

THE COSTS OF STARTING A COFFEE SHOP

Special Complimentary Insert

**By
Coffee Shop Startups**

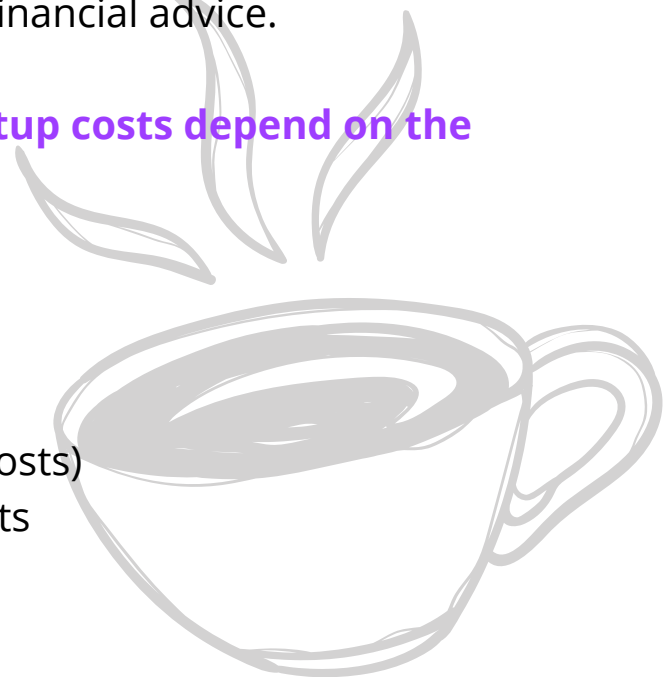
Taking a Look at Coffee Shop Startup Costs

In this special insert by Coffee Shop Startups, we're going to examine a few aspects of expected costs when starting a coffee shop business. Indeed, costs will vary from place to place and concept to concept. Still, we believe that you can utilize the information to determine an estimate for your coffee business.

Disclaimer: The following information is for educational purposes only. We do not dispense legal or financial advice.

Generally, your coffee shop startup costs depend on the following:

- Your coffee shop concept
- Coffee shop menu
- Coffee equipment
- Your Location
- Type of Buildout (and related costs)
- Your legal & administrative costs
- Branding & marketing choices
- Labor costs
- Furniture & fixtures



These costs are solely associated with starting your business. They often include the costs of any legal fees, administrative paperwork, security deposits, equipment, services, consultants, and training, among others.

Let's define the various costs you may have when opening a coffee shop in the table below.

Defined Coffee Shop Startup Costs

Operational Costs	<p>These are costs that are required to keep your business running day-to-day or month-to-month. They can be anything from the cost of your coffee beans, milk, payroll, and your rent.</p> <p>Your operational costs include two general categories – your fixed and variable costs.</p>
Fixed Costs	<p>Fixed costs are costs that don't typically change month to month. These costs can be your monthly rent, insurance premiums, security payments, a manager's monthly salary, etc.</p>
Variable Costs	<p>Variable costs fluctuate regularly depending on your volume of sales, hours of operation, etc. These may include the number of coffee beans, cups, lids, barista labor hours, syrups, milk, sugar, napkins, etc.</p>
Consumable Costs	<p>Consumable costs are simply those costs that are expended regularly because they are used up. For example, they could be anything from paper napkins, cups, lids, soap, disinfectants, bleach, towels, etc.</p>



The Cost Range For Your Coffee Shop Concept

It's fair to say that each type of coffee business has a broad price range. It is important to note here that many of the costs aren't always paid upfront - on day one.

Instead, costs are often paid over a certain period of time. This is important because you probably will not need 100% of the money upfront. How much money you do need upfront is determined by your coffee shop concept and your situation.

Let's take a look at general concepts and their cost range below:

Traditional Coffee Shop Business*

Small coffee shop with seating:	\$40,000 to \$200,000
Large coffee shop with seating:	\$75,000 to \$350,000
Franchise coffee shop:	\$100,00 to \$350,000
Café & Bakery:	\$120,000 to \$350,000
Coffee Shop Bookstore:	\$80,000 to \$250,00



Low-Cost Coffee Shop Business*

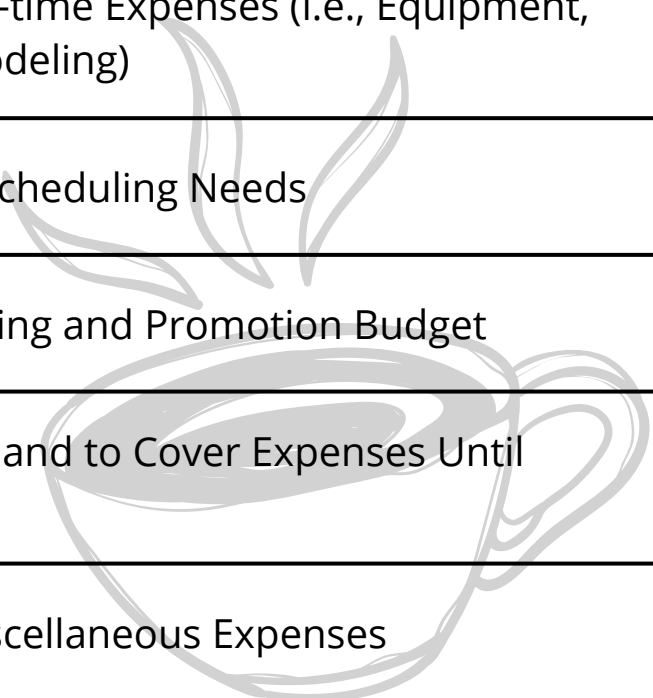
A piggyback coffee business:	\$3,500 - \$15,000
Drive-thru coffee stand business:	\$10,00 - \$90,000
Espresso catering business:	\$4,500 - \$15,000
Mobile coffee business:	\$10,000 - \$95,000
Online coffee business:	\$400 - \$10,000

*These sample cost ranges are estimates. They may be typical of large urban centers in the United States. **Costs will vary** depending on your exact concept, specific geographic location, menu options, and leasing terms, among others. These numbers are for educational purposes only.



Determining Your Own Coffee Shop Startup Costs

Step	Action
Step 1	Write a Coffee Shop Business Plan
Step 2	Determine Your Menu
Step 3	Choosing Your Coffee Equipment
Step 4	Finding the Right Space (at The Right Price)
Step 5	Determine Your Legal & Administrative Costs
Step 6	Sum up Your One-time Expenses (i.e., Equipment, Build-Out & Remodeling)
Step 7	Determine Your Scheduling Needs
Step 8	Develop a Marketing and Promotion Budget
Step 9	Ensure Cash-on-Hand to Cover Expenses Until Profitability
Step 10	Identify Other Miscellaneous Expenses



Many costs have the keen ability to sneak up on you. They add up quickly or hit you just as you're not suspecting it. Plan as much as you can, and give yourself additional slack. Write all your expenses down and revisit them as you move forward.

What to Start a Coffee Shop?

Let Us Help You Start Your Coffee Shop Planning

We've created the best way to start your coffee shop business planning. Our **Complete Coffee Shop Startup Kit** is packed with everything you need to gain the knowledge and wisdom to start your first coffee shop!



www.coffeeshopstartups.com

