

# BLEND-IN COFFEE BAR

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## ABSTRACT

*Blend-In Coffee Bar will be located in Tagada-o, Poblacion, Cateel, Davao Oriental, the first ever dual-concept to be established in Cateel with a city vibe and musical entertainment every Friday and Saturday. The business is offering a different kinds of coffee flavor and brands of liquors which can be partners with different appetizers which carefully pick by the management to make sure that our customers will like them. Also, the company offer delivery services; customers who make online purchases are required to pay an additional delivery fee. The business assures that because of the community's optimistic outlook and desire to stay recent with what is trendy in urban areas. Blend-In Coffee Bar aims to serve fast and quality service to the clients with extra entertainment every Friday and Saturday. The site is very strategic as it is near the boundary between Poblacion and Tagada-o. It has a wide area for the parking lots with an estimated space size of 2.4 meters to 5 meters. The business will be launch by the partnership of PRETZEL ENGUIN and GLEA CHEN MASUMBID. The allocated sum for the firm will come from the combined personal investment of the proprietors. The business will get a total investment of 4,000,000.00 of which the partners will contribute 2,000,000.00 each and the remaining 1,000,000.00 will come from a bank loan. The money will use to support salaries and benefits, marketing costs, capital expenses, and other costs to guarantee quality products and services while ensuring conservation.*

**Key words:** *Blend-In coffee bar, coffee consumption, alcoholic consumption, dual operations, localized strategy, variety of coffee and alcoholic drinks, coffee bar innovations*

## 1. INTRODUCTION

Coffee bar businesses are not a new idea in present societies (Berger, 2014); during the 19<sup>th</sup> century, coffee spread to become a common commodity and is combined into the eating and drinking habits in most countries. In the Philippines, 80% of Filipino adults drink an average of 2.5 cups of coffee daily and 8 out of 10 adults have an average consumption level of 2.5 cups of coffee every day (McDonnell, 2022); consumption of instant and specialty coffee in the nation has recently increased. Coffee consumption has changed significantly over the past two years. Filipinos consumed the equivalent of 3.05 kilograms of coffee per person in 2021. According to analysts, the average amount of coffee consumed by Filipinos will increase from 3.05 kilos in 2021 to 3.78 kilograms in the next three years, represents an increase of 23% of coffee consumption and will push figures higher even than the Covid slump.

Covid-19 lockdowns have seen people consume more of their favorite beverages at home (McDonnell, 2022); FNRI defined “binge drinking” as the consuming of five or more standard drinks in a row for men, or four or more standard drinks in a row for women. Current drinkers defined as those “drinking alcoholic beverages in the past 30 days” before as stated by (Ronda, 2019); binge drinking among currently drinking adult Filipino males was 64.4 percent, while it was 31 percent for females.

For the past years, many night goers and coffee drinkers in Cateel have been increasing in number as well as the tourists that often visit the place that seeks out a city vibe atmosphere and experience something classy. Mixing curious consumers looking for eccentric experiences and shop owners who want to maximize their profits is an essential combination that provide the needs of the people while generating income. In 2018, there was a huge increase in dual-concept facilities, with the most prominent type combining a coffee shop with a cocktail bar (De

Jong, 2020); These places serve as coffee shops during the day and cocktail bars at night. This business idea could relevantly cater the demand of people for coffee and beverages in the area.

### 1.1 Objectives

The general objectives is to determine the feasibility of Blend-In Coffee Bar in Tagada-o, Poblacion, Cateel Davao Oriental. The specific goals are the following;

- To determine the target market
- To select the strategic location
- To conduct market survey
- To identify the distribution channel
- To identify personnel requirements
- To formulate a business model
- To determine the capital requirements of the business
- To project financial statement
- To compute financial ratio (ROI, Payback Period, ROA, Net Profit Margin)
- To draw conclusions and recommendations

### 1.2 Services/Products

Blend-In coffee bar during day time, will offer black coffee, espresso, caramel macchiato, cappuccino, green tea latte, café mocha, Frappuccino, and a variety of beverages during night time, which include vodka, tequila, whiskey, beer, wine, and black label, cocktails and also non-alcohol drinks like soda and juice for those who don't want to get drunk. The business will also serve appetizer 'pulutan' like sisig that goes well with every type of drink, Beef Tacos that are suited with margarita, beef jerky for a beer tequila, nuts, chips, dumplings and pickles and to be paired with coffee. There will have chocolate brownies, banana chips, cheesecake, donuts, waffle, mammon and cookies to be include in the menu.

The coffee bar will provide a calm morning to customer while offering them their favorite coffee flavors. The company will make sure that consumers may enjoy a moment of relaxation and refreshment as they begin their day. During nights, Blend-In coffee bar will have a shift in its ambience as it offers an exciting service to customers with entertainment from bands and musical bangs that turns the laughing into dancing that satisfies party-goers' hankerings. Furthermore, the business will increase the menu offerings to accommodate any shifts in consumer tastes. A dual concept can enhance visit frequency, expand to even more day parts to generate returns, and appeal to various groups of people.

**Table 1. Business Products**

Coffee	Beverages and Hors D'oeuvres (appetizer/desserts)		
Black Coffee	Vodka	Sisig	Chocolate Brownies
Espresso	Tequila	Beef Tacos	Banana chips
Caramel Macchiato	Whiskey	Beef Jerky	Cheesecake
Cappuccino	Wine	Nuts	Donuts
Green Tea Latte	Black Label	Chips	Waffle
Café Mocha	Soda	Dumplings	Mamon
Frappuccino	Juice	Pickles	Cookies
<b>Services:</b> Musical band at night and delivery service in a day.			

### 1.3 Technology

Dual operations concepts of business is complicated to handle. Thus, technology needs to be available to help the business operation to be efficient and effective. Technology is a good alternative for human power and reduce labor cost.

### 1.4 Intended Market

Our coffee bar's target demographic includes young professionals, as well as students, entrepreneurs, and non-professionals in the business and government sectors. At the same time, the business target market for night products and services are 18 years old and above. These includes drip coffee drinkers, coffee shop lovers and specialty coffee drinkers.

1. **Drip coffee drinkers.** These coffee drinkers includes students and business workers who want a cheap cup for the caffeine boost.
2. **The coffee shop lover.** These coffee drinkers frequent establishments that serve both specialty beverages and normal cups of coffee in a friendly environment.
3. **The Specialty Coffee Drinkers.** These coffee drinkers are those who want a particular components in their drink beverage and ready to pay higher for it.

The target market for bar includes the following:

1. **The Sophisticated Drinker.** These drinkers are those who cannot resist even the bars' location is in the remote. These people are clothes with trendy personalities that usually shine through.
2. **The Manly Drinker.** These drinkers never drink alone because they may be with a friend or a work colleague.
3. **The Lover of Wine.** These drinkers have a good taste for high-end drink.
4. **The Shot Master.** These drinkers are the master of a party or the life of the party.
5. **The Girlie Drinker.** These drinker usually with fun ladies and can be found in the corner surrounded by 6 or 7 of their closest friends.
6. **The Big Spender.** These drinkers are typically a person who is first difficult to identify, but after a few drinks, he starts buying rounds for everyone while flaunting his wealth.
7. **The Drunk.** These drinker could be a regular or a new person, and the latter is the one whose night ends disastrously.

Most coffee bars attract a wide variety of customers, and their reasons for visiting the coffee bar constitute various consumer needs. However, the overall clientele is more diverse in terms of age and is made up of both male and female customers at coffee bars. According to (Berger, 2014); in general, three main customer groups can be define based on their objective for visiting the coffee bar; those who visit the coffee bar to buy a cup of coffee to take with them on their way to their next destination, those who use the premises as a place to work or spend time in solitude, and those who use the coffee bar for socializing.

### 1.5 Environment

The Blend-In Coffee Bar will be situated along the Tagada-o, Poblacion, Cateel Davao Oriental route. The Go family owns the space we will be renting for the business, which is across from the Goldith Store and quite close to the border between Poblacion and Tagada-o. The land where the business situated has 1 hectare size and 1,200 square meter will use for the business building. The place where the Blend-In Coffee bar positioned is very spacious, there will be wide parking lots to avoid blocking the highway and in order for the customers not to be worried about the safety of their vehicles. The place where the business will be situated is convenient and easy to find. It has a wide area and is secured. The environment is the concern of the company. The company will conform to environmental laws imposed by national and local government. The company will not use products and materials that is harmful to it. Additionally, the firm will oversee garbage disposal to ensure that we also safeguard the environment from our upcoming commercial trashes.

### 1.6 Competition

The sector of business is constantly associated with competition. The Blend-In Coffee Bar a dual operations type of business is rarely seen in the local community. If there is any, travelers have to go to the most urban area to buy coffee or beverages. Still, mostly the businesses there did not offer different kinds of drinks and customers need to go to the other side of the street simply to purchase the drinks they desire.

There are several coffee shop business in Poblacion, Cateel, Davao Oriental, However, there is a significant distinction from our coffee bar business because they concentrated on a single idea, such as opening their coffee shop just throughout the day and serving customers only coffee and milktea. The other competitor offers variety of

food such as pizza, coffee, and milktea. Additionally, they have dining establishments that are open during the daytime, while others are only open at night and exclusively provide alcoholic beverages. Another indirect rival provides bread like a bakeshop. In addition to causing inconvenience to the locals, the majority of coffee shops in the community's central area don't have much to offer to customers, particularly those who drive from far away locations. When we talk about the atmosphere of other coffee shop, the customer cannot be comfortable because of undesirable surroundings. This business has a lot to offer to the customer from the products to the services because we would love to ensure that our customer will likely to return to our coffee bar to purchase their favorite coffee or beverages along with that reason is that they are comfortable to go inside our fascinating coffee bar. We will ensure that they will be satisfied by the services we grant to our customer because this Blend-In coffee bar business idea will be established to serve people.

**Table 2 Competitor's Table and Estimated Market Share**

Competitors	Services and Products offer	Market Share
Competitor A	Coffee and meals	25%
Competitor B	Liquor	30%
Competitor C (indirect)	Coffee, Milktea, and Bread	10%
Blend-In Coffee Bar	Coffee and Beverage with Hors d'oeuvres (appetizers)	35%
<b>Total</b>		<b>100%</b>

### 1.7 Industry

In the Philippines, revenue in the Coffee segment amounts to US\$5.82bn in 2022. The market expect to grow annually by 8.75% (CAGR 2022-2025) as stated by (Statista, 2022); in global comparison, most revenue is generated in the United States (US\$85,160.00m in 2022). With total population figures, per person payments of US\$51.72 are rendered in 2022. By 2025, 69% of spending and 12% of volume consumption in the Coffee segment will be attributable to out-of-home consumption (e.g., in bars and restaurants). In the Coffee segment, volume is expect to reach 163.8mkg by 2025. The market, a Coffee segment is expect to show a volume growth of 8.5% in 2023. The average volume per person in the Coffee segment is expect to amount to 1.27kg in 2022.

In addition, revenue in the Alcoholic Drinks market amounts to US\$11.92bn in 2022. The market is expect to grow annually by 7.77% (CAGR 2022-2025). According to (Statista, 2022); the market's largest segment is Spirits with a market volume of US\$8.53bn in 2022. In global comparison, most revenue is generated in China (US\$319.80bn in 2022). With total population figures, per person payments of US\$105.90 are rendered in 2022. In the Alcoholic Drinks market, 1.3% of total income will be developed through online sales by 2022. By 2025, 11% of spending and 22% of volume consumption in the Alcoholic Drinks demand will be attributable to out-of-home consumption (e.g., in bars and restaurants). In the Alcoholic Drinks market, volume is expect to amount to 2,557.4ML by 2025. The market for Alcoholic Drinks market is expect to show a volume growth of 7.2% in 2023. The average volume per person in the Alcoholic Drinks market is expect to amount to 19.58 L in 2022.

As consumers seek out specialty coffees and beverages and convenience at an affordable price, the coffee bar has developed quicker than most other industries. The number of coffee shops and cocktail bars in the Davao region is now growing in the numbers. There are various prosperous businesses in the region that appropriately meet the needs of customers for coffee and beverages. In Davao City there are businesses that is recognize as profitable business ventures of coffee shops and cocktail bars. Meanwhile, five small bars and two coffee shops have been established in Cateel, Davao Oriental, and they are always crowded with customers.

Indeed, coffee bar is an amazing place where you can come through in a day in and day out. Of course, most of the Cateeleños go to coffee bars to keep up with the trend and to feel that sophisticated lifestyle. Cateeleños will not fall behind when it talks about the coffee and cocktails, people here go to the coffee shop or mini bars real quick on payday or when they have a lot of money as they prefer to spend their money on purchasing their favorite

coffee and enjoy the Night on the coffee bar rather than on jewelries because it is Cateleños strategy for reducing the stress.

### **1.8 Business Model**

The coffee bar will follow a retail business model where the business is competing locally. The coffee bar will have direct access to customers, usually local people from the neighbourhood. The coffee bar must therefore employ a localized strategy to develop connections with the neighborhood. In order to keep customers coming back, the company will kindly welcome them as they enter the building, and while they wait for their coffee, they can watch movies or the news on the coffee bar's television. The management will ensure positive vibes in the coffee bar by reminding them with a simple positive quote attached to their coffee cup. By forging close ties with the Allegro Beverage Corporation and Better Beans Co., two suppliers of coffee goods, the company will also ensure a stable and healthy chain of supply. By giving customers a variety of coffee taste options, significant improvements will be considered to adapt to the changing customer preference for coffee.

Furthermore, Blend-In coffee bar will secure its supply for wine and beer from Maria Vinecraft, a top wholesaler of beer and wine in the Davao City and Angelo's Marketlinks. At Night, the coffee bar will glisten with disco light and thunderous music that intensifies the spirit of party-goers'. By offering them ample entertainment through a musical band, the company will guarantee the atmosphere of a lively environment. The management will ensure to provide services such as being attentive to their concerns and serve them with a big smile and joy which will give by the random music bands who will perform in our coffee bar and product with various flavors will proportional to the price they paid. By using this business model, blend in coffee shops will encourage business success by placing a high value on their clients and suppliers.

## **2. MARKET ANALYSIS**

### **Marketing and Sales Strategy**

Coffee is a routine that many people are unwilling to give up, regardless of the current situation. People will go out of their way to get coffee every morning and afternoon that may lead to the same location each time. Through that the coffee bar would be lucky to benefit from regular, loyal customers. Developing positive client interactions can increase a company's sales. People loves having fun or hanging out with their friends at the bar during night time. Accommodating them with care and satisfying them with our high-quality but not too expensive cocktails or beverages will make them share with others that there's a coffee bar business that is giving an amiable atmosphere towards their customer by that our company will be popular throughout the community.

### **2.1 Products**

Blend-In Coffee Bar will offer a different coffee products and cocktails that suits the customers' preferences. A basic black coffee will also be available because it is the preferred option for coffee lovers, especially those in the area. They may also choose anything from the menu available. Meanwhile, beer for beverages are made available to customers and may also choose the drinks of their preference such as cocktails or soda. In addition, the client can select the appetizers they desire from the coffee menu, including banana chips, chocolate brownies, cookies, donuts, waffles, and mamon and cheesecakes. We offer sisig, beef tacos, beef jerky, peanut butter, dumplings, pickles, and nuts in addition to beverages.

### **2.2 Price**

Blend-In Coffee Bar will be using the Value-Based Pricing Method. The pricing strategy that Starbucks uses to maximize profits. Value-based pricing determines the price based on how much the customer thinks your product is worth. Business like Starbucks uses customer research and analysis to come up with price increases that capture the maximum amount consumers are willing to pay without making them feel like they're being cheat into paying too much for a cup of coffee.

### 2.3 Place

Blend-In Coffee Bar will located at Tagada-o, Poblacion, Cateel, Davao Oriental, along the street where it is convenient to our target customer which are the passers-by and party-goers'. The location of the coffee bar is convenient for access to the road, and the management plans to give it a more urban feel to make consumers feel at home.



Figure 2. Strategic location

### 2.4 Promotion

Blend-In Coffee Bar will create a website for the business and we will be utilizing social media platform as such as Facebook, and Instagram. The company will also use radio advertisement to reach out our customer. Even if our company's location is clear to passers-by, the social media platform will assist the business gain recognition in remote areas. If the company is successful, we will reward our devoted consumers with exclusive offers and freebies.



Figure 3. Coffee Bar Promotional Image

## 3. OPERATING ANALYSIS

### Operation Process

The coffee bar will serve drinks in a smooth and regular transition from coffee to cocktails. Hours of operation will depend on customer preferences, but regular coffee service will begin at 5:00 AM until 4:00 PM. The music will gradually get louder and more upbeat as we steadily prepare things for the evening starting at 4:00 p.m. Pastry cases will be taken off the counter to make place for a liquor board and people lounging on barstools. The changeover is finished when the vibrant orange velvet curtains are drawn at six in the afternoon. At 6:00 PM, the cocktail hour will start up to 2:00 A.M. additionally, the company will be closed from Monday to Thursday and on Sunday nights so that customers and employees can rest.

The Blend-In coffee bar has two storey floor plan that is 20X20 where in the second floor is a function hall that will use for any meetings or if the customers wanted to have some privacy on their leisure. The function hall can be folded when no one use it as meeting place to give space at night. The carrying capacity of the second floor is not more than twenty (20) person. The structure will have a large parking area at the rear of the structure for large cars and small vehicles like motorcycles. The total space size of the parking lot is 2.4 meters to 5 meters.

Blend-In Coffee Bar Operation Time:

- Coffee Hour: 5:00 A.M. – 4:00 P.M. from Monday to Sunday
- Cocktail Hour: 6:00 P.M. – 2:00 A.M. from Monday to Saturday

- Special Night: only in Friday and Saturday night will have musical entertainment

### 3.1 Production and Operation Requirements

Customers will be delightful especially when they smell the aromatic scent of coffee and tasting the exquisite flavour of rum. To achieve that, the management will ensure that the product purchased have a good quality and safe for everyone to enjoy sipping their cup of coffee or cocktails. We will also ensure that the container (glassware, mug or plastic cup) of coffee and cocktails is polished.

Drinking the day's first sip of coffee is like paradise massaging the taste buds, according to (H, 2022); as one coffee-in-a-can Company figured out long ago, the best part of waking up. For a single moment at your favourite coffee shop, or while your fingers hug your favourite mug in the kitchen, you've taken to the scene of your last vacation – the day's worries momentarily melting away, letting you breathe in the serenity of sunshine just as the caffeine smacks your brain.

#### Steps of Making Coffee:

1. **Measure the coffee.** The standard ratio is approximately 2 tablespoons of coffee per 6 ounces of water. Don't be afraid to add a few extra beans to be safe – you can more approximately measure out your coffee using a scale after it is ground.
2. **Grind coffee.** Alright, this is where the coffee-making process begins. Go for a finer roast if you want a sweeter cup of coffee, or a coarser grind if you aim for a satisfying, weighty bitter. Make sure the grinder is clean before using, then feel free to press the magic button.
3. **Prepare the water.** You'll want to prepare the water last, to ensure the water is the temperature you're aiming for. Pour from the filter, and let the water sit off from the boil for about 30 seconds before immersing your coffee grounds in the French Press.
4. **Pour.** Saturate the grounds evenly with a smooth, steady pour that will agitate the coffee grounds. Do not put the lid on top of the brewer.
5. **Soak and stir.** Let the grounds absorb the water for approximately 30 seconds before mixing – a few gentle motions using the back of a spoon around the top layer of the mixture and along the sides, to immerse any grounds that are stuck.
6. **Brew.** Let the water extract from the grounds for 2 minutes and 30 seconds. Less than that, and you'll find your coffee may be sweet or even sour. Any longer, your coffee will be over-extracted and unappetizingly bitter – so, set a timer.
7. **Plunge.** There is no wrong way to push here – just a simple, even push-through of the filter down to the bottom. It's not a clogged toilet, though, so don't push too hard or your coffee will spill or, if the machine is made of glass, it might break.
8. **Pour.** The flavor notes of your coffee will change as the cup cools. If at first you're not tasting what is intended, let it continue to setup. What you taste when it's piping hot is not what you'll taste when it's cooled to a lukewarm temperature.

To make a great cocktail you need a great recipe, quality ingredients & good technique, with each preparation step in the right order. Our guide will take you through the basic steps & processes needed to start making cocktails yourself confidently, whether you're a beginner home mixer or aspiring professional mixologist, you'll to learn something new (TheBarCabinet, 2019);

#### Cocktail making process

1. Select a suitable cocktail serving glass (ideally pre-chilled).
2. Prepare the garnish for your cocktail.
3. Carefully measure & pour ingredients into your mixing glass or cocktail shaker.
4. Add ice to the mixing glass or cocktail shaker.
5. Mix the ingredients (build, stir, shake etc.).
6. Pour (or strain) the mixed ingredients into the cocktail serving glass (with ice if necessary).
7. Add the garnish to the serving glass to complete your cocktail

The final step is of course to serve & enjoy!

#### Process in appetizers:

##### Method of Making Meat Sisig

1. Season boiled meats then grill or cook in a 375F oven until crispy

2. In pan, sauté onion and ginger. Add chicken liver and sauté until cooked. Add the chopped meats, and chilies. Season with Knorr Liquid Seasoning according to taste.
3. Off the heat, add Lady's Choice Real Mayonnaise and mix well. Serve hot.

#### **Beef Tacos:**

1. Cook beef in 10-inch skillet over medium heat 8 to 10 minutes, stirring occasionally, until brown; drain.
2. Stir salsa into beef. Heat to boiling, stirring constantly; reduce heat to medium-low. Cook 5 minutes, stirring occasionally. Pour beef mixture into large serving bowl.
3. Heat taco shells as directed on package. Serve taco shells with beef mixture, lettuce, tomato, and cheese.

#### **Beef Jerky:**

1. The first step in the beef jerky making process is slicing.
2. The second step in the beef jerky making process is marinating.
3. The third step in the beef jerky making process is laying the jerky onto stainless steel screens.
4. The fourth step in the beef jerky making process is cooking and drying. Low and slow is the secret to deliciously-tender beef jerky.
5. The fifth and final step in the beef jerky making process is packaging.

#### **Preparing and Making Waffles**

1. **Preheat the waffle iron.** Depending on the model you're using, plug it in and wait for it to heat up or set the temperature. Frequently, a tiny light will turn on to indicate that the waffle iron is ready.
2. **Mix the dry ingredients.** Place the flour, salt, sugar, and baking powder into a medium-large bowl. For extremely fluffy waffles, sift the ingredients instead of simply mixing them.
3. **Separate the eggs.** Use an egg separating tool to separate the yolks from the whites and place them in separate bowls.
4. **Beat the egg whites.** Use a whisk or a mixer to beat the egg whites until they foam and form soft peaks.
5. **Beat the remaining wet ingredients.** Beat the butter or oil and egg yolks in a separate bowl. Add the milk and vanilla, and continue beating until the ingredients are thoroughly combined.
6. **Combine the wet and dry ingredients.** Make a well in the dry ingredients. Pour the egg yolk mixture into the well. Stir the ingredients together until everything is moist. Avoid over mixing the ingredients to avoid dense waffles. A few lumps in the batter are acceptable.
7. **Fold in the egg whites.** Gently mix them into the batter until everything is a fairly even consistency. Again, don't over-mix. Remember that folding is a very gentle, top-to-bottom sort of stirring.

#### **Making:**

1. **Brush the waffle iron with oil, if needed.** The waffle iron's top and bottom plates should be lightly greased with a paper towel or a pastry brush.
2. **Spoon in the batter.** Use 1/2 to 1 cup of batter, depending on your waffle iron. If you're unsure, go on the side of caution and underestimate your requirements. The batter will puff up as it cooks. Spoon it evenly into the bottom plate of the waffle iron.
3. **Close the lid and wait for the waffle to cook.** Allow about 3 to 5 minutes for the waffle to form. If you like your waffles brown, cook them for a longer period, time.
4. **Remove the waffle.** A spatula can help lift it without breaking the waffle or burning your fingers. Place it on a plate and pour more batter into the waffle iron to make another waffle. Repeat until the batter is gone.

#### **To serve:**

1. **Serve the waffles hot with butter and maple syrup.** The real thing is best if you can find it.
2. **Serve with powdered sugar and fruit.** Is another common topping for waffles, and it makes for a delicious, refreshing treat. Try strawberries, blueberries, bananas, or peaches.
3. **Take it over the top with chocolate.** Serve the waffles with chocolate syrup and whipped cream to make them a decadent dessert. You can also cook chocolate chips into the waffles by adding them to the batter before pouring them into the waffle iron.



The other appetizers such as chocolate brownies, banana chips, cookies, nuts, chips, mamon, donuts, cheese cake and dumplings will be buy in the outside store. To prevent food shortages on the menu, the management will make sure there are enough supplies of appetizers.

**3.2 Management and Personnel Requirements**

Good relationships between the owner and the staff are essential for successful business management. A candidate who is qualified for the position must be found by the managers in order to make it practicable. Providing the workforce with clear instructions, both daytime and night-time workers. Basic qualifications will aid management in selecting applicants for employment.

**3.3 Organizational Structure**

The organizational structure shows that the owner will be the one who manage, supervise and lead the business, the one who will cheer and encourage the employees to do their best. The supervisor/organizer is the person in charge of setting up the office's interior and directing the workers, as well as the person in charge of processing payments. While, the baker down at the bar porters will perform the job at their best. Overall, the Blend-In Coffee Bar will have 21 employees consisting of 1 Organizer/Supervisor, 1 host, 2 cashiers, 4 cooks, 6 servers, 2 baristas, 2 bartenders, 2 bar porters, and 1 bouncer.

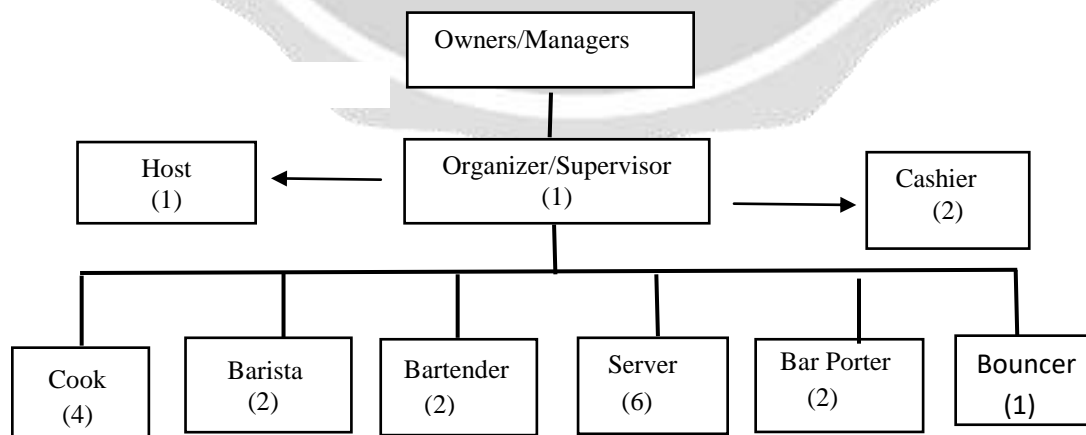
Employees Schedule Report Time:

Day Workers: From Monday to Sunday (except holidays): 5:00 A.M. – 4:00 P.M.

- 1 Organizer/Supervisor – the organizer will report every day however they need to settle every necessary thing to do for the night shift from setting up the place to greeting the customers.
- 1 Cashier – the cashier will report every day
- Cook – the cook will report every day
- Server – the servers will report every day
- 2 Barista – the baristas will report every day
- 1 Bar Porter – the bar porter will report every day

Night Workers: from Monday to Saturday (except holiday): 6:00 P.M. – 2:00 A.M.

- 1 Cashier – the cashier will report every Night from Monday to Saturday
- 2 Cook – the cook will report every Night from Monday to Saturday
- Server – the servers will report every Night from Monday to Saturday
- 2 Bartender – the bartenders will report every Night from Monday to Saturday
- 1 Bar porter – the bar porter will report every Night from Monday to Saturday
- 1 Bouncer – the bouncer will report every Night from Monday to Saturday
- Special night: only in Friday and Saturday Night with musical entertainment
- 1 Host – the host will report only on Friday and Saturday



**Figure 4. Blend-In Coffee bar Organizational Chart**

**3.4 Regulations/Environmental Issues**

Every owner must be knowledgeable about all the laws and norms that will be relevant to operating a firm. The business will obtain a food licenses as we were also offering food to the customer and business permit and charges for the coffee and alcohol product from local government to engage and be able to proceed with the operation in local community. Considering the environmental issues the business are bound to observe the health and safety and hygiene etiquette. The company will ensure that our coffee bar house is inspected every month to make sure the safety of our workers and guests. The business will obey rules and regulations and policies regarding of health, the company will strictly implement the “NO SMOKING” policy within the premises especially to the staff, concerning to that matter, the management will provide a place for those customer and employees who wants to smoke. Waste product separation shall be noted and follow. These can be enforced effectively by placing adequate garbage bins in easily accessible locations.

**3.5 Critical Factors**

**SWOT Analysis**

SWOT Analysis which stands for strengths, weaknesses, opportunities and threats is an important analytical framework to help determine the significant challenges that comes up to the business. This situational analysis enable the organization to achieve the desired goals because of its success in figuring out the issue.

**Table 3. SWOT Analysis**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Best quality of product and services</li> <li>• Positive attitude to the customer</li> <li>• High service culture and the team work in the organization</li> <li>• Strategic location</li> <li>• Well-trained staff</li> <li>• Themed entertainment at Night.</li> <li>• Only Coffee Cocktail bar existing in the local area</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Cost disadvantage</li> <li>• Limited funds available</li> <li>• Some product is already available on the market</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Better Customer Experience</li> <li>• Mobile application and home delivery service</li> <li>• Increase product line</li> <li>• The increasing number of tourist</li> <li>• Attract potential investors</li> <li>• Accepts reserves for special occasions</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• New coffee bar entrants</li> <li>• Neighborhood Complaints</li> <li>• Established competitors</li> <li>• Inflation</li> </ul>

**3.6 Porter’s Five Forces**

Porter's Five Forces are the most useful tool for owners and managers to stay one step ahead of the competition in a challenging market and is an analytical model that helps marketers and business managers look at the ‘balance of power’ in a market between different organizations on a global level, and to analyze the attractiveness and potential profitability of an industry sector (Wright, 2021); as time goes by, numerous identical business shows up particularly to the local community because of the great deal of the existing business. Porter’s five forces will help the administration to come up with the idea how to continue leading on the business industry despite of having a lot of competitors. Every organization will benefit from using Porter's Five Forces to evaluate why the majority of companies can maintain a strong profit margin for a longer period of time.

**Supplier Power**

The supplier's bargaining leverage is low due of the business's extensive supplier network. There is no reliance on a single supplier because there are many suppliers in the nearby cities. The management will ensure that there are many supplier around Davao City or from other city supplier to purchase the inputs for the product whether it is the coffee beans or the raw materials to make bread or cookies, or beverages.

**Customer Power**

Customers’ power is low since the business target market focuses only young professionals and business owners. The business will offer a unique service that makes it hard to refuse to pay the prices given. But, they have nothing to worry about the price because we will provide discount to every product they purchase every weekend and the customers have many options to choose from coffee to beverages they like.

### **Competitive Rivalry**

Competition among existing businesses is moderate because an established business may be profitable, but they do not provide the good products and services that the Blend-In Coffee bar offer. Potential profits be taken from the coffee business will attract more investors and entrepreneurs to engage in the same line of business thus more competition. The company anticipate that the competitive rivalry in the future will be relatively high. However, there is nothing to worry about because the competitor may establish a company like ours, still the Blend-In Coffee Bar will intensify the quality of the products and services so that no competitor can imitate our way of satisfying the customer since we will strengthen relationships with our partners and customers including in providing more flavors of our coffee and beverages products and discovering new to our customers taste.

### **Threats of Substitute**

The threat of substitute is high considering the coffee, tea, and other beverages grounds for home brewing that is easily available on the local store and many young professionals know about making their own cocktails at home. Especially when there is a rival that is more attractive and lowering the cost on their products though; branded, cocktails may not be among the most popular options in Cateel, but administration will consider the majority's income in order to strengthen our relationship with our clients. Aside from that the management will be both service and product oriented to make our business run for a long-term and we will be giving awareness about the prices of every product to customer so they won't be surprise.

### **Threats of New Entry**

Threats of new entry are moderate because it is quite challenging to manage and has high capital requirements. However, as the country continue to develop, many emerging business like coffee is likely to grow and people will be encourage to establish in their own business in their perspective area. Nonetheless, Blend-In Coffee Bar will strengthen interaction with the customers and will continue to innovate, create something new to the eyes of every people and will make the environment more welcoming. Moreover, a dual concept operations of a business can be easier to emerge as there are many ways to pass through the governments regulations as long as the company follow the rules and policies.

## **3.7 PEST Analysis**

PEST Analysis is a strategic framework used to evaluate the external environment for a business by breaking down opportunities and threats into Political, Economic, Social, and Technological factors (Corporate Finance Institute, 2022). PEST Analysis helps organizations take better business decisions and improve efficiency by studying various factors which might influencing a business.

### **Political Factors**

As the local government concerns about the negative facets of 'binge drinking' and relaxation gap hours and late dark gap, the government may create changes and reforms of licensing laws in line with government policy. These intervention will have a biggest impact on the business as well as the taxes that will impose by the government on the industry. As the government can influence the price of alcoholic beverages through taxation, this incidents could lead to lower levels of alcohol consumptions and capable to harm the business profits. Moreover, government might cut monetary value offers for intoxicant in supermarket publicities and rise in staff rewards due to minimum wage additions that will change the operations of the management.

### **Economic Factors**

As people adopt the classy lifestyle and the consumers income will continue to increase, there is a probability that they will have more money to spend at the bar or coffee house, while this has a big impact on consumer goods companies, it also has a significant impact on the coffee and cocktail industries. Tea, coffee, and other branded beverages are increasingly popular among wealthy customer. Consumers are more likely to splurge on high-quality goods, such as coffee and cocktail grounds when their incomes increase. Additionally, inflation might be the biggest enemy of this business because of the increasing prices, the coffee and beverages demand may drop due to this circumstances. Cateel's economic situation has changed due to the establishment of numerous firms as well as the livelihood and employment of Cateeleños are increasing. Most Cateeleños can keep up with all the trends because people here are getting prosperous in their long-term livelihood. Aside from that, there are many Cateeleños who create enterprises and become prosperous. These phenomenon is good for the blend-in coffee bar as the business will benefit from this firms as well because it attracts a lot of people, especially those who are just going for work but want some hot coffee first and heading home after work however wish to fun and freshen up their mood on the bar.

### Social Factors

The way people think about health has changed dramatically in the twenty-first century. Making healthier choices is more popular than ever, leading people to spending more time exercising, eating better food and avoiding certain behaviours. People are deciding to give up caffeinated beverages as part of the health consciousness trend in order to better their lives. This point of view could lead to a drop in coffee demand and cocktail desire as consumers become more aware of health risks and the consequences of intoxicant consumption. On the contrary, drinkers cannot be compelled for what others will say because drinkers will always be a drinkers even how much dangerous it is to their health. After all, it is Cateeleños natural habit is to drink coffee every day and liquors at night especially that many professionals who love to hangout in a coffee bar with their colleague or friends. Drinking is also a way for many Cateeleños to relieve stress so they go party and enjoy themselves. Getting drunk is unavoidable specifically during celebrations is the time you can witness that many people are a hard drinkers of alcohol, they drink like there's no tomorrow or some of them making coffee in the midnight to relieve their body from cold weather. We believe that Cateeleños are natural hard drinkers and coffee addicts, and that it will never leave their system.

### Technological Factors

Technology is influencing how we live today, day and Night life has started to accept it as it makes things work easily. As digital applications become increasingly interconnected and automation promises a shift in the market as a whole, smart technologies are growing across a range of industries. Smart technologies, according to (Questex, 2020); will become more crucial for boosting efficiency in beverage manufacturing, tracing products at every stage of the supply chain, and marketing products to an increasingly tech-savvy consumer base. Smart technologies such as websites or mobile apps, coffee makers, security systems, speakers, and inventory systems are beneficial to management because even the most capable manager requires assistance to manage the business. Because the coffee bar business is a dual concept, these technologies are very important because the company requires new technologies to facilitate the process in our production.

## 4. FINANCIAL ANALYSIS

This chapter presents all the important accounting documents such as projected income statement, projected balance sheet and cash flows which is the basis in measuring the profitability, solvency and liquidity of the business.

### 4.1 Start-Up Schedule

A start-up schedule is a crucial document that outlines the timeline for all the activities and tasks required to launch a new business venture. It includes important milestones, deadlines, and key performance indicators that need to be met at each stage of the start-up process. A well-designed start-up schedule can help the proponents to stay on track, allocate resources effectively, and manage time efficiently to ensure the success of the partner's proposed business. This chapter contains the proponents' schedule, which shows their eagerness to get started on the intended business establishment as soon as possible.

**Table 4. Start-Up Schedule**

Activities	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
Construction of building, Purchasing tools and equipment, supplies and raw materials												
Prepare for soft opening day April 18 inviting limited guests with blessings from the priest, start operation same day												
Continue business operation.												

Consistent promotional advertisements over the social media platform such as Facebook, and Instagram.												
Prepare inventory/Year- end Report												

#### 4.2 Financial Projection

A survey questionnaire was used by the proponents to determine the feasibility and profitability of a proposed business. The survey result provide valuable insights into consumer preferences, purchasing behavior, and market trends, which the management used to forecast revenue and estimate costs.

##### Mode of Financing

The allocated sum for the firm will come from the combined personal investment of the proprietors, **PRETZEL ENGUIN** and **GLEA CHEN MASUMBID**, who will start it together. The business will get a total investment of 4,000,000.00 of which the partners will each contribute 2,000,000.00 each and the remaining 1,000,000.00 will come from a bank loan. The money will be used to support salaries and benefits, marketing costs, capital expenses, and other costs to guarantee quality products and services while ensuring conservation.

##### Assumptions

The tables below may include sales revenue, cost of goods sold, operating expenses, interest rates, and other relevant variables to determine the financial feasibility of the proposed business.

**Table 5. Projected Sales Revenue for the Year**

COFFEE PREFERENCES					
	Demand	Days	Total	Price	Annual Sales
<b>Frappuccino</b>					
Daily	9	354	3186	210	669,060.00
Weekly	6	48	288	210	60,480.00
Monthly	5	12	60	210	12,600.00
Yearly	10	1	10	210	2,100.00
<b>Green Tea Latte</b>					
Daily	3	354	1062	200	212,400.00
Weekly	8	48	384	200	76,800.00
Monthly	5	12	60	200	12,000.00
Yearly	9	1	9	200	1,800.00
<b>Caramel Macchiato</b>					
Daily	5	354	1770	190	336,300.00
Weekly	3	48	144	190	27,360.00
Monthly	10	12	120	190	22,800.00
Yearly	8	1	8	190	1,520.00
<b>Café Mocha</b>					
Daily	10	354	3540	170	601,800.00
Weekly	20	48	960	170	163,200.00
Monthly	6	12	72	170	12,240.00
Yearly	13	1	13	170	2,210.00
<b>Cappuccino</b>					
Daily	10	354	3540	160	566,400.00
Weekly	15	48	720	160	115,200.00
Monthly	5	12	60	160	9,600.00

Yearly	6	1	6	160	960.00
<b>Espresso</b>					
Daily	5	354	1770	140	247,800.00
Weekly	10	48	480	140	67,200.00
Monthly	8	12	96	140	13,440.00
Yearly	15	1	15	140	2,100.00
<b>Black Coffee</b>					
Daily	20	354	7080	40	283,200.00
Weekly	10	48	480	40	19,200.00
Monthly	5	12	60	40	2,400.00
Yearly	30	1	30	40	1,200.00
<b>TOTAL</b>					<b>3,543,370.00</b>

<b>DRINK PREFERENCES</b>					
<b>Black Label</b>	<b>Demand</b>	<b>Days</b>	<b>Total</b>	<b>Price</b>	<b>Annual Sales</b>
Daily	5	354	1770	1115	1,973,550.00
Weekly	2	48	96	1115	107,040.00
Monthly	6	12	72	1115	80,280.00
Yearly	18	1	18	1115	20,070.00
<b>Whiskey</b>					
Daily	4	354	1416	980	1,387,680.00
Weekly	8	48	384	980	376,320.00
Monthly	6	12	72	980	70,560.00
Yearly	2	1	2	980	1,960.00
<b>Tequila</b>					
Daily	7	354	2478	920	2,279,760.00
Weekly	6	48	288	920	264,960.00
Monthly	9	12	108	920	99,360.00
Yearly	12	1	12	920	11,040.00
<b>Vodka</b>					
Daily	3	354	1062	250	265,500.00
Weekly	5	48	240	250	60,000.00
Monthly	10	12	120	250	30,000.00
Yearly	8	1	8	250	2,000.00
<b>Wine</b>					
Daily	15	354	5310	190	1,008,900.00
Weekly	7	48	336	190	63,840.00
Monthly	8	12	96	190	18,240.00
Yearly	10	1	10	190	1,900.00
<b>Soda</b>					
Daily	25	354	8850	70	619,500.00
Weekly	10	48	480	70	33,600.00
Monthly	8	12	96	70	6,720.00
Yearly	21	1	21	70	1,470.00

<b>Juice</b>					
Daily	18	354	6372	50	318,600.00
Weekly	13	48	624	50	31,200.00
Monthly	25	12	300	50	15,000.00
Yearly	10	1	10	50	500.00
<b>Total</b>					<b>3,371,850.00</b>
<b>APPETIZERS/DESSERTS</b>	<b>Demand</b>	<b>Days</b>	<b>Total</b>	<b>Price</b>	<b>Annual Sales</b>
Pickles	5	354	1770	180	318,600.00
Beef Tacos	10	354	3540	160	566,400.00
Sisig	10	354	3540	150	531,000.00
Beef Jerky	10	354	3540	110	389,400.00
Mamon	5	354	1770	100	177,000.00
Cookies	10	354	3540	85	300,900.00
Nuts	5	354	1770	60	106,200.00
Dumplings	10	354	3540	60	212,400.00
Cheese Cake	5	354	1770	50	88,500.00
Chips	7	354	2478	50	123,900.00
Waffle	15	354	5310	40	212,400.00
Banana Chips	10	354	3540	30	106,200.00
Donut	10	354	3540	30	106,200.00
Chocolate Brownies	15	354	5310	25	132,750.00
<b>TOTAL</b>					<b>3,371,850.00</b>
<b>TOTAL</b>					<b><u>₱16,064,770.00</u></b>

**Assumptions:** The annual projected revenue of the proposed business is derive by identifying the percentage of the respondents who will purchase the products on daily, weekly, monthly and yearly basis out of the total population and multiplying it to the price of the products. The market share estimated by the proponents is 35% considering the presence of existing coffee shop and minibar including the bakeshops. By multiplying the number of respondents in 354 days of the business operation and multiplying to the price of the products, it resulted to an annual revenue of ₱16,064,770.00.

The projected revenue for 5 years is presented using a table below. The proponents estimated an increase of 3% for the year 2025 up until 2028. It's possible that an increase in population could lead to a corresponding increase in sales revenue for coffee and alcohol industries, as there may be more potential customers to target.

**Table 6. Projected Revenue for 2024-2028**

<b>Projected Revenue</b>		
2024		₱ 16,064,770.00
		<u>1.03</u>
2025		₱ 16,546,713.10
		<u>1.03</u>
2026		₱ 17,043,114.49
		<u>1.03</u>
2027		₱ 17,554,407.93
		<u>1.03</u>
2028		₱ 18,081,040.17

**Table 7. Bank Loan/Schedule of Amortization**

<b>Loan Amount</b>	<b>Interest (10%)</b>	<b>TOTAL COST</b>	
1,000,000.00	200,000.00	<b>₱ 1,200,000.00</b>	
	<b>Payment of principal</b>	<b>Interest payment</b>	<b>Remaining principal</b>
Year 1	500,000.00	100,000.00	500,000.00
Year 2	500,000.00	100,000.00	-

*Assumptions:* The bank loan of the partners is P 1,000,000.00 with 10% interest for 2 years.

**Table 8. Inventory**

<b>Particular</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Beginning inventory	-	1,269,108.00	1,294,490.16	1,320,379.96	1,346,787.56
Purchases	8,460,720.00	8,629,934.40	8,802,533.09	8,978,583.75	9,158,155.42
Inventory end	1,269,108.00	1,294,490.16	1,320,379.96	1,346,787.56	1,373,723.31
Cost of Goods Sold	7,191,612.00	8,604,552.24	8,776,643.28	8,952,176.15	9,131,219.67

**Assumptions:**

- Purchases are increase by 2% annually.
- The management will use 85% of the raw materials and will allocate 15% of the purchases as an allowance for the next year operation.
- Moreover, the allowances will increase as knowledge and experience of the partner broaden. Meanwhile, the annual allocation of 15% will be used for the year 2025 up to the year of 2028.



<b>Blend-In Coffee Bar</b>					
<b>Projected Comprehensive Income Statement</b>					
<b>For the year ended December 31, 2023-December 31, 2027</b>					
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenue from sales	16,064,770.00	16,546,713.10	17,043,114.49	17,554,407.93	18,081,040.17
Beginning inventory	-	1,269,108.00	1,294,490.16	1,320,379.96	1,346,787.56
Purchases	8,460,720.00	8,629,934.40	8,802,533.09	8,978,583.75	9,158,155.42
Inventory end	1,269,108.00	1,294,490.16	1,320,379.96	1,346,787.56	1,373,723.31
Cost of Goods Sold	7,191,612.00	8,604,552.24	8,776,643.28	8,952,176.15	9,131,219.67
Gross profit	8,873,158.00	7,942,160.86	8,266,471.21	8,602,231.78	8,949,820.49
Operating Expenses:					
Salaries and benefits expense	3,880,680.00	3,880,680.00	3,880,680.00	3,880,680.00	3,880,680.00
Advertising expense	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Permit and Licenses expense	4,590.00	3,500.00	3,500.00	3,500.00	3,500.00
Utilities expense	858,000.00	883,740.00	910,252.20	937,559.77	965,686.56
Transportation expense	60,000.00	61,200.00	62,424.00	63,672.48	64,945.93
Rent expense	480,000.00	480,000.00	480,000.00	480,000.00	480,000.00
Miscellaneous expense	36,000.00	36,720.00	37,454.40	38,203.49	38,967.56
Interest expense	100,000.00	100,000.00			-
Office Supplies expense	269,695.00	275,088.90	280,590.68	286,202.49	291,926.54
Depreciation expense	255,683.41	255,683.41	255,683.41	255,683.41	255,683.41
Total Operating Expenses	5,962,648.41	5,994,612.31	5,928,584.68	5,963,501.63	5,999,389.99
Income Before Tax	2,910,509.59	1,947,548.55	2,337,886.52	2,638,730.15	2,950,430.50
Less: Tax (32%)	931,363.07	623,215.54	748,123.69	844,393.65	944,137.76
<b>Net Income</b>	<b><u>₱ 1,979,146.52</u></b>	<b><u>₱ 1,324,333.02</u></b>	<b><u>₱ 1,589,762.84</u></b>	<b><u>₱ 1,794,336.50</u></b>	<b><u>₱ 2,006,292.74</u></b>

<b>Blend-In Coffee Bar</b>					
<b>Consolidated Statements of Cash Flows</b>					
<b>For the year ended December 31, 2024-December 31, 2028</b>					
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Cash provided (used) by operating activities</b>					
Cash received from customer	16,064,770.00	16,546,713.10	17,043,114.49	17,554,407.93	18,081,040.17
Cash paid to suppliers	8,460,720.00	8,629,934.40	8,802,533.09	8,978,583.75	9,158,155.42
Provision for tax	931,363.07	623,215.54	748,123.69	844,393.65	944,137.76
Depreciation expense	255,683.41	255,683.41	255,683.41	255,683.41	255,683.41
Operating expense	5,962,648.41	5,994,612.31	5,928,584.68	5,963,501.63	5,999,389.99
<b>Net cash provided (used) by operating activities</b>	<b><u>965,721.93</u></b>	<b><u>1,554,634.26</u></b>	<b><u>1,819,556.44</u></b>	<b><u>2,023,612.31</u></b>	<b><u>2,235,040.39</u></b>
<b>Cash provided (used) by investing activities</b>					
Cash paid in Building	3,000,000.00				
Cash paid in purchasing of Equipment	688,035.00				
Cash paid in purchasing of Furniture and Fixtures	323,816.00				
Cash paid in purchasing Motor vehicle	91,000.00				
<b>Net cash provided (used) by investing activities</b>	<b><u>4,102,851.00</u></b>				
<b>Cash provided (used) by financing activities</b>					
Investment of partners	4,000,000.00				
Proceeds from bank loan	1,000,000.00				
payment of loan principal	500,000.00	500,000.00			
Partner's withdrawal			500,000.00	1,000,000.00	1,500,000.00
<b>net cash provided (used) in financing activities</b>	<b><u>4,500,000.00</u></b>	<b><u>1,054,634.26</u></b>	<b><u>500,000.00</u></b>	<b><u>1,000,000.00</u></b>	<b><u>1,500,000.00</u></b>
Net increase (decrease) cash	1,362,870.93	1,054,634.26	1,319,556.44	1,023,612.31	735,040.39
Cash balance at beginning of year	-	1,362,870.93	2,417,505.19	3,737,061.63	4,760,673.94
<b>Cash balance at end of year</b>	<b><u>₱1,362,870.93</u></b>	<b><u>₱2,417,505.19</u></b>	<b><u>₱3,737,061.63</u></b>	<b><u>₱ 4,760,673.94</u></b>	<b><u>₱5,495,714.33</u></b>

<b>Blend-In Coffee Bar</b>					
<b>Projected Balance Sheet</b>					
<b>For the year ended December 31, 2024-December 31, 2028</b>					
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Assets</b>					
Current Assets					
Cash	1,362,870.93	2,417,505.19	3,737,061.63	4,760,673.94	5,495,714.33
Inventory	<u>1,269,108.00</u>	<u>1,294,490.16</u>	<u>1,320,379.96</u>	<u>1,346,787.56</u>	<u>1,373,723.31</u>
Total Current Asset	2,631,978.93	3,711,995.35	5,057,441.60	6,107,461.50	6,869,437.65
Noncurrent Asset					
Building	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Less: Accumulated depreciation	96,666.67	193,333.33	290,000.00	386,666.67	483,333.33
Tools and equipment	688,035.00	688,035.00	688,035.00	688,035.00	688,035.00
Less: Accumulated depreciation	102,883.68	205,767.36	308,651.04	411,534.72	514,418.40
Furniture and Fixture	323,816.00	323,816.00	323,816.00	323,816.00	323,816.00
Less: Accumulated depreciation	51,810.56	103,621.12	155,431.68	207,242.24	259,052.80
Motor vehicle	91,000.00	91,000.00	91,000.00	91,000.00	91,000.00
Less: Accumulated depreciation	4,322.50	8,645.00	12,967.50	17,290.00	21,612.50
Total Noncurrent Asset	<u>3,847,167.59</u>	<u>3,591,484.19</u>	<u>3,335,800.78</u>	<u>3,080,117.37</u>	<u>2,824,433.97</u>
<b>Total Assets</b>	<b><u>6,479,146.52</u></b>	<b><u>7,303,479.54</u></b>	<b><u>8,393,242.38</u></b>	<b><u>9,187,578.87</u></b>	<b><u>9,693,871.61</u></b>
<b>Liabilities and Partner's Equity</b>					
Liabilities					
Bank Loan Payable	500,000.00				
	<b>500,000.00</b>				
Partner's Equity					
Enguin, Capital Masumbid,	2,989,573.26	3,651,739.77	4,446,621.19	5,093,789.44	5,596,935.81
Capital	2,989,573.26	3,651,739.77	4,446,621.19	5,093,789.44	5,596,935.81
Partner's Withdrawal			500,000.00	1,000,000.00	1,500,000.00
Total Partner's Equity	<u>5,979,146.52</u>	<u>7,303,479.54</u>	<u>8,393,242.38</u>	<u>9,187,578.87</u>	<u>9,693,871.61</u>
<b>Total</b>	<b><u>₱ 6,479,146.52</u></b>	<b><u>₱ 7,303,479.54</u></b>	<b><u>₱ 8,393,242.38</u></b>	<b><u>₱ 9,187,578.87</u></b>	<b><u>₱ 9,693,871.61</u></b>

### 4.3 Financial Ratios

#### A. Return on Investment

The return on investment is the ratio between net income and investment. The proposed business generate an ROI of 34.78% which means that in every 1 peso investment the business generated .34 net income.

$$\begin{aligned}
 \text{Return on investment} &= \frac{\text{Average Net income}}{\text{Cost of investment}} \quad \times \quad 100 \\
 &= \frac{\text{₱ } 1,738,774.32}{\text{₱ } 5,000,000.00} \quad \times \quad 100 \\
 &= 0.3477 \quad \times \quad 100 \\
 \text{Return on investment} &= \underline{\underline{34.78\%}}
 \end{aligned}$$

#### B. Net Profit Margin

Net profit margin measures how much net income is generated as a percentage of revenues received. The proposed business generates 0.10 or 10% net profit margin which means that in every 1 peso revenue the business generated .10 net profit. It shows that management should employ more strategies to increase its revenue and eventually increase its net income while minimizing some of its costs.

$$\begin{aligned}
 \text{Net Profit Margin} &= \frac{\text{Average Net Income}}{\text{Average Revenue}} \\
 &= \frac{\text{₱ } 1,738,774.32}{\text{₱ } 17,058,009.14} \\
 &= \underline{\underline{0.10\%}}
 \end{aligned}$$

#### C. Return on Asset

The return on assets (ROA) is a measure of profitability that indicates the efficiency with which a company utilizes its assets to generate earnings. The proposed business has an ROA of 0.212 or 21% which means that in every 1 peso invested in the asset, the business generated .20 net profit.

$$\begin{aligned}
 \text{Return on Asset} &= \frac{\text{Net Income}}{\text{Average Total asset}} \\
 &= \frac{\text{₱ } 1,738,774.32}{\text{₱ } 8,211,463.79} \\
 &= \underline{\underline{0.21 \text{ or } 21\%}}
 \end{aligned}$$

#### Payback Period

Payback period refers to the period of time required to recuperate the funds disbursed in an investment. It is computed by dividing the total investment of the partners by the average cash flows. The computed years before the investment of the partners will be recovered in 4 years to recoup the initial investments.

$$\begin{aligned}
 \text{Payback Period} &= \frac{\text{Total Investment}}{\text{Average Cash Flows}} \\
 &= \frac{\text{₱ } 5,000,000.00}{\text{₱ } 1,099,142.87} \\
 &= \underline{\underline{4.55}}
 \end{aligned}$$

## 5. FINDINGS, CONCLUSIONS AND RECOMMENDATION

### Findings

The feasibility study conducted for Blend-In Coffee Bar indicate a strong potential for success in establishing and operating the business. The study assessed various aspects, including market analysis, financial viability, operational considerations, and competitive landscape. Market Analysis revealed a growing demand for specialty coffee and alcoholic and non-alcoholic beverages, with a significant target demographic that appreciates unique, blends and brewing methods, and a cozy coffee bar atmosphere. The study identified a prime location with people coming and going on foot and more foreign visitors and limited direct competition, offering a favorable market opportunity for Blend-In Coffee Bar to capture a substantial share of the local market.

Financial projections indicated promising revenue streams, considering projected sales volumes, pricing strategies, and the estimated cost structure. The study identified key profitability drivers, such as efficient cost management, menu diversification, and potential upselling opportunities. The proposed business generate an ROI of 34.78% which means that in every 1 peso investment the business generated .34 net income.

Operational considerations encompassed factors like staffing requirements, supply chain management, and equipment needs. The feasibility study highlighted the need for a skilled and customer-oriented team, along with streamlined processes to ensure high-quality service and cost-effective supply chain.

The competitive analysis revealed a limited number of direct competitors in the immediate vicinity, providing Blend-In Coffee Bar with a competitive advantage. By offering unique blends, personalized customer experiences, and a welcoming ambiance, the study suggested that Blend-In Coffee Bar could differentiate itself and attract a loyal customer base.

Overall, the findings of the feasibility study for the Blend-In Coffee Bar are highly encouraging since it reaches a total figure of ₱16,064,770.00 representing an estimated market share of 35% from among the current existing mini bar, coffee shops and bakeshops in town, indicating a strong potential for success in the market. With careful implementation of the recommended strategies and ongoing evaluation of market dynamics, Blend-In Coffee Bar is well-positioned to become a thriving and popular destination for coffee enthusiasts and hard drinkers or party-goers alike.

### Conclusions

In conclusion, the study conducted for Blend-In Coffee bar presents a compelling case for its establishment and operation. The study's findings indicate a favorable market environment, with growing demand for specialty coffee and hard drinks and a target demographic that appreciates unique blends and an inviting coffee bar atmosphere. The identified prime location, with high foot traffic and limited direct competition, offers a significant market opportunity for Blend-In Coffee Bar to thrive.

### Recommendations

The study shows that the establishment of Blend-In Coffee Bar is feasible in the proposed area given that 87% of the population of the coffee lover and 67% of young drinkers shows interest in patronizing the business venture. Considering that Blend-In Coffee Bar can be profitable and helpful not just to the owner's but also to the local economy. This dual concept must be establish in this local area because of its appealing profit and will surely achieve long-term success in a competitive market.

The partner's will consider increasing the variety of products flavors from coffee menu to alcoholic beverages to cater a broader range of customer preferences, including options like specialty teas, healthy snacks, and enticing desserts. To ensure the sustainability of the business, the management will increase the number of suppliers to maintain the operation. Also, the partners will train and empower the staff to engage with customers and ensure their needs are met. Encourage a friendly and knowledgeable atmosphere that keeps customers coming back.

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