

Java Jolts

Business Plan

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Executive Summary

Java Jolts is a popular, warm, and comfortable coffee bar. It is located in the Kauffman Center in downtown Kearney, NE. It is a great place to come for a hot or cold drink, a snack, or even lunch. There is something for everyone. Java Jolts has been in business for twenty years and has built up a solid clientele. The building has been renovated and has exposed brick walls and wood floors, which enhance the atmosphere.

A menu full of different options for both breakfast and lunch is available. Items are prepared in our kitchen/bakery and are fresh each day. Healthy options are offered including low-fat, sugar-free, and gluten-free items. Catering is also offered from the regular menu, and we can cater on and off Java Jolts' premises. Daily specials will be offered that are not on the regular menu.

The primary target market for Java Jolts is Kearney. This mid-size city is a busy place for business people, shoppers, college students, and tourists. This area is a growing market in terms of coffee drinkers. The secondary target market is the small towns that surround Kearney. Many towns are within twenty miles of Kearney and do not have specialty coffee bars.

Java Jolts plans to take out a loan with the local Platte Valley State Bank. This is an ideal financial institution because it is familiar with the community as well as with the owner. The personalized accounts of the owner also reside at this bank. The loan will be used to update the business, expand the kitchen, and add an in-house bakery.

Sydney Stadler, Java Jolt owner, hopes to continue doing steady business. In addition, they hope to expand their clientele by adding the bakery, healthy menu options, and catering. They also hope to expand their clientele by reaching people from approximately sixteen and older by having both menu items and an atmosphere that attracts a variety of ages.

Business Description & Vision

Description of Business

Java Jolts offers hot and cold drinks to its customers. Java Jolts has an in-house bakery, which offers baked items that include items for diabetics as well as gluten-free choices. Java Jolts also offers a lunch and catering menu.

Guests enjoy a relaxing, cozy atmosphere. Seating areas are set up to allow guests to eat, drink, dive into a good book, meet a client, study for an exam, or just hang out with friends. Java Jolts is also happy to host group meetings, dinner parties, or small social gatherings. During store hours we are able to accommodate smaller groups of people, and after hours we can provide services for groups of fifty people or less. With an afterhours reservation, we offer catering and beverage services. We also offer catering off Java Jolts' premises.

Legal Form of Business

Java Jolts is owned and managed by Sydney Stadler. The owner entered into the partnership by investing approximately 32% of the total assets. The owner may reserve the right to reinvest profits into the business. At all times during the continuance of this agreement, the owner will give their attendance and to the utmost of their skill and power, exert themselves for their joint interest, profit, benefit and advantage to the increase of their business. She agrees to actively and fully participate in the management and operation of Java Jolts.

Company Mission

Java Jolts is a modern yet historical coffee bar, which brings a health-conscious and at home feeling to the customers. Our customers receive a heartwarming, comfortable experience which resembles a cozy "in your living room" like setting. This entertaining coffee bar has great, clear windows that display a historic view of Kearney, Nebraska's downtown, "The Bricks." Consumers walk into Java Jolts knowing that they will encounter a personal, secure, and enjoyable experience.

Company Governance

Sydney Stadler agrees to actively and fully participate in the management and operation of Java Jolts. She understands and agrees that the expenses of her business shall be allocated and paid by parties on an equal basis. Proceeds from the business shall be kept in a checking account at the Platte Valley State Bank, and Sydney Stadler will have power to draw and write checks upon the account. A federal tax ID number shall be applied for, and the appropriate tax documents will be filed with the federal and state government.

Company Location

Java Jolts is located in the Kauffman Center at 2211 Central Ave. Kearney, NE. The Kauffman Center is found in downtown Kearney on what has been named "The Bricks." It has been named

“The Bricks” for the original brick streets that run through the area. The Kauffman Center is located in a popular shopping area in the heart of downtown Kearney with frequent foot traffic from the outside shopping experience. It is a collection of eclectic shops and eateries all inside one building. Other businesses located in the Kauffman Center include a bookstore, a scrapbooking shop, and an art gallery.

In the summer, the climate tends to be very warm, and in the winter, the temperature tends to be very cold. Nothing sounds better than a cold smoothie in the middle of summer or a hot coffee during a shopping trip on a cold winter morning.

Area attractions would include the Museum of Nebraska Art (MONA) and the World Movie Theatre which all attract people year-round. These will boost business, making the coffee bar successful overall.

Long Term Goals

Future development goals include the following: swipe cards, expanded breakfast offerings, paying down business debt, and the purchase and expansion to the building next door. In the next five to ten years it is our hope to offer the swipe cards and expanded breakfast offerings. At this time we have only punch cards where a customer is given a free drink after ten purchases.

However, we would like to offer prepaid swipe cards for people to use as gifts. In addition, we would like to expand our breakfast offerings to include hot breakfast items. Depending on our success, ten to fifteen year goals would be to pay down our business debt and purchase the space next to Java Jolts. This space also has the exposed brick walls and wood floors. It would be our hope to rent this space out for events such as exercise classes or large gatherings.

Short-Term Goals

After purchasing the coffee bar, we will immediately take action for improvements. The design of Java Jolts will be updated. However, this particular location was purchased due to the limited amount of updates needed. The ceiling will be painted. New rugs and pillows will be purchased in coordinating colors as well. Modern wood tables and chairs will continue to be used for large parties, eating meals, and group meetings. Comfortable, large lounge chairs and couches will also continue to be used and will scatter the room, allowing the customers to have a nice, relaxed time. The kitchen will be updated and expanded to include an in-house bakery. The interior design will be an easy, accessible space for cooking and baking. The kitchen will also be filled with new appliances such as a commercial grade freezer, refrigerator, and range/oven with hood. The bathrooms will be painted and updated with new mirrors, cabinets, and accessories.

The products sold to our consumers are of the utmost importance. One major objective is making this coffee bar health-conscious. The food and drinks will consist of healthy ingredients to please our customers. The business will also include breakfast items, delicious lunches and catering. These objectives will be reached before the doors open for the public.

Definition of the Market

Target Market Defined

Java Jolts primary target market is the city of Kearney which has a population of 32,174. Java Jolts provides a warm, comfortable atmosphere aimed at attracting teenagers and older. Java Jolts can be a place to study alone or with a group. Kearney is a college town and will appeal to students looking for a place to study. Java Jolts can be a place to meet friends for drinks or read a book alone. It is available for lunch gatherings with friends or business associates. Java Jolts coffee bar can be booked for small parties and events. Java Jolts will also cater small events off the premises. We aim to serve people with all tastes; however, we also have products geared toward the health conscious.

Market research indicates that over 50% of Americans over eighteen years of age drink coffee every day. This represents over 150 million daily drinkers. In addition thirty-million Americans drink specialty coffee beverages daily. Our target market includes a population of approximately 40,000 people which equates to 20,000 potential coffee drinkers. Additionally, approximately 4,000 people would potentially drink specialty coffee beverages daily.

Java Jolts secondary market is surrounding small towns that don't have coffee bars of their own. There is a lot of potential for growth from these surrounding areas. Surrounding towns include Amherst, Pleasanton, Elm Creek, Wilcox, Hildreth, Axtell, Gibbon, Riverdale, Overton, Ravenna, and Funk. Frequent shoppers, businesspeople, tourists, and teenagers looking for entertainment come to Kearney. Approximately 30% of Java Jolts' clientele comes from surrounding small towns.

Description of Products and Services

Our menu has hot and cold drinks. Our snack items include pastries and health-conscious choices. Our lunch and catering menu includes soups, sandwiches, and salads. We will begin with a limited menu so as not to overextend our costs for food. We plan to run daily specials that are not on the regular menu.

Java Jolts Continental Breakfast/Lunch/Catering Menu				
Drinks	Pastries	Salads	Soups	Sandwiches
Coffee Smoothies	Cinnamon Rolls Scones	Java Jolts' Entrée Spinach/Strawberry	French Onion Beer Cheese	Paninis Ham, Turkey, Roast Beef
Teas Sodas Juices Water	Muffins Blueberry Low Fat Banana Bran Sugar Free Pumpkin Raisin	Side Chicken Salad Tuna Salad	Potato Chicken Tortilla <u>Vegetable Tortellini Soup</u>	Specialty Paninis Italian Artichoke/Black Olive Tomato/Mozzerella/Spinach
	Turnovers Apple Cherry			
	Gluten Free Coffeecake			*Gluten-free bread may be requested

For our patrons' convenience, Wi-Fi is available. We feel that they will appreciate being able to stay "connected" while at Java Jolts. A daily newspaper and several magazine subscriptions will also be available.

Each month we will have a different promotion focused around a theme.

Month	Theme	Event
January	Tremendous Teas	National Tea Month
February	Patriotic Pastries	President's Day
March	Muffin Madness	NCAA Basketball Tourney
April	Foolish Frappucinos	April Fool's Day
May	Granitas for Graduates	HS and College Graduation
June	3-Strikes Salads	Baseball Season
July	Swim on in for Smoothies	Summer Fun
August	"Kupcakes" for Kids	School Starts
September	Touchdown Turnovers	Football Kickoff
October	Fall Into Spiced Chai	Fall Special
November	Turkey Paninis	Thanksgiving
December	Warm Winter Soups	Winter

The previous owners who put in countless hours restoring the wood floors, exposing the brickwork, and modernizing the lighting, heating and air conditioning did the current restoration. Local artwork and products will be displayed throughout the business. Local artisans will have price tags attached and patrons to the coffee bar may purchase these items. We will not charge artisans for space; however, we have the right to pick and choose what items we will display. Our shop hours are 6:00 am- 5:00 pm Monday through Saturday. We are open 8:00 am-Noon on Sunday. We will only be serving drinks on Sunday. We will be closed on all major holidays.

Organization & Management

Business Facilities

Java Jolts has 2,835 square feet of space. Upon entering Java Jolts you will see small tables near the front of the shop. These tables are a great place to surf the web, read a book, or just drink a relaxing cup of coffee. Walking further you will reach a lounge area and tables for larger seating. The lounge areas consist of oversized couches and chairs for the comfort of customers. This area makes for great conversation amongst friends. The large tables work well for study groups, parties, and meetings. Toward the back of the shop the coffee bar sits with an area for ordering and beautiful glass cabinets, which display baked goods. Situated behind the coffee bar is the kitchen and bakery. The restrooms can be found at the very back of the coffee bar. All facilities comply with Americans with Disabilities Act (ADA) regulations to ensure that guests with disabilities can utilize and enjoy the premises in their entirety. A visual map of Java Jolts floor plan is displayed at the end of this document.

Throughout the coffee bar you will find artwork from local artists on almost every wall. The walls are the original brick giving a warm feel to the entire place. Walls in the coffee bar and bakery area are painted a warm burgundy keeping a comfortable feel throughout.

Management Personnel

Various tasks and ideas will be distributed between the owners equally. Certain duties would include supervising employees, bookkeeping, overseeing the production of food and beverages, and making sure that all facilities are running well and are sanitary. Sydney Stadler owns Java Jolts and make sure that all elements of the business are of the highest quality. She directs the culinary half of the establishment. This includes food planning and preparation. She makes sure all foods that go over the counter are top quality and that health conscious options are available. She also manages drink preparation, store financials and catering. She is responsible for employee supervision. The owner is knowledgeable in all areas of management and is capable of performing all duties. Additionally, monthly management meetings will be held with all employees to discuss any areas of concern. Overall, the owner wants Java Jolts visit to be a personal, secure, and enjoyable experience.

Workforce

The owner will supervise the employees and engage in most of the work done around the coffee bar to keep costs down. However, to keep up with the demands of daily business, especially lunch and catering, the owner will have hired additional help. Two full-time and part-time employees will be hired. Benefits will not be provided at this time. The full-time employees will have greater responsibilities than the part-time employee including food and drink preparation, serving meals and drinks, scheduling catered and in-store events, ordering supplies, and closing. The part-time employee will be hired to prepare and serve drinks, serve lunch meals, and complete general housekeeping duties. For catered events and in-store events, Sydney will be the supervisor. In addition, a list of workers from the local high school will be called upon to work at catered and in-store events. This cooperative venture was established by the previous owners and allows high school students to raise funds for events. At this time we are estimating hiring two people for each catered event.

Sydney will serve as the kitchen manager. The kitchen manager is responsible for preparing baked items and lunches. She will also prepare food for catered events. Other duties include the ordering of food and maintaining the upkeep and cleanliness of the kitchen and dishes.

Sydney will also serve as the drink and catering manager and will complete the financials. As drink manager Sydney will make sure quality drinks are being served. As the catering manager Sydney will help clients plan their menus, deliver and serve meals, and hire additional staff to serve the meals. When Sydney is absent in the coffee bar, the full-time employee will fulfill her duties.

Below is a chart of Java Jolts' employees and their wages.

Title of Employee	Hourly Wage	Annual Wages
1-Full-Time Employee	\$13.00/hour	\$26,520
1-Part-time Employee	\$11.00/hour	\$11,781
2-Additional staff for catered events	\$8.50/hour	\$1,224.00

The following is the work schedule. If Sydney works catering events during the week, he will take time off from this schedule equal to the catering hours he works in a given week. No one except owners will work any overtime hours.

	7-8	8-9	9-10	10-11	11-noon	noon-1	1-2	2-3	3-4	4-5
Mon	Syd	Syd	Syd	Syd	Syd	Syd	Syd	Syd		
			FT	FT	FT	FT	FT	FT	FT	FT
	FT	FT	FT	FT	FT	FT	FT	FT		
Tue	PT	PT	PT	PT	PT	PT	PT			
	FT	FT	FT	FT	FT	FT	FT	FT		
			FT	FT	FT	FT	FT	FT	FT	FT
Wed	Syd	Syd	Syd	Syd	Syd	Syd	Syd	Syd		
	PT	PT	PT	PT	PT	PT	PT			
			FT	FT	FT	FT	FT	FT	FT	FT
Th			Syd	Syd	Syd	Syd	Syd	Syd	Syd	Syd
	FT	FT	FT	FT	FT	FT	FT	FT		
	PT	PT	PT	PT	PT	PT	PT			
Fri	Syd	Syd	Syd	Syd	Syd	Syd	Syd	Syd		
			FT	FT	FT	FT	FT	FT	FT	FT
	FT	FT	FT	FT	FT	FT	FT	FT		
Sat			Syd	Syd	Syd	Syd	Syd	Syd	Syd	Syd
	FT	FT	FT	FT	FT	FT	FT	FT		
	FT	FT	FT	FT	FT	FT	FT	FT		
Sun*		FT	FT	FT	FT					
		Syd	Syd	Syd	Syd					

*Sydney will be working alternate Sundays.

We are budgeting for serving approximately forty drink orders, thirty breakfast items, ninety lunch plates with a drink, fifty dinner plates at a catered event, and twenty-five drink orders on Sundays. These figures are based on numbers provided by the previous owners. Catered event numbers were projected by the current owners. Drinks that may be ordered with a lunch plate will only include sodas, water, plain coffee, and teas. It is our goal to have at least two full-time people in the coffee bar at all times except for the last two hours of the day which we anticipate to be our slowest time of the day and a time when only drinks and pre-made snacks will be served. Three will be scheduled at times of high traffic. Sydney will work alternate Sundays serving only drinks and preparing the coffee bar for the next week's business. In addition, we are budgeting for two catered events per month. Some months may see more events while others may see less. In the future, if the catering business grows as we hope it will, Sydney may end her daily duties at the coffee bar and take over all duties of the catering including the scheduling of events. In this case, another half or full-time employee may need to be hired.

Marketing and Sales Strategy

Analysis of Target Market

We are trying to reach a large target market. We feel that we have products that will appeal to the teenage sector (10-19 years of age-17% of the target market population) such as smoothies, sodas, and juices. We feel confident that we will also appeal to the college age sector (20-24 years of age-17% of the target market population which increases when college is in session) with these offerings and also our coffee offerings. Additionally we feel that our atmosphere will draw the college age crowd. We feel that we can reach the middle and upper age sector (25-85 years and over-53% of the target market population) with our coffee offerings as well as with our lunch and catering options.

In an economically challenging year 2009-2010, the coffee industry has proved resilient, as evidenced by new data from the NCA's 2009 National Coffee Drinking Trends (NCDT) market-research survey. Daily consumption of coffee beverages among consumers remained consistent in 2009 with 54% of the overall adult population (25-85 years and over) partaking which equates to approximately 27,200 people in our target market. This is statistically on par with the 2008 figure. Consumers still see coffee as an integral part of their everyday lives.

Marketing Strategy

Located in the heart of downtown Kearney, stopping by for a coffee will be both inviting and easily attainable.

Java Jolts competition consists of direct competition from other coffee bars located in Kearney. These coffee bars include Caribou Coffee, Barista's Daily Grind, and a Starbucks located inside a Target store.

Java Jolts is able to maintain a competitive edge over these establishments by attracting a lunch crowd, offering catering services, and providing healthy snack and meal options. Caribou Coffee only offers snack items and only caters coffee. Barista's Daily Grind offers one locations. The other offers lunch and catering options. Starbucks offers only snacks but the atmosphere is not warm and inviting as it is located near the Target check-out line.

In addition, other lunch options in the community vary. In downtown Kearney where Java Jolts is located, there are only two competitors. One is the French Café, which offers a lunch menu only and is similar to the offerings at Java Jolts. The second is the Alley Rose, which offers a high end lunch menu only. Outside of the downtown area Kearney has the same fast food and restaurant options as cities its size.

Java Jolts will also utilize technology to attract more customers. An online store selling drink ware and coffee beans will be used. The website will also have a reservation system where customers can reserve Java Jolts for events or meetings. Reservations will run on a first come first serve basis. The website will also allow customers to make their food item of their choice, or drink. This will allow customers to order online and pay in the store when their items are picked up.

Java Jolts will have it's menu displayed on the website as well as Frequently Asked Questions and more information about the business.

Financial Management

Name, Type and Rationale

Java Jolts is requesting a loan from Platte Valley State Bank & Trust Company. Platte Valley State Bank has a long tradition of working with small business owners in and around the Kearney area. They are interested in seeing the small entrepreneur succeed in Kearney. It has been in operation for sixty-six years. Platte Valley State Bank & Trust provides a complete menu of financial products and services from personal to business products, home financing, investments and everything in between.

In addition, a relationship with Platte Valley State Bank & Trust Company has already been established, as the pre-existing business loan on Java Jolts was through this bank. Also, each partner's personal finances such as savings and checking are controlled through this bank.

Loan Request

Purpose of Loan and Amount Requested

Sydney Stadler will be requesting a loan from the Platte Valley State Bank & Trust Company. The purpose of this loan will be to purchase Java Jolts coffee bar. In addition, we will be using the loan to update the surroundings, bathrooms, and kitchen. The kitchen will be expanded to include an in-house bakery.

After contacting several financial institutions and discussing loan terms, Platte Valley State Bank indicated they would provide Java Jolts with a business loan. Their willingness was based on the familiarity with the business and the personal relationship it has with the owners. Java Jolts has made a request to borrow \$108,273. Platte Valley State Bank & Trust Company has committed to a fixed rate of 7.5% for twenty years. The bank has agreed to the terms because Java Jolts is a reputable business that has been in operation for twenty years, has an established clientele, and has an established relationship with Platte Valley State Bank & Trust Company. As detailed in the financial statements, Java Jolts has the capital and financial capacity to pay the projected \$872.33 monthly loan payments.

In addition to the loan on the building, we will also be asking Platte Valley State Bank for an operating note so we have capital available to run the business. We will be asking for a \$30,000 credit limit to operate. As we do business and income and expenses fluctuate, so too will the note. At some point we hope we will have enough capital from profits to run the business without an operating note.

Itemized Planned Expenditures

Itemized Planned Expenditures					
Below is a list of Java Jolts' itemized planned expenditures for building reconstruction/updates.					
Construction Costs		Appliances		Pre-existing Building and Lot	135,000
Construction Bid	4100	60" Range	4,799		
Electrical Bid	1250	Proof/Hold	2,759	Updates to Surroundings	
Plumbing Bid	500	Mixer	509	Pillows	200
Total	5850	60 "Hood	1,110	Rugs	260
		54" Wide Refrigerator	2,569	Throw Blankets	150
		35 cu. ft. freezer	3,067	Total	610
		Baking Accessories	1,000		
		Catering Accessories	1,000		
		Total	16,813		
Grand Total	158,273				
Sydney Stadler Capital	50,000				
Total Loan Amount	108,273				

Plan for Repayment

Java Jolts					
Income Statement					
For Year Ended December 31, 2016					
Revenue		Revenue		Revenue	
Operating Income	291,225	Catering Income	12,000	Total Income	303,225
Expenses		Expenses		Expenses	
Advertising	2,400			Advertising	2,400
Food Supplies	85,000	Food/Paper Supplies	6,000	Food Supplies	91,000
Paper products	9,600			Paper products	9,600
Coffees/Drinks	7,800			Coffees/Drinks	7,800
Linens	2,400			Linens	2,400
Insurance	4,000			Insurance	4,000
Property Tax	2,860			Property Tax	2,860
Depreciation Expense	6,750			Depreciation Expense	6,750
Interest Expense	8,120			Interest Expense	8,120
Loan Payment	2,500			Loan Payment	2,500
Salary Expense	38,301	Salary Expense	1,224	Salary Expense	39,525
Payroll Tax Expense	3,582			Payroll Tax Expense	3,582
Utilities Expense	12,000			Utilities Expense	12,000
Telephone	540			Telephone	540
Legal and Office	600			Legal and Office	600
Health Insurance Allow.	18,000			Health Insurance Allow.	18,000
Operating Note Interest	1,200			Operating Note Interest	1,200
Wi-Fi	3,000			Wi-Fi	3,000
Miscellaneous Expense	4,800			Miscellaneous Expense	4,800
Total Operating Expenses	213,300	Total Catering Expenses	7,224	Total Expenses	220,524
Net Operating Income	77,772	Net Catering Income	4,776	Net Income	82,548

Income Projection			
Product/Service	Quantity	Price	Total
Breakfast Items	30	2	18,360
Lunch Plate & Drink	90	8	220,320
Additional Drinks	10	2	6,120
	10	4	12,240
	20	3	18,360
Sunday Drinks	5	2	510
	5	4	1,020
	15	3	2,295
Catered Meals	50	10	12,000
Total Projected			291,225

Java Jolts	
Income Statement	
For Year Ended December 31, 2017	
Revenue	
Total Income	318,386
Expenses	-
Advertising	945
Food Supplies	85,050
Paper products	10,080
Coffees/Drinks	7,560
Insurance	3,150
Property Tax	1,502
Depreciation Expense	6750
Interest Expense	7,932
Loan Payment	2,687
Salary Expense	44,965
Payroll Tax Expense	4,271
Utilities Expense	12,600
Operating Note Interest	1,200
Wi-Fi	3,150
Miscellaneous Expense	5,040
Total Expenses	230,781

Total Net Income	87,605
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Java Jolts	
Distribution of Net Income Statement	
December 31, 2016	
Sydney Stadler	50,000
January 1, Capital	82,625
Plus Share of Net Income	2,500
Increase in equity due to debt reduction	70,000
Less Withdrawals	205,125
December 31, Capital	

Projection for Future Stability of Company

In the first year's projection where we are making approximately a \$70,000 profit, we can take some of the cash we have as profit, and we can either expand the business or we can pay off some debt. As we continue to pay off our debt, our equity will continue to grow, and the business should prosper accordingly.

Java Jolts	
Balance Sheet	
December 31, 2010	
Assets	
Cash	3515
Supplies	9,032
Building	135,000
Equipment & Improvements	23,273
Total Assets	170,820
Liabilities	
Loan Payable	105,772
Owner's Equity	
Sydney Stadler Capital	65,083
Total Owner Equity	65,083
Total Liab. & Owner's Equity	170,820