

## ***Executive Summary***

This business plan outlines the launch of a beverage business in Shanghai, China. The business is launched in Shanghai, China because of the opportunity present in Shanghai. Shanghai is a tier one city that has a large population and high GDP per capita when compared to China as a whole.

The Shanghai F&B market is also able to accept new and innovative food and beverage. There are also trust issues with local Chinese brands as there are many trust issues with low quality products that are being sold with premium prices that circulate in the Chinese market. The Shanghai F&B market is also growing every year and with the Covid-19 in China under control, China has started to resume the normal daily life of its people. Current Shanghai F&B market value is 73.8 billion USD with expected yearly growth of around 10%. Based on this fact on industry readiness to accept new and innovative F&B and market size and growth, the F&B industry in Shanghai is attractive and offers potential good investment returns.

The business positioned itself as a grab and go beverage store that has health benefits, fast and customize as its main value. Offering drinks in the ¥10 to ¥27 per cup price range which caters to the fast pace of the work and social segment. The business has several differentiation and aims to gain customer trust through certification and reasonable storytelling which will contribute to the growing culture of spices beverage consumption.

In reaching out to the customer, the business will start by opening 50 stores and increase each year to 340 in the fifth year and also cooperate with independent food delivery companies to extend the reach of the business.

The business makes sure that its operations are arranged to be able to function efficiently from end-to-end. This meant that the business would need an excellent supply chain to be efficient in its cost structure and able to complete the customer order in 2 minute for every beverage. The business allocated a large sum of investment to support an excellence supply chain.

To make sure that every employee is professional in their work, the company implements values of integrity, professionalism, customer focus, and entrepreneurship to each and every employee of the company. With transparent compensation plan and scoring system to make sure that there is no discrimination within the company. The number of employees will be increased to from 277 to 1757 employees to be able to manage the expansion of the business.

The business requires an initial investment of ¥10.500.000 and an additional investment of ¥14.000.000 in the first year and will be financed by the owners of the business. The start-up funds will be used in the initial investment needed in launching the business. The business expects to distribute cash dividend with dividend payout ratio 20% in year 3 onward.

In the most likely scenario, the NPV is ¥56.819.830 and the IRR of the business is 40.87%, the business has a profitability index of 3.64. With a combined business scenario of 10% chance of optimistic forecast, 60% of most likely forecast, and 30% of pessimistic forecast. With a total investment of ¥24.500.000, the expected net present value of the business is ¥52.055.177 and the probability of the expected net present value will be lower than 0 is 0.036% shows that the business is worth running.

