Adverse Results Identified and Analyzed

In order to gain a true grasp of the future of *Brewing Opportunities*, the owners performed a SWOT and PEST analysis for their company. The SWOT analysis allowed business owners to evaluate their position in the marketplace by examining their own strengths and weaknesses, while also shedding light on outside opportunities and threats within the industry. This information will help the owners better for risks should they arise.



In order to better prepare strategic planning for *Brewing Opportunities*, a PESTLE analysis was also performed to look at potential changes in our business environment. The PESTLE analysis helped to determine how factors such as Political, Economic, Social, Technological, Legal and Environmental could affect the performance and activities of our business' long-term goals.

Brewing Opportunities



SWOT ANALYSIS	
STRENGTH—Maintain, Build and Leverage	
<ul style="list-style-type: none"> • Major highway access to Topeka, Ottawa, Kansas City and Northern communities • Location is near various shipping accesses (UPS, FedEx & USPS) for e-commerce shipping • Combined working experience and knowledge of the owners, as well as networking connections • Employee/customer business concept is unique to this area • University of Kansas is less than 2 miles away and large demographics for the target market we are seeking • Offer an appealing selection of pastries and unique house blends of coffee • Marketing and Advertising strategies/campaign • Over 100 stores, shops and community outlets within a 2 miles radius, with heavy pedestrian traffic • Access to a large community of organizations that work with the handicapped and disabled 	
WEAKNESSES—Remedy or Exit	
<ul style="list-style-type: none"> • Lack of name recognition of <i>Brewing Opportunities</i> • We lease instead our facility; therefore, Robert Ogden may decide to not renew our lease agreement after 5 years • Training and cross-training employees will be more challenging • Will need to obtain more knowledge of federal rules, regulations and tax benefits for hiring our employees 	
OPPORTUNITIES—Prioritize and Optimize	
<ul style="list-style-type: none"> • Rapidly growing industry and coffee culture, with potential to develop a large customer loyalty base • Can gain a competitive edge by marketing our business concept of hiring a special needs adults as employees • Local businesses are excited to assist with our business venture concept in a variety of ways • Selling crafts created by mentally and physically handicapped individuals is a new concept for Eastern Kansas • Large opportunities for expansion for our e-commerce craft products • Due to the employability concept of our business, we will be able to reach older customers (55+) with recognition • Potential to develop a large customer loyalty base 	
THREATS—Counter	
<ul style="list-style-type: none"> • Changes in tariffs and regulations for foreign coffee bean shipments • The 15 private- and 19 corporate-owned coffee shops in Lawrence will have a loyalty advantage with clientele • FDA and ADA changes and mandates • People can now make specialty coffees in their own home and choose not go out and buy from a coffee shop 	
PESTLE ANALYSIS	
Political	Economic
<ul style="list-style-type: none"> • Comply with changing FDA Standards • Knowledgeable of changing taxation and federal and state rules and regulations • Be informed of legislation, foreign influences and trade relationships between coffee bean producing countries and the US 	<ul style="list-style-type: none"> • Combating government inflationary tactics • A recession and/or inflation will reduce customer discretionary income and their desire to spend • Owners must have enough capital to continue operation during economic hard times • Declining unemployment
Social	Technological
<ul style="list-style-type: none"> • Developing a business practice that hires a demographic of highly unemployed individuals • Donating remaining foods to the local shelter • Develop caffeine free products to reduce physiological effects on customers • Rising health consciousness 	<ul style="list-style-type: none"> • Up-to-date business software and equipment will be needed to increase efficiency • Employees will need to be trained on new equipment • New technological changes to wireless charging and developing high speed internet connections • Rising availability of specialty coffee machines for home
Legal	Environmental
<ul style="list-style-type: none"> • Comply with EOE Laws and a “NO TOLERRANCE” policy towards Sexual Harassment • Comply with ADA laws and standards to avoid discrimination and an unsafe working environment • Post warnings of food issues—heat, nut allergies, etc. 	<ul style="list-style-type: none"> • Use of biodegradable supplies and paper products • Environmentally friendly water fixtures and plumbing, and energy efficient lighting • Recycle waste materials



Strategy in Place to Take Business Toward Long-Term Goals

Of course most of our long-term goals can be achieved through the growth of our business. In order to obtain this growth, we need to succeed in areas such as employee and customer loyalty, brand recognition, partnerships, and service. This will lead to increased sales, staff, locations, and the establishment and growth of our e-commerce site. After re-evaluating **Brewing Opportunities'** long-term goals, the business owners will take the following steps to continue the long-term success of the business.

1. Create and strengthen our partnerships with adult service providers will be crucial in enhancing quality crafts/arts, assisting individuals with supplementing their income and hiring personnel.
2. Utilize profits to create career training opportunities, educational workshops and investment funds that will benefit employees and their families.
3. Develop charity events and scholarships to promote awareness of career opportunities.
4. Strive to achieve established net profit goals to increase employment opportunities, supplement incomes, expand operations, repay loan and assist in the continuance of an extended lease agreement with Roger Ogden.
5. Establish brand recognition through our e-commerce site and all marketing components.

FINANCIALS

Type of Accounting System to be Used is Identified



Brewing Opportunities will utilize QuickBooks Online to organize and track the company's financial transactions and inventory, plus provide cash management. It is an exceptional and easy to use program for any small business. Also, our financial accountants, Vickers Tax and Accounting will have easy access to all online transactions once it is time to file taxes. Robert Ogden, our silent partner, will have the ability to review the financial statements as well. This program tracks all of your customers, vendors and employee records, to make payroll much more simplified. It also sends out billing and invoicing to customers online or they can be printed. QuickBooks Online also offers free customer services. Jeff will be responsible for the daily accounting and financial portions of the business.

Financial Projections

To sufficiently begin operations in the execution of opening **Brewing Opportunities**, the owners must obtain \$71,600 in funding and execute a contract with Robert Ogden, CEO of Ogden Newspapers Inc. The funding will be used primarily on capital expenditures and re-construction for the necessary requirements for FDA and ADA compliance. Each of the owners will invest \$10,000 for a total of \$30,000. Sean, Jeff and Paige will continue to work part-time at their current jobs, while performing their roles at **Brewing Opportunities**. All owners will maintain 100% ownership. The owner's will be seeking an SBA loan at the Federal Prime Lending rate at Mid-America Bank in Lawrence for the remainder of the funding needed, which will be \$41,600.

Terms of the loan will include the rate of return to the investor (3.75%), with the principal paid annually and collateral pledged to the SBA. Yearly review during the duration of the loan will be mandated, as well.

Due to the education and experiences of each owner, each maintains a one fourth vote, while Robert Ogden maintains the remaining fourth as per the Management/Business Lease Agreement. Equal investment and profit sharing percentages of 33.3% will be given to Jeff, Paige and Sean, with all three receiving a salary of \$1,000 monthly.

Brewing Opportunities



Brewing Opportunities' financial projections show a reflection of our goals and our target market. We can utilize these to predict problems and risk throughout our business. Finally, we can use our projections as a control unit for our future spending, as well as provide a framework for our starting business.

Year 1 Monthly Cash Flow

1 Year Projected Monthly Cash Flow Statement													
	Pre-Start Up Estimate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash on Hand (Beginning of Month)	\$ 30,000.00	\$ 3,000.00	\$ 2,946.35	\$ 2,886.78	\$ 2,821.23	\$ 2,749.65	\$ 2,780.57	\$ 2,914.53	\$ 3,152.11	\$ 3,493.86	\$ 3,940.36	\$ 4,492.18	\$ 5,149.91
Cash Receipts													
Sales	-	32,733.00	32,733.00	32,733.00	32,733.00	32,902.67	33,073.30	33,244.91	33,417.50	33,591.08	33,765.66	33,941.25	34,117.84
Loan	41,600.00												
Depreciation		421.42	421.50	421.58	421.67	421.84	422.01	422.18	422.36	422.54	422.71	422.89	423.08
Total	\$ 41,600.00	\$ 33,154.42	\$ 33,154.50	\$ 33,154.58	\$ 33,154.67	\$ 33,324.51	\$ 33,495.31	\$ 33,667.09	\$ 33,839.86	\$ 34,013.62	\$ 34,188.37	\$ 34,364.14	\$ 34,540.92
Total Cash Available (Before Cash Out)	\$ 71,600.00	\$ 36,154.42	\$ 36,100.85	\$ 36,041.36	\$ 35,975.90	\$ 36,074.16	\$ 36,275.88	\$ 36,581.62	\$ 36,991.97	\$ 37,507.48	\$ 38,128.73	\$ 38,856.32	\$ 39,690.83
Cash Paid Out													
Purchases (Merchandise)	3,000.00	11,456.55	11,456.55	11,456.55	11,456.55	11,515.93	11,575.65	11,635.72	11,696.12	11,756.88	11,817.98	11,879.44	11,941.25
Kitchen Equipment	27,000.00												
Restaurant Furniture	12,000.00												
Packaging Supplies	800.00												
Office Supplies	800.00												
Renovations	20,000.00												
Office Equipment	5,000.00												
Employee Salary (Gross)		15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00
Payroll Tax		1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78
Workers Compensation		155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98
Business Insurance		103.11	103.11	103.11	103.11	103.11	103.11	103.11	103.11	103.11	103.11	103.11	103.11
Utilities		725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00
Licensing		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Office Supplies		200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Advertising		400.00	404.00	408.04	412.12	416.24	420.40	424.61	428.85	433.14	437.47	441.85	446.27
Miscellaneous		500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Maintenance		200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Supplies		800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
Shipping		200.00	202.00	204.02	206.06	208.12	210.20	212.30	214.43	216.57	218.74	220.92	223.13
Spoilage		343.70	343.70	343.70	343.70	345.48	347.27	349.07	350.88	352.71	354.54	356.38	358.24
Charitable		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total	\$ 68,600.00	\$ 32,508.12	\$ 32,514.12	\$ 32,520.18	\$ 32,526.30	\$ 32,593.64	\$ 32,661.39	\$ 32,729.57	\$ 32,798.15	\$ 32,867.17	\$ 32,936.60	\$ 33,006.46	\$ 33,076.76
Cash Paid Out (Non P&L)													
Loan Principal Payment		699.95	699.95	699.95	699.95	699.95	699.95	699.95	699.95	699.95	699.95	699.95	699.95
Total	\$ -	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95	\$ 699.95
Total Cash Paid Out	\$ 68,600.00	\$ 33,208.07	\$ 33,214.07	\$ 33,220.13	\$ 33,226.25	\$ 33,293.59	\$ 33,361.34	\$ 33,429.52	\$ 33,498.10	\$ 33,567.12	\$ 33,636.55	\$ 33,706.41	\$ 33,776.71
Cash Position (End of Month)	\$ 3,000.00	\$ 2,946.35	\$ 2,886.78	\$ 2,821.23	\$ 2,749.65	\$ 2,780.57	\$ 2,914.53	\$ 3,152.11	\$ 3,493.86	\$ 3,940.36	\$ 4,492.18	\$ 5,149.91	\$ 5,914.13

Year 1 Monthly Income Statement

1 Year Projected Monthly Income Statement												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue:												
Bakery Sales	4,051.00	4,051.00	4,051.00	4,051.00	4,071.26	4,091.61	4,112.07	4,132.63	4,153.29	4,174.06	4,194.93	4,215.90
Beverage Sales	7,525.00	7,525.00	7,525.00	7,525.00	7,562.63	7,600.44	7,638.44	7,676.63	7,715.02	7,753.59	7,792.36	7,831.32
Breakfast Sales	7,962.00	7,962.00	7,962.00	7,962.00	8,001.81	8,041.82	8,082.03	8,122.44	8,163.05	8,203.87	8,244.89	8,286.11
Deli Sales	12,795.00	12,795.00	12,795.00	12,795.00	12,858.98	12,923.27	12,987.89	13,052.83	13,118.09	13,183.68	13,249.60	13,315.85
Craft Sales	400.00	400.00	400.00	400.00	408.00	416.16	424.48	432.97	441.63	450.46	459.47	468.66
Total Revenue	\$ 32,733.00	\$ 32,733.00	\$ 32,733.00	\$ 32,733.00	\$ 32,902.67	\$ 33,073.30	\$ 33,244.91	\$ 33,417.50	\$ 33,591.08	\$ 33,765.66	\$ 33,941.25	\$ 34,117.84
Cost of Goods Sold	\$ 11,456.55	\$ 11,456.55	\$ 11,456.55	\$ 11,456.55	\$ 11,515.93	\$ 11,575.65	\$ 11,635.72	\$ 11,696.12	\$ 11,756.88	\$ 11,817.98	\$ 11,879.44	\$ 11,941.25
Gross Profit	\$ 21,276.45	\$ 21,276.45	\$ 21,276.45	\$ 21,276.45	\$ 21,386.73	\$ 21,497.64	\$ 21,609.19	\$ 21,721.37	\$ 21,834.20	\$ 21,947.68	\$ 22,061.81	\$ 22,176.60
Expenses:												
Employee Salary Expense	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00	15,598.00
Payroll Tax Expense	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78	1,715.78
Lease Expense												
Workers Compensation Expense	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98	155.98
Business Insurance Expense	106.38	106.38	106.38	106.38	106.93	107.49	108.05	108.61	109.17	109.74	110.31	110.88
Utilities Expense	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00
Licensing Expense	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Office Supplies Expense	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Advertising Expense	400.00	404.00	408.04	412.12	416.24	420.40	424.61	428.85	433.14	437.47	441.85	446.27
Miscellaneous Expense	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Maintenance Expense	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Supplies Expense	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
Shipping Expense	200.00	200.00	200.00	200.00	202.00	204.02	206.06	208.12	210.20	212.30	214.43	216.57
Spoilage Expense	343.70	343.70	343.70	343.70	345.48	347.27	349.07	350.88	352.71	354.54	356.38	358.24
Charitable Expense	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total Expenses	\$ 21,054.84	\$ 21,058.84	\$ 21,062.88	\$ 21,066.96	\$ 21,075.41	\$ 21,083.94	\$ 21,092.55	\$ 21,101.23	\$ 21,109.98	\$ 21,118.82	\$ 21,127.73	\$ 21,136.72
Net Income (Loss) Before Operations	\$ 221.61	\$ 217.61	\$ 213.57	\$ 209.49	\$ 311.32	\$ 413.70	\$ 516.64	\$ 620.15	\$ 724.22	\$ 828.86	\$ 934.08	\$ 1,039.88
Operating Expenses												
Interest	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)	(6.51)
Depreciation	(421.10)	(421.18)	(421.26)	(421.34)	(421.51)	(421.68)	(421.85)	(422.02)	(422.20)	(422.38)	(422.55)	(422.73)
Net Income (Loss) After Operations	\$ (206.00)	\$ (210.08)	\$ (214.20)	\$ (218.36)	\$ (116.70)	\$ (14.49)	\$ 88.28	\$ 191.61	\$ 295.51	\$ 399.98	\$ 505.02	\$ 610.64

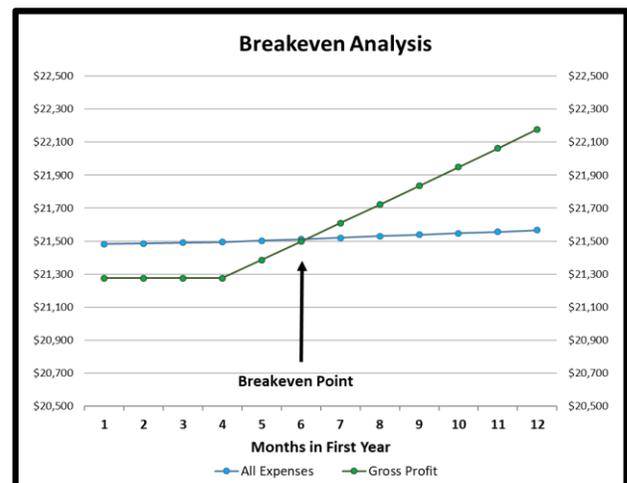


Yearly Income Statements for Years 1, 3, and 5

1, 3 & 5 Year Projected Income Statement			
	Year 1	Year 3	Year 5
Revenue:			
Bakery Sales	49,349.75	59,713.20	72,252.97
Beverage Sales	91,670.42	110,921.21	134,214.66
Breakfast Sales	96,994.01	117,362.75	142,008.93
Deli Sales	155,870.17	188,602.91	228,209.52
Craft Sales	5,101.85	6,173.24	7,469.62
Total Revenue	398,986.20	482,773.30	584,155.70
Cost of Goods Sold	139,645.17	149,659.72	157,722.04
Gross Profit	259,341.03	333,113.58	426,433.66
Expenses:			
Employee Expense	187,176.00	196,651.79	206,607.28
Payroll Tax Expense	20,589.36	21,631.70	22,726.80
Lease Expense	-	-	-
Workers Compensation Expense	1,871.76	1,966.52	2,066.07
Business Insurance Expense	1,296.71	1,665.57	2,132.17
Utilities Expense	8,700.00	8,874.87	9,053.25
Licensing Expense	120.00	120.00	120.00
Office Supplies Expense	2,400.00	2,448.24	2,497.45
Advertising Expense	5,073.00	5,073.00	5,073.00
Miscellaneous Expense	6,000.00	6,000.00	6,000.00
Maintenance Expense	2,400.00	2,448.24	2,497.45
Supplies Expense	9,600.00	9,792.96	9,989.80
Shipping Expense	2,473.71	2,523.43	2,574.15
Spoilage Expense	4,189.36	4,444.49	4,715.16
Profit Reinvestment Expense	-	1,500.00	2,500.00
Charitable Expense	1,200.00	1,452.00	1,756.92
Total Expenses	253,089.90	266,592.80	280,309.51
Net Income (Loss) Before Operations	6,251.13	66,520.78	146,124.15
Operating Expenses			
Interest	(78.12)	(78.12)	(78.12)
Depreciation	(5,061.80)	(2,665.93)	(2,803.10)
Net Income (Loss) After Operations	1,111.21	63,776.73	143,242.93

Loan Amount	\$ 41,600.00
Annual Interest Rate	3.750%
Loan Period in Years	5
Start Date of Loan	11/1/2018
Yearly Payment	\$ 8,398.16
Number of Payments	5

Year	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	12/1/2018	41,600.00	8,398.16	8,268.16	130.00	33,331.84
2	1/1/2019	33,331.84	8,398.16	8,294.00	104.16	25,037.84
3	2/1/2019	25,037.84	8,398.16	8,319.92	78.24	16,717.92
4	3/1/2019	16,717.92	8,398.16	8,345.92	52.24	8,372.00
5	4/1/2019	8,372.00	8,398.16	8,372.00	26.16	(0.00)





SUPPORTING DOCUMENTATION

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Partial Partnership Agreement & Lease Agreement

ARTICLES OF LIMITED PARTNERSHIP

Articles of Limited Partnership

This limited partnership agreement is made on *January 1 in 2019* by and between *Jeff Ebeck, Paige McCarty and Sean Roberts* as general partners and as limited partners.

Article I.
Governing Law

The parties to this agreement by it form a limited partnership pursuant to the provisions of the Uniform Limited Partnership Act of the *State of Kansas*, and that act shall govern the rights and liabilities of the parties to this agreement.

Article II.
Name

The name of this limited partnership shall be *Brewing Opportunities*.

Article III.
Term

This limited partnership shall begin the day the certificate of limited partnership is duly filed and shall continue until terminated in accordance with this agreement.

Article IV.
Purposes

The purposes of this limited partnership are to invest in improved and unimproved real estate in the *State of Kansas* and to lease, develop, sell, mortgage, or otherwise transfer all or a portion of the real estate with the goal of earning a profit for the limited partnership.

Article V.
Principal Place of Business

The principal place of business of the limited partnership shall be in *643 New Hampshire Street, Lawrence, Kansas* or such other place or places as the general partners may designate from time to time.

Article VI.
Partnership Management

(a) The partnership business shall be managed by the general partners. In addition to those powers granted to the general partners by law, the general partners shall have the power to execute leases and management contracts, incur obligations on behalf of the limited partnership in connection with the business, and execute on behalf of the limited partnership any and all instruments necessary to carry out the purposes of the limited partnership, including the power to dispose of the real property or other assets of the limited partnership for full and adequate consideration. However, the general partners may not sell or pledge more than 33.33% of the assets owned by the limited partnership at the time of sale or pledge in one or a series of transactions without the affirmative vote of limited partners entitled to 33.33% or more of the profits of the limited partnership.

(b) No limited partner may participate in the management of the limited partnership or subject the limited partnership to any liability or obligation.

Source Document 1—LLC Partnership Agreement Page

(c) The general partners may employ persons in the operation and management of the limited partnership business for such compensation as they determine.

(d) The general partners have no authority to do any act in contravention of this agreement or the certificate of limited partnership; to do any act that would make it impossible to carry on the limited partnership's ordinary business; to confer a judgment against the limited partnership; to admit anyone as a partner except as otherwise provided in this agreement, or to possess or assign rights in limited partnership property for other than a limited partnership purpose.

Article VII.
Profits and Losses

(a) Profit. The net profit of the limited partnership shall be equal to the taxable income of the limited partnership as shown in the limited partnership tax return filed with the United States.

Except as provided in Article XI, profits shall be divided as follows:

- (1) 33.33% to the capital accounts of the general partners in accordance with the percentages set forth in Exhibit I.
- (2) 33.33% to the capital accounts of the limited partners in accordance with the percentages set forth in Exhibit II.

(b) Losses. All losses shall be entirely allocated to the limited partners' capital accounts in proportion to their capital contributions, but no limited partner may be liable for more than his/her individual investment in the limited partnership.

Article XIII.
Limitation on Allocations and Distributions to General Partners

Notwithstanding Article X, the general partners shall not receive any share of profits or distribution of capital until such time as a limited partner has been returned his/her investment through a combination of profits and losses. For the purpose of this computation, the capital contribution of a limited partner shall be considered to be *\$10,000.00*. From this amount, 33.33% of the profits distributed to a person making such a capital contribution and 33.33% of the losses shall be deducted.

Article IX.
Assignment of Partners' Interests

(a) General partners. No general partner may assign, mortgage, encumber, or sell all or a portion of his/her interest as general partner to anyone other than another general partner or limited partner. The transferee shall be a general partner to the extent of the interest transferred.

(b) Limited partners. A limited partner's right to receive any income from the limited partnership may not be transferred without the prior, written consent of the general partners, who may not unreasonably withhold such consent. A limited partner may not transfer all or a portion of his/her capital interest unless—*he/she first gives the other limited partners the opportunity to purchase the interest at its fair market value, as determined by the general partners. The limited partners shall have 60 days to purchase the interest.*

Article X.
Compensation for General Partners

In addition to receiving a share of net profits, as provided in Article X, the general partners are entitled to a management fee equal to 33.33% of the value of the assets listed on the year-end balance sheet of the limited partnership, prepared in accordance with generally accepted accounting principles, but in calculating the value of the assets for the purpose of determining the management fee, there shall be no reduction for accumulated depreciation.

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Article XVII.
Organizational Expenses

All expenses required for the formation of the limited partnership shall be paid by the limited partnership.

Article XVIII.
Integration Clause

This agreement constitutes the final written expression of the parties' agreement, and any statements, oral or written, that differ from the terms of this agreement shall have no effect.

In witness of which, the parties have executed this agreement *November 1 in 2018*.

Limited Partners

Jeff Ebeck, General Partner

Paige McCarty, General Partner

Sean Roberts, General Partner

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Management/Business Lease Agreement

This agreement is entered into on December 1, 2017 between Robert Ogden, CFO of Ogden Newspapers Inc. (LESSOR), and Jeff Ebeck, Paige McCarty, and Sean Roberts, owners of *Brewing Opportunities*, a partnership, (LESSEES).

Beginning January 1, 2018, to December 31, 2022, LESSOR will provide a portion of a building for LESSEES. Such portion consists of the lower level (15,000 sq. ft.) of The World Company building (BUILDING), located at 645 New Hampshire Street, Lawrence, Kansas. Review of the agreement will be made in June of 2022 by the LESSOR and the LESSEES to decide continuation of the contract.

Renovation of the BUILDING will be allowed as diagramed, incorporated herein by reference, by LESSEES for dining area, quiet room, storage area, craft storage/assembly room, kitchen, and restrooms that will allow LESSEES to operate and perform daily operations of LESSEES' business. The LESSOR will also cover one half LESSEES' insurance cost and one half LESSEES' monthly utilities on the BUILDING.

The use of the BUILDING will be donated by the LESSOR to the LESSEES for five (5) years, with a renewable option at the end of the fifth year. The option to renew this agreement is based upon the following five (5) criteria:

1. The annual income statement must show sustainable profits at the end of each year of \$5,000 or more so the LESSEES is able to pay all employees, including LESSEES.
2. Of the staff hired by LESSEES, 75% must be mentally or physically challenged (A physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.—ADA legal definition), not including the owners or career coaches.
3. No major structural changes (interior or exterior) can be made to the BUILDING other than the original floor plan that was agreed upon by the LESSEES and the LESSOR without the written consent of the Robert Ogden family.
4. All operating expenses (expenses incurred through normal business operations) will come from *Brewing Opportunities'* profits.
5. Robert Ogden will serve as a one-quarter silent voting partner on all major decisions, and is allowed access to all financial records of *Brewing Opportunities* when requested. Major decisions include but are not limited to changes in the partnership agreement, legal issues, profit redistribution, etc.

Owner of The World Company building on 645 New Hampshire Street, Lawrence, KS
Robert Ogden, CFO Ogden Newspapers Inc.

Brewing Opportunities
Jeff Ebeck

Brewing Opportunities
Paige McCarty

Brewing Opportunities
Sean Roberts

Source Document 2—Lease Agreement