

Finding location for a coffee shop to combine physical and technological accessibility¹

Manon Wambre

ABSTRACT

In the French Flanders, a new demand of accessibility is developing and globally coffee shops are becoming an institution. The idea is to combine both elements to anticipate trends to settle in an increasingly dynamic market.

This paper is driven by two factors: proving to coffee shop entrepreneurs that location hugely matters and showing that accessibility offers full of opportunities to differentiate. The best location for a coffee shop to combine physical and technical accessibility is Cassel, a small city in the French Flanders where the rent is not expensive and the demand is increasing. This means that the best location for the coffee shop is not always in big cities. In fact, it shows to entrepreneurs that even if the market of large cities seems very attractive, obstacles such as the cost often occur.

Key words: Site location, Accessibility, Infrastructure, Digital, Legal rules, Bikes

INTRODUCTION

“An outlet can have quality offerings, excellent personnel, (...) but fail because it is not conveniently located.” Coffee shops’ most determining success criteria is: position of the site. The following analyze is mainly motivated by a personal will to open an independent coffee shop myself in a French city of at least twenty thousand inhabitants.

However, from an accessibility and technological point of view, the site location is facing two issues. The first difficulty lays on the reluctance from neighbors and city hall due to noise pollution, waves from the internet, the probable need of an off-record contract and so on. Local and legal documentations can become constraints if contracts and clauses are not transparent or not deeply analyzed. As Darren Buckner (2015) explains it, the location of your coffee shop will determine all your possibilities in terms of developing and designing your coffee shop as planned in your strategy. The second obstacle is to ensure the location would be

¹ *Editor's note: Student papers are authored by graduate or undergraduate students based on coursework at accredited universities or training programs. This paper was prepared as a deliverable for the course “International Contract Management” facilitated by Dr Paul D. Giammalvo of PT Mitratata Citragraha, Jakarta, Indonesia as an Adjunct Professor under contract to SKEMA Business School for the program Master of Science in Project and Programme Management and Business Development. <http://www.skema.edu/programmes/masters-of-science>. For more information on this global program (Lille and Paris in France; Belo Horizonte in Brazil), contact Dr Paul Gardiner, Global Programme Director, at paul.gardiner@skema.edu.*

accessible to the increasingly trendy way of access by walk and by bikes. (traditional and electrical ones) This paper aims to bring awareness to my potential future project but also cross knowledge between business and technicity, which could be useful for people who want to discover one of the two fields through an innovative process. A purpose is also to have a more detailed view on building permits or other documentations when being independent, out of the franchising process.

Currently, in France, an increasing number of cities are rethinking the roads by transforming them into pedestrian areas and urging people not to use their car. With initiatives such as Gobe Bike, premium of 20% for the purchase of an electrical bike, ... a movement of technology need and new transportation means is spreading. Coffee shops location should consider adapting the infrastructure for a better access to both technology and transportation. Indeed, as this paper would focus on coffee shops that can offer people a place to work and discuss, technological requirements such as free reliable WIFI (For instance at least 20 mbps), electric sockets or desks adapted to electronic devices are unavoidable

The idea of this paper is to show how to choose the right location enabling to design and build adequate facilities for pedestrians and bike users inside and outside the coffee shop. Finally, the overall strategy is to focus on legal constraints, new consumers' habits and adaptation.

Thus, this paper aims to find answers to the following questions:

- 1) Firstly, what are the best choice criteria to select the right location for an optimized adaptation design?
- 2) Secondly, what type of city offers the best accessibility or opportunities of accessibility?

1. **METHODOLOGY**

FEASIBLE ALTERNATIVES

- 1) Settling in Lille
- 2) Locating the coffee shop in Hazebrouck
- 3) Settling in the countryside – Cassel
- 4) Choosing randomly a location

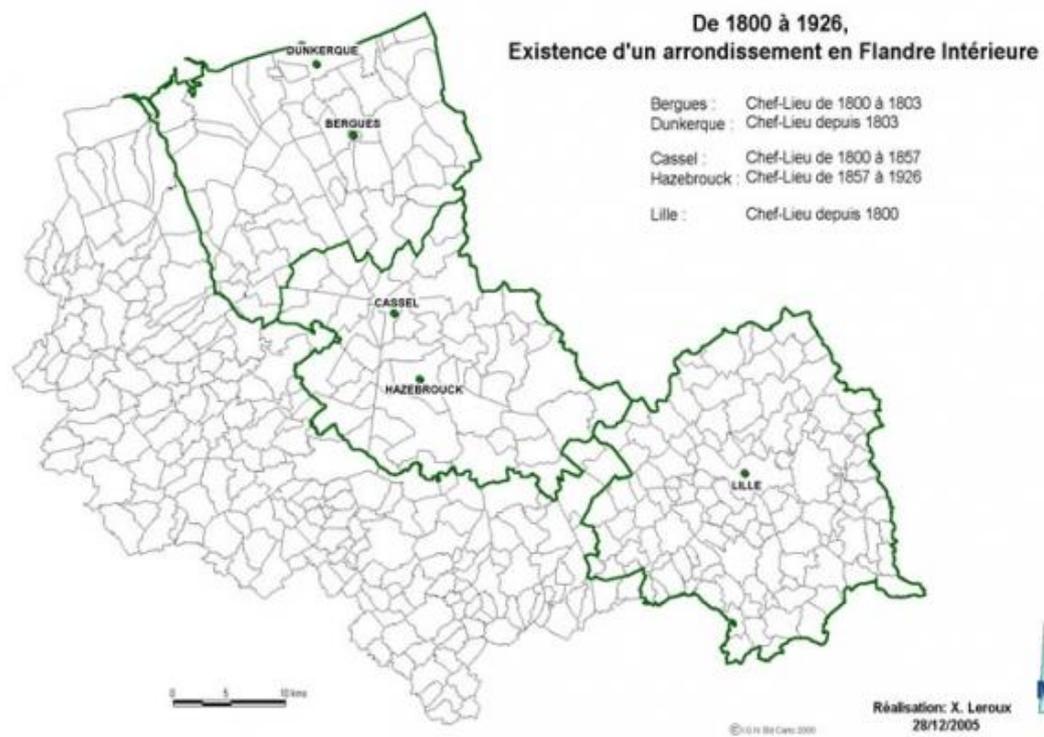


Figure 1: Alternatives of location for a coffee shop in French Flanders

DEVELOPMENT OF THE OUTCOMES

1. Choose to settle in Lille

The requirements for accessibility are higher and the building permit and road permission harder to get.

The number of bicycle riders is increasingly important; it has increased by 40% in the city center and even 85% in some districts of Lille since 2016. Public accessibility is higher with self-service bikes such as Gobee Bike settling in the city but the rent are still high: around 1290,00€ for 100m². This reduces the possibility of building adaptation.

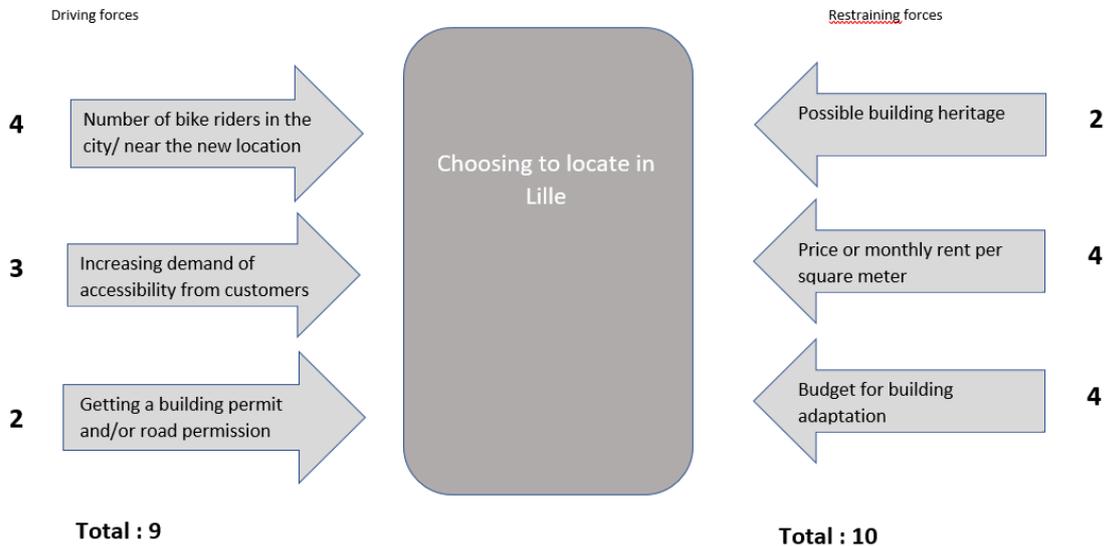


Figure 2: Force field analysis - Locating in Lille

2. Choosing to locate the coffee shop in Hazebrouck

As the rent is around 7,00€ per square meter and the building permit and road permission would be easier to get, the budget would be more interesting than in Lille. However, there is a doubt about the use of the bike is not very attractive in this city of around 20,000 inhabitants in which most of them are still reluctant to use their bike.

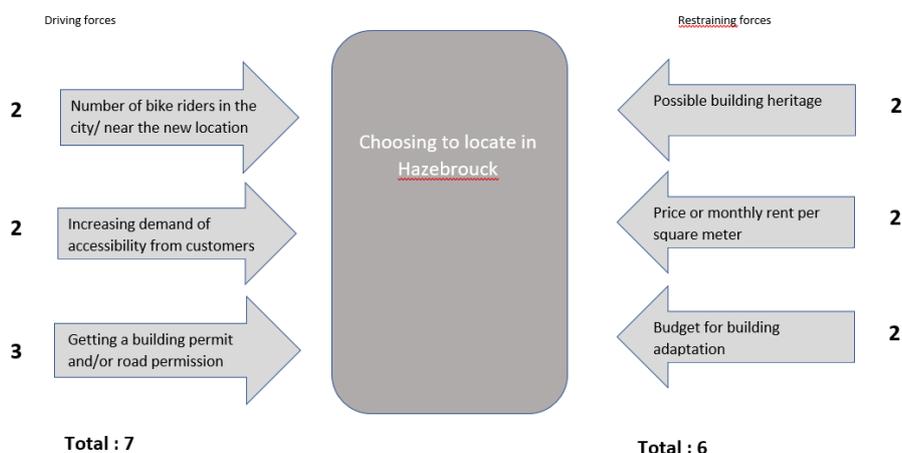


Figure 3: Force field analysis - Locating in Hazebrouck

3. Settling in the French Flemish countryside – Cassel

Physical accessibility is higher as public spaces already exist all over the city. This city offers a great opportunity to combine heritage and technology. However, an important constraint of building permits would occur. Monthly rent per square meter is still acceptable: around 7,00€ but the most important opportunity is that many riders consider this city as one of the best place to stop by. With the increasing number of electric bikes, locating here and giving access to technology (for instance recharge bikes) is amazingly attractive.

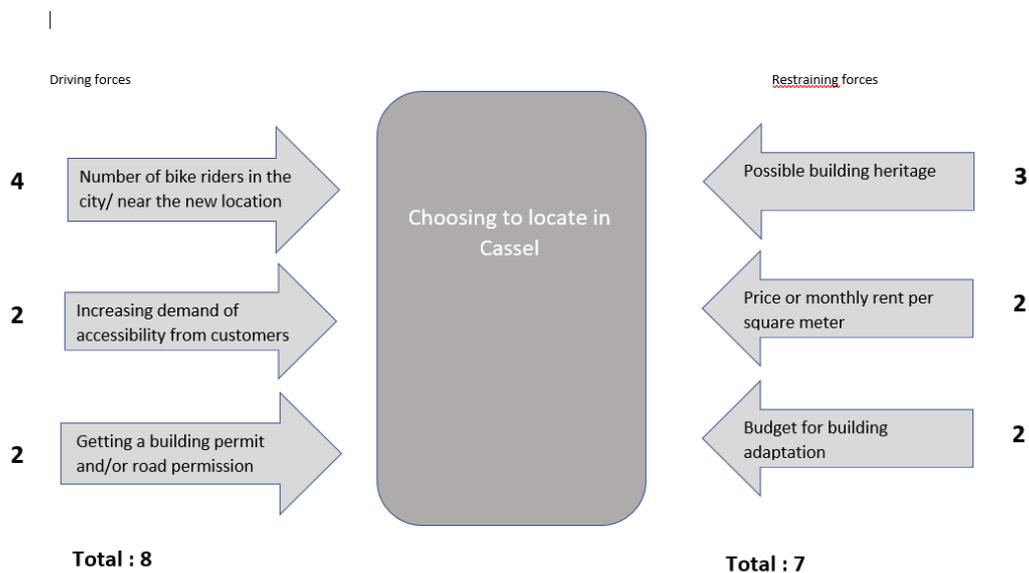


Figure 4: Force field analysis - Locating in Cassel

4. Choose randomly a location for the coffee shop

Even if this alternative is existing and as explained previously, site location is too paramount to choose it randomly.

SELECTION CRITERIA

The overall estimated cost of planning and works of the location chosen should not exceed €80,000 OR it should only represent 20% of the projected sales.

Concerning the rent, it should not represent more than 15% of the projected sales. These 35% nearly correspond to the percentage of attention that potential customers give to the importance of location for a coffee shop. At the time of the selection, at least 40% of the equivalent of the city population should use from time to time their bike.

FINDINGS

ANALYSIS AND COMPARISON OF THE ALTERNATIVES

Attributes	Values	Rank	Formula	Ratio	1-x
Number of bikes in the city	High	3	$(1-1)/2$	0	1
	Medium	2	$(2-1)/2$	0,5	0,5
	Low	1	$(3-1)/2$	1	0
Demand of accessibility from customers	High	3	$(1-1)/2$	0	1
	Medium	2	$(2-1)/2$	0,5	0,5
	Low	1	$(3-1)/2$	1	0
Getting a building permit/road permission	Easy accessible	3	$(1-1)/2$	0	1
	Reasonable difficulty	2	$(2-1)/2$	0,5	0,5
	Very challenging	1	$(3-1)/2$	1	0
Possible building heritage	Low	3	$(1-1)/2$	0	1
	Medium	2	$(2-1)/2$	0,5	0,5
	High	1	$(3-1)/2$	1	0
Price of monthly rent per square meter	Low	4	$(1-1)/3$	0	1
	Medium	3	$(2-1)/3$	0,33	0,67
	Expensive but still reasonable	2	$(3-1)/3$	0,67	0,33
	Very expensive	1	$(4-1)/3$	1	0
Budget for building adaptation	Low	3	$(1-1)/2$	0	1
	Medium	2	$(2-1)/2$	0,5	0,5
	High	1	$(3-1)/2$	1	0

Figure 6: Scoring model

Attribute	Settling in Lille	Choosing Hazebrouck	Choosing Cassel	Choosing randomly
Number of bike riders in the city	1	0,5	1	0
Demand of accessibility from customers	1	0,5	1	0
Getting a building permit/road permission	0,5	1	0,5	0
Possible building heritage	0,5	0,5	0	0
Price of monthly rent per square meter	0	0,33	0,67	0
Budget for building adaption	0	0,5	1	0
Total	3	3,33	4,17	0

Figure 7: Relative weighting model

SELECTION OF THE PREFERRED ALTERNATIVE

Alternative 3, that is to say choosing Cassel as the location for the coffee shop is the preferred solution and is preferable to the alternative 1. Indeed, by calculating $4,17/3 = 1,39 * 100 = 139\%$, we can conclude that alternative 3 is 139% better than alternative 1. The huge point that makes alternative 3 better than alternative 1 is the budget: it is far more elevated in Lille than in Cassel, especially for the monthly rent per square meter.

This is also an advantage to choose Cassel because the market is revealing a demand and a huge opportunity to anticipate the huge trend of new technologies and new means of transports.

The comparison could have been made with the last alternative but this one is completely biased by the fact that none of the factors can be really determined, all non-determined attributes create instability and riskiness. However, we still take it into consideration to prove that this alternative must not be forgotten as a relevant image that choosing randomly is inefficient and ineffective.

PERFORMANCE MONITORING AND POST EVALUATION OF RESULTS

In the medium and short term, this analysis of alternatives can help my personal project to develop and is a huge contribution to the market study. In the future, it could be relevant to

compare the alternative of choosing to locate a coffee shop in Cassel with a competitive study. This analysis can also be completed by a more detailed research about “How to optimize the adaptation of the infrastructure for the coffee shop”.

In the future, the only risk is how the trends will develop in the three cities. In that case, a reconsideration of the paper would be necessary.

CONCLUSION

The best choice criteria to select the right location for an optimized adaptation and design is generally the type of the city and more precisely the budget. In fact both budget for the monthly rent and budget for the work determine if the adaptation is possible and relevant. Then, to answer the second question, the type of city that offers the best opportunities is the small type one. This fact is due to low price of the rent square meter and acceptable costs for adaptations. The balance between the demand (technology, low emissions means of transport, etc) and the offer (adaptation of infrastructure, low budget so better investments, etc) is the best one for smaller cities.

BIBLIOGRAPHY

Aballain, O. (2017). The bike is still rising in Lille (and why it is good news), La Voix du Nord Retrieved from <http://www.20minutes.fr/lille/2092923-20170624-velo-continue-progression-lille-pourquoi-bonne-nouvelle>; Last accessed 13 Nov. 2017

-Altmann, M. (2007) Coffee shop industry - A strategic analysis; Retrieved from <http://www.grin.com/en/e-book/111348/coffee-shop-industry-a-strategic-analysis>; Last accessed 04 Nov. 2017

Canton, cities and “counties” in French Flanders (2007), Ruralia, Retrieved from <https://ruralia.revues.org/1849>; Last accessed 12 Nov. 2017

Darren Buckner (2015). Best practices for setting up free wifi in your coffee shop. Workform, Inc. Retrieved from <https://workfrom.co/magazine/story/best-practices-setting-up-free-wifi-coffee-shop-cafe>; Last accessed 24 Oct. 2017

How much does it cost to open a coffee shop? (2016) Crimsoncup. Retrieved from <https://www.crimsoncup.com/coffee/how-much-does-it-cost-to-open-a-coffee-shop> Last accessed 05 Nov. 2017

James, D. L., Walker, B. J., & Etzel, M. J. (1975). Retailing today. New York: Harcourt Brace Jovanovich, Inc.

Kurutz, S. (2012) Skipping the architect : wise or otherwise? The New York Times.

Retrieved from: <http://www.nytimes.com/2012/06/21/garden/computer-programs-help-users-bypass-the-architect.html>; Last accessed 04 Nov. 2017

Monthly rent in Lille (2017). Meilleurs Agents. Retrieved from: <https://www.meilleursagents.com/prix-immobilier/lille-59000/>; Last accessed 10 Nov. 2017

Pastourel, L., Prime Velo Electrique; Retrieved from <http://www.prime-velo-electrique.net/>; Last accessed 25 Oct. 2017

Public Services (2016). Permission to access public roads for work. Department of town planning. Retrieved from <https://www.service-public.fr/professionnels-entreprises/vosdroits/F23509>; Last accessed 04 Nov. 2017

Public Services (2017). Building permit. Department of administration and law. Retrieved from <https://www.service-public.fr/particuliers/vosdroits/F1986>; Last accessed 04 Nov. 2017

Russell, R. (2011). Impact of the build environment on coffee shops. Retrieved from <https://cdr.lib.unc.edu/indexablecontent/uuid:c69696c2-80b8-4668-a17d-48e6acd5a601>; Last accessed 03 Nov. 2017

The Coffee Foxhole (2015). 5 problems with sustainability in coffee shops. Retrieved from <http://coffeefoxhole.com/5-problems-with-sustainability-in-coffee-shops/>; Last accessed 23 Oct. 2017

The Staff of Entrepreneur Media Inc (2015). 10 Things to consider when choosing a location for your business. Retrieved from <https://www.entrepreneur.com/article/244866>; Last accessed 21 Oct. 2017

Your coffee shop start up costs (2017); Retrieved from <https://coffeeshopstartups.com/your-coffee-shop-start-up-costs/>; Last accessed 05 Nov. 2017

About the Author



Manon Wambre

SKEMA Business School
Lille, France



Manon Wambre is a French student in Project and Programme Management & Business Development at Skema Business School. After passing her high school diploma and continuing her studies through two years of preparatory classes, she spent her first year in Skema Lille discovering all the faces of management. Then, she began her work experience as a saleswoman, these three months taught her a lot about customer loyalty, merchandising and team work.

She chose to begin her first semester of Master degree studying in Oxford Brookes University. Her level of English is nearly fluent now and she mainly learned about marketing communication and business strategy. Next, with five months of a first experience in project management for a central purchasing in Brussels for the company “L’Agence pour le Non-Marchand”, she now has a global vision of project management: creating a project from scratch, defining a business model and strategies, planning, leading a team, estimating a budget, communicating. She was the coordinator of the project in a team of seven interns and developed her sense of responsibility. This internship confirmed her to choose project management as a specialty. That is why Manon is currently preparing her MSc thesis.

During this master degree, she plans to make a one year placement to develop her knowledge in project management and to apply the theory learned in AgilePM, Prince2 and Green Project Management. This year, she was highly involved as a project manager of a student event organized with PMI France Chapter. Within a team of five students and mentored by one teacher and one member of PMI, she had the opportunity to organize an afternoon seminar and she learned a lot about logistics and leadership.

Manon is particularly interested in the relationships between entrepreneurial skills and project management competencies. She is mainly attracted by innovative projects of small and medium firms. Manon can be contacted at manon.wambre@skema.edu