

Trying to Create a New Opening a Coffee Shop in Korea
TheCaseSolutions.com

CASE BACKGROUND
TheCaseSolutions.com

PROBLEM STATEMENT
TheCaseSolutions.com

- The university is a private university with a large number of students.
- The university is located in a city with a high population density.
- The university is a private university with a large number of students.
- The university is located in a city with a high population density.
- The university is a private university with a large number of students.
- The university is located in a city with a high population density.

ALTERNATIVES
TheCaseSolutions.com

ALTERNATIVE 1:
Purchase a franchise to benefit and open location close to the KNU campus.

ALTERNATIVE 2:
Open a coffee shop on campus with University revenue sharing agreement to distribute costs and capitalize on student's convenience.

ALTERNATIVE 3:
Open an independent coffee shop to ensure complete control over operations.

Advantages & Disadvantages	Advantages of Alternative 1	Advantages of Alternative 2	Advantages of Alternative 3
Highly Profitable	2	1	1
Low Risk	1	1	1
Highly Innovative	1	1	1
Low Investment	1	1	1
High Control	1	1	1
Low Operational Costs	1	1	1
High Customer Loyalty	1	1	1
High Employee Satisfaction	1	1	1
High Social Responsibility	1	1	1
High Environmental Sustainability	1	1	1
High Ethical Standards	1	1	1
High Transparency	1	1	1
High Accountability	1	1	1
High Integrity	1	1	1
High Honesty	1	1	1
High Fairness	1	1	1
High Respect	1	1	1
High Compassion	1	1	1
High Kindness	1	1	1
High Generosity	1	1	1
High Gratitude	1	1	1
High Humility	1	1	1
High Patience	1	1	1
High Self-control	1	1	1
High Perseverance	1	1	1
High Determination	1	1	1
High Focus	1	1	1
High Discipline	1	1	1
High Organization	1	1	1
High Planning	1	1	1
High Preparation	1	1	1
High Execution	1	1	1
High Evaluation	1	1	1
High Reflection	1	1	1
High Improvement	1	1	1
High Innovation	1	1	1
High Creativity	1	1	1
High Problem-solving	1	1	1
High Decision-making	1	1	1
High Communication	1	1	1
High Collaboration	1	1	1
High Teamwork	1	1	1
High Leadership	1	1	1
High Management	1	1	1
High Organization	1	1	1
High Planning	1	1	1
High Preparation	1	1	1
High Execution	1	1	1
High Evaluation	1	1	1
High Reflection	1	1	1
High Improvement	1	1	1
High Innovation	1	1	1
High Creativity	1	1	1
High Problem-solving	1	1	1
High Decision-making	1	1	1
High Communication	1	1	1
High Collaboration	1	1	1
High Teamwork	1	1	1
High Leadership	1	1	1
High Management	1	1	1




RECOMMENDATIONS & RATIONALE
"Alternative 2 is the best option for Kim and Andes"

- Maximal start-up costs with University agreement
- On-campus student loyalty based on convenience
- New and innovative coffee shop set up (differentiating)
- Operation tested
- Educational experience

PLAN OF ACTION

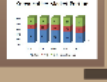
CURRENT SITUATION

- 1,000 largest coffee roasters in the world
- Korea has the highest concentration of coffee shops in the world
- 2007 to 2012, Korean coffee shops sales grew by a massive 150%
- At the end of 2012 there were over 12,500 coffee shops in Korea, up 54% from 8,000 in 2011



Current Korean coffee industry can be characterized by:

- An increasing popularity of coffee shops
- Growing demand for locally roasted coffees and teas, as well as premium coffees.



- SHORT-TERM**
 - Applied B2C University and Revenue sharing by opening a coffee shop on campus
 - Conduct an extensive survey, agreement to distribute costs and capitalize on student's convenience
 - Partner Operation of Co-Create coffee shop
- LONG-TERM**
 - Applied B2C University to their experience of Co-Create coffee shop
 - Targeted marketing to increase student
 - Long-term business program, including Publicity or promotion and attached to social media





Trying to Create a Stir: Opening a Coffee Shop in Korea

TheCaseSolutions.com

CASE BACKGROUND

- Min-Guk 'MG' Kim and Kevin Andes are current business professors at KNU in Korea
- Andes is a retired entrepreneur from North America
- Kim is a South Korean native with a PhD earned in the U.S.

TheCaseSolutions.com

PROBLEM STATEMENT

Min-Guk Kim and Kevin Andes want to open a coffee shop in Korea. Should the two entrepreneurs proceed by opening an individually owned and managed coffee shop or by purchasing a developed franchise?

TheCaseSolutions.com

STRENGTHS

- Kim and Andes' business background
- Kim's Korean background
- Financial Availability 
- University Involvement
- Western-World Style & Insight

TheCaseSolutions.com

WEAKNESSES

- Inexperienced in Korean restaurant market
- Non-permanent residency
- Andes' entrepreneur retirement-out of the game
- Prior commitments teaching
- Lack of market research



TheCaseSolutions.com

OPPORTUNITIES

- Large college target market
- Low cost & few barriers
- Customer loyalty
- Lack of coffee pub hang-outs in the market
- Korean Economic Miracle
- Education Importance



TheCaseSolutions.com

THREATS

- Korean loyalty to other companies
- Established & saturated coffee market
- Competitive pricing
- Low customer turnover
- Coffee franchise powerhouses



TheCaseSolutions.com

ALTERNATIVES

TheCaseSolutions.com

ALTERNATIVE 1:

Franchise a Sleepless in Seattle and open location close to the KNU campus

ALTERNATIVE 2:

Open a coffee shop on campus with University revenue sharing agreement to minimize costs and capitalize on student's convenience

ALTERNATIVE 3:

Open an independent coffee shop to ensure complete control over operations