

# **Business Plan**

**Class B Beer & Class C Wine  
Alcohol License Application**

**6/16/2017**

**Fair Trade Coffee House  
418 State Street  
Madison, WI 53703**

## Executive Summary

Fair Trade Coffee House is a locally owned and operated cafe that serves hot and cold coffee drinks, premium teas, fruit smoothies, and other various beverages such as Italian soda, juices, and sparkling water. The café also serves light breakfast and lunch food items similar to other “fast casual” restaurants, as well as a number of bakery items such as muffins, scones, brownies, pies, cakes, and bars. Many of the bakery items are baked in-house using proprietary recipes and processes.

The café is located in the heart of Madison just four blocks from the Capital, and four blocks the University of Wisconsin Madison campus on the most popular street in Madison, State Street. This business meets the needs of the “downtown” customer with its focus on fair trade practices and health conscious menu. However, this location comes with a high cost in rent, property taxes, and other fees and costs associated with being located downtown.

Fair Trade Coffee House opened in February of 2004, and was acquired by local entrepreneurs Casey Thompson, Thomas Beckwith, and Harold Stafford on March 1<sup>st</sup>, 2017 in a partnership under TJAB Holdings, LLC. After three months of operation, it was determined that there was an opportunity to increase customer traffic and the average sale amount by introducing a limited selection of premium beer and wine.

## Project Scope

A limited selection of beer and wine helps to grow the business by increasing business during slower evening times, and thus increasing overall average sales. The ability to sell beer and wine puts Fair Trade Coffee House in competitive balance with the other businesses that serve food and drink in the area. We anticipate that alcohol sales will amount to no more than 15% of gross receipts.

**Evening Events** - The cafe is located on the most popular and well known street in the heart of Madison. It caters to a regular customer base that is particular about where their coffee and food comes from, and who prefer to do their business with a locally owned restaurant. This location is in a heavily visited area by tourists to Madison. Weekend and weeknight events associated with downtown Madison and the University are frequent throughout the year, but Fair Trade Coffee House does not always benefit from these events as other areas businesses do.

Events that are held in the evening provide little opportunity for the café in its current state. Case in point, the Madison Night Market events in May and June, which brought over 5000 people to an area just one half of one block from the business, did not increase revenue for the business from 6pm – 10pm on those nights.

**Visiting Groups** – When a group of friends, relatives, or work colleagues decide to visit State Street, their visit may also include one or more food and drink stops. If there are members of the group that are looking to enjoy a glass of wine or a beer, the entire group will patronize an establishment that serves alcohol. This immediately disqualifies Fair Trade Coffee House from this decision because we are not able to meet the needs of the entire group.

**Special Café Events** – Fair Trade Coffee House provides space for local artists to display their works free of charge or commission. These artists have asked to hold receptions with alcoholic beverages, and the business is not able to accommodate these requests and capitalize on these opportunities. There is also an opportunity for intimate music events at the café, but the cost for most any act is prohibitive given the current average ticket sale.

## **Company Alcohol Policies**

One of the most important tasks related to this project will be crafting company policies specific to alcohol and alcohol sales. These policies would include, but not be limited to, the forbiddance of alcohol consumption by employees on premises whether they are working or not, a strict inventory control process, per customer drink limits, Checking I.D.s, counting drinks, and handling intoxicated customers.

## **Training**

Fair Trade Coffee House intends to train each employee by having them complete the ServSafe Alcohol Server Primary training and exam. The company will pay for the course, exam, and their hourly rate for the time it takes to complete this course and exam. Employees will also be required to read and sign-off on all company alcohol serving policies and procedures. Training will also be provided regarding the handling of difficult situations with customers from checking I.D.s to handling intoxicated customers.

## **Staffing**

There is a total of 10 employees at the café, not including the owners who are on premises most days. 4 of these employees are full-time and 6 are part-time. All staff are 18 years of age or older, and it is a company requirement that all employees are 18 years of age or older. The business maintains a minimum of 2 employees during all open hours and increases this number to 4 hourly employees during busy times. Staffing levels will be closely monitored and will be increased or decreased to meet business needs and ensure the safety of our guests and employees. Fair Trade Coffee House will pay for additional staff members to hold alcohol server licenses to ensure that there is always a licensed person in direct supervision of unlicensed staff.

## **Hours of Operation**

The hours of operation of the business are 8am-10pm, seven days a week. The hours will remain unchanged initially, but analysis of sales by time of day is always ongoing, and changes could be made to the hours as needed. Employees are scheduled on shifts from as early as 7:30am and as late as 10:30pm to open and close the store.

## **Market Trends**

A major trend in customer buying habits for coffee drinks and food menu items is increasingly turning to healthy items. These would include replacements for dairy products such as almond, soy, or coconut milk, and food items that are gluten free or vegan, and contain organic or locally sourced ingredients. The café is strong in these areas and can be made stronger with additional marketing around these trends as well as new menu options.

For our target demographic, the destination can be just as important as what is on the menu. Creating an experience for our customers through staff interaction and café atmosphere is the key to the restaurant's success. Providing beer and wine will only enhance this atmosphere and make Fair Trade Coffee House an even more desirable destination.

## **Customer Demographics**

There is a mix of target customer by demographic, but each of these demographics represents an opportunity for the business. One important factor about all target customers is that they are all travelling to the location as pedestrians due to the driving restrictions of State Street, and the limited downtown parking.

Downtown residents and downtown working professionals will be the primary target demographic. Just by living or working downtown, their income level is moderate to high and they are willing to spend more on premium products and a good atmosphere. This demographic is typically aged 25-65.

University students between the ages of 18 to 25 represent the largest population demographic for the business during the school year. The food menu has traditionally catered to this customer type by focusing on environmental and health conscious items. Although this is the largest demographic, we don't anticipate that they will account for the majority of alcohol sales due to the higher prices of our premium and limited selection.

The last major demographic spans all ages and income brackets. The out of town visitors, UW sports fans, theatre goers, and conference attendees can vary wildly in their demographics. This group has more discretionary income and will be more likely to buy a premium beer or wine.

## **Marketing**

When targeting any of the two major demographics (students and downtown professionals), social media targeted marketing will be one of the best options. Platforms such as Facebook, Snap Chat, Twitter, and Instagram can target specific demographic profiles, on specific days, and at specific times. This can be done with small amounts of capital and can be controlled precisely which enables the business to test various promotions. Other opportunities for marketing could be light advertising in local publications or holding music events on some evening to showcase the café.

## **Timeline**

6/19/2017 - Application Submitted

7/10/2017 – Information Session 7-8pm (Located On-Site at Fair Trade Coffee House)

7/19/2017 – ALRC Meeting

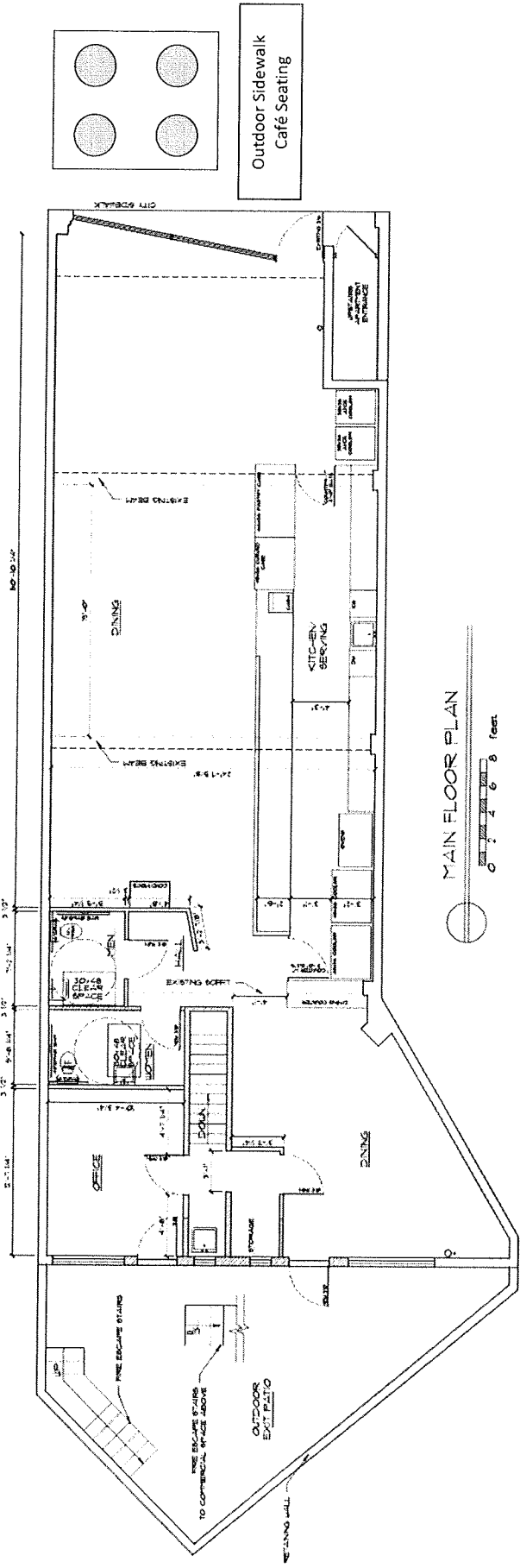
7/24/2017 – Employee ServSafe Training Begins

8/1/2017 – Common Council Meeting

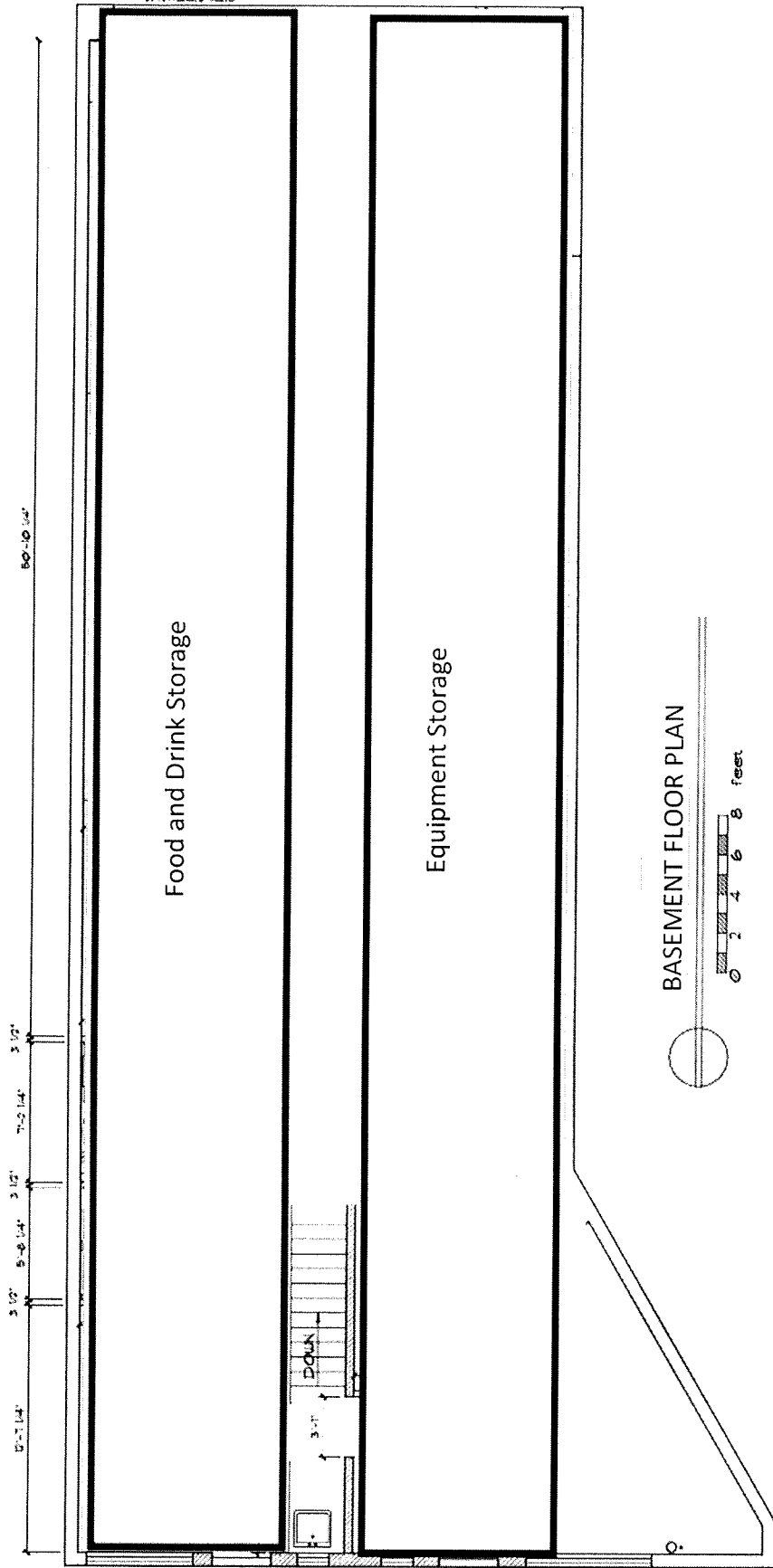
8/11/2017 – Begin Alcohol Sales

## **Conclusion**

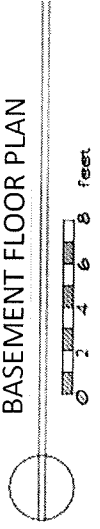
Fair Trade Coffee House is a popular destination for both regular customers and visitors to State Street. It has a great atmosphere and customers routinely comment on the positive and friendly vibe of the establishment. We are committed to maintaining and enhancing the popularity of this destination, and the ability to offer beer and wine will allow us to meet these goals and further expand our success. This will not only help our business, but will most certainly help to increase the success of all the businesses on State Street by creating one more popular night-time destination.



Fair Trade Coffee House – 418 State St. Madison, WI 53703



BASEMENT FLOOR PLAN



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# FAIR TRADE COFFEE HOUSE

## Food Menu

### BREAKFAST

#### **Breakfast Croissant**

Omelet and cheddar cheese served on a butter croissant  
\$5.90 (add ham or avocado \$2.00 each)

#### **Breakfast Bagel**

Omelet and cheddar cheese served on a plain or "everything" bagel  
\$5.90 (add ham or avocado \$2.00 each)

#### **Quiche**

House made fresh baked quiche  
\$5.90

#### **Muffins Baked Fresh In-House**

Pumpkin chocolate chip (gluten free),  
vegan zucchini, or blueberry  
\$3.00

#### **House Made Granola**

made with organic maple syrup, walnuts,  
rolled oats, sunflower seeds and dried  
cranberries  
with milk \$4.25, with yogurt \$5.25

#### **Toasted Bagel**

with cream cheese  
\$2.50

#### **Croissants Baked In-House**

Plain \$2.75  
Chocolate or raspberry \$2.85  
Spinach & Feta \$3.50

**Scone** \$3.00

**Biscotti** \$1.90

**Yogurt** \$2.00

**Banana** \$1.25

### DESSERTS

#### **Bars Made Fresh In-House**

Peanut butter, vegan, 7-Layer, triple berry  
\$3.00

#### **Apple Pie**

\$4.90

#### **Mascarpone Cake**

\$4.90

#### **Chocolate Cake (gluten free)**

\$4.90

#### **Cheesecake**

\$4.90

#### **Healthy Chocolate Cake Baked In-House**

\$3.00

#### **Brownie Baked In-House**

\$3.00

#### **Chocolate Chip Cookie Baked In-House**

\$2.00

#### **Baklava**

\$2.75

### BEVERAGES

**Sparkling Water** \$2.25

**San Pellegrino** \$2.50

**Can Soda/Water** \$1.50

**Root Beer** \$2.50

**Water** \$1.25

**Juice** \$2.50

**Bottle Beer** \$5.00

**Wine by the Glass** \$6.00





# FAIR TRADE COFFEE HOUSE

## Food Menu

### PANINI-GRILLED SANDWICHES

*Add a side salad or cup of soup for \$2.00*

#### **The Californian**

Fresh avocado, sliced tomatoes, provolone cheese with basil pine nut pesto-mayo served on flatbread

\$7.50

#### **Italian Chicken**

Chicken breast, provolone cheese, basil pine nut pesto mayo served on flatbread

\$7.50

#### **Chipotle Chicken**

Chicken breast, our homemade spicy chipotle sauce, cheddar cheese served on flatbread

\$7.50

#### **Ham & Havarti**

Sliced ham, Havarti cheese, sliced tomatoes, honey Dijon mustard served on a baguette

\$7.50

#### **Chipotle Black Bean Burger**

Black bean burger, cheddar cheese, sliced tomato, spinach, and sunflower microgreens served on an asiago cheese bagel

\$7.50

#### **Sun-dried Tomato**

Organic sun-dried tomato spread (walnuts, tamari sauce, basil, garlic, lemon juice with a dash of cayenne pepper) Kalamata olives, spinach, and sunflower microgreens served on a baguette

\$7.50

#### **The Vegan**

Hummus, roasted red pepper, spinach, and microgreens served on a baguette

\$7.50

### SALAD & SOUP

#### **Signature Salad**

Spring mixed greens with tomato, avocado, walnuts, dried cranberries, Kalamata olives, shaved parmesan; served with toasted flatbread, house made curry poppy seed dressing or mango vinaigrette

\$7.50

Add chicken, ham, or black bean burger \$2.00

#### **Soup**

Soup of the day served with sliced flatbread or baguette

\$5.90 Bowl

\$3.90 Cup

