

THE COMPLETE FREE EXAMPLE

Coffee shop business plan example



Context illustration of the operating format; not a real customer business.

Updated 2026-10-04 · By SBA Loan editorial

Illustrative case · Counter-service café in an existing leased unit · United States · illustrative leased-site case

Counter & Cup is a fictional independent café used to demonstrate how an operating story connects to a financial model. The example is internally calculated and still needs a real site, market evidence and owner information before it can support a financing application.

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In this business plan

Read the example with its assumptions 3

Counter & Cup - illustrative business plan 3

 Concept and customer 3

 Market validation and launch 3

 Operations and management 3

 Funding request and use 3

 Financial projections 4

 Risk and response 4

How to read the financial exhibits 4

What prevents this from being an application-ready plan 4

Supporting documents for this example 5

What the SBA records show 5

Read the linked financial statements 6

 Forecast income statement 6

 Forecast cash flow 6

 Forecast balance sheet 7

 First-year monthly cash flow 8

Sources and scope 9

Related resources 9

Document edition 9

Connect the request to the evidence

The project	The numbers	The evidence
Format, location, scope and owner experience.	Uses, equity, monthly cash and financing.	Quotes, research, records and lender instructions.
Planning documents organize the case; the lender makes the financing decision.		

Read the example with its assumptions

Use this as a worked planning case. All financial exhibits come from the same monthly model used on the costs and profitability pages. The café has no invented trading history, named competitors, customer contracts or approved loan. Replace assumptions with evidence and rerun the model before adopting the narrative.

Counter & Cup - illustrative business plan

Concept and customer

Counter & Cup would serve nearby residents and workers who want a dependable coffee stop with a short queue. The offer is espresso drinks, brewed coffee and bought-in pastries, paid for at the counter. The positioning depends on convenience and repeat visits. No location or verified catchment has been selected for this example.

Market validation and launch

Before committing to a lease, the owner would compare nearby menus and opening hours, count relevant foot traffic across several dayparts, observe queues and test product preferences with prospective customers. The launch approach is visible storefront signage, local discovery listings and direct sampling near the proposed catchment. The marketing allowance is \$450 monthly; it is an expense assumption, not a proven acquisition cost.

Operations and management

The owner manages purchasing, quality, cash control and part of the service roster. Employees provide 95 paid hours per week. Operating procedures would cover opening checks, milk and food handling, recipe consistency, cleaning, closing counts and equipment maintenance. Local food-service approvals must be confirmed for the selected unit. Regulatory context.

Funding request and use

Total startup funding is \$227,600, comprising \$150,000 assumed debt and \$77,600 owner equity. Capitalized opening assets total \$151,600. The remaining funds pay preopening costs, inventory, deposit and the \$45,000 cash reserve. The startup budget itemizes these uses.

Financial projections

Linked financial exhibits · owner compensation included; income taxes excluded

Base reference case	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$366,053	\$504,900	\$504,900	\$504,900	\$504,900
Operating surplus (EBITDA)	\$12,957	\$104,260	\$104,260	\$104,260	\$104,260
Profit before income tax	-\$16,789	\$75,477	\$76,542	\$77,717	\$79,016
Principal + interest	\$23,787	\$23,787	\$23,787	\$23,787	\$23,787
Change in cash after debt	-\$12,703	\$80,472	\$80,472	\$80,472	\$80,472
Year-end cash	\$32,297	\$112,770	\$193,242	\$273,715	\$354,187
Year-end loan balance	\$140,799	\$130,634	\$119,405	\$107,000	\$93,296

Risk and response

The shop’s first year produces less operating cash than scheduled debt service. Management would monitor weekly transactions, labor coverage and bank cash against the ramp. If demand follows the lower case, the current capital structure runs out of cash in month 5. The appropriate response is to secure a supported funding or operating change before that point, not to presume a new loan will arrive.

How to read the financial exhibits

- Revenue uses transactions × ticket, with a gradual opening ramp. The ticket is net of sales tax.
- Owner compensation is an operating expense. Additional owner distributions are zero.
- Profit deducts modeled depreciation and interest. Loan principal reduces cash and debt, not profit.
- Card receivables and stock are on the balance sheet. Their changes affect cash flow.
- Income taxes, seasonal variation, later expansion and a sale value are excluded. Year 1 operating results exclude the separate preopening expense, which is recorded in opening retained earnings.

What prevents this from being an application-ready plan

The case lacks a selected lease, verified fit-out pricing, a local demand study, owner credentials, tax treatment and lender terms. Those are substantive gaps. The modeled first-year cash coverage of 0.47x is a warning to investigate, not a lending recommendation.

The complete model balances monthly sources and uses, debt, profit and cash. That arithmetic consistency validates the calculation, not the commercial assumptions. A lender may request a different presentation or additional documents. [SBA application process](#).

Supporting documents for this example

A site layout and utility assessment; the lease and permitted-use position; a fully scoped equipment and installation quote; local menu and customer research; a roster and the owner's actual experience; the food-business permissions required at the selected site.

Use these records to support the funding summary, sources-and-uses schedule, assumptions note and outstanding-document register. The plan should identify each appendix and its date. Do not describe a record as obtained until it exists and has been checked.

[Open the full document checklist](#). The proposed personal planning package explains the planned deliverables and current availability.

Observed industry evidence

What the SBA records show

The evidence appendix can cite 997 FY2025 disbursed-status records in the broader category, with a median approved amount of \$340,000. That documents historical lending activity. It does not validate this example's sales forecast, site or requested amount.

The category covers coffee shops, snack bars and other nonalcoholic beverage businesses. It is broader than this operating case. Loan amounts measure financing recorded by SBA, not the cost of opening this business.

[Explore amounts, terms, lenders, states and outcomes →](#)

Source: [SBA 7\(a\)](#) and [504 FOIA](#) files, snapshot 30 June 2026. Recomputed from original records on 1 October 2026. FY2025 is the most recent complete fiscal year in these files. [Definitions and exclusions](#).

Read the linked financial statements

These statements use the same base-case monthly calculation as the budget and operating guides. Amounts are USD, rounded for display. They are fictional forecasts, not a client business’s trading results. Owner compensation is included; income taxes, later replacement capital spending and distributions are excluded.

Forecast income statement

Forecast income statement · five years, before income taxes

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$366,053	\$504,900	\$504,900	\$504,900	\$504,900
Variable operating costs	\$125,345	\$172,890	\$172,890	\$172,890	\$172,890
Paid roster and fixed overhead	\$227,750	\$227,750	\$227,750	\$227,750	\$227,750
EBITDA, after owner compensation	\$12,957	\$104,260	\$104,260	\$104,260	\$104,260
Depreciation	\$15,160	\$15,160	\$15,160	\$15,160	\$15,160
Interest expense	\$14,586	\$13,622	\$12,558	\$11,382	\$10,083
Profit before income tax	-\$16,789	\$75,477	\$76,542	\$77,717	\$79,016

Forecast cash flow

Forecast cash flow · five years, before income taxes

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Opening cash	\$45,000	\$32,297	\$112,770	\$193,242	\$273,715
EBITDA	\$12,957	\$104,260	\$104,260	\$104,260	\$104,260
Increase in inventory and receivables	\$1,872	\$0	\$0	\$0	\$0
Interest paid	\$14,586	\$13,622	\$12,558	\$11,382	\$10,083
Operating cash after interest	-\$3,501	\$90,637	\$91,702	\$92,877	\$94,176
Loan principal repaid	\$9,201	\$10,165	\$11,229	\$12,405	\$13,704
Net change in cash	-\$12,703	\$80,472	\$80,472	\$80,472	\$80,472
Closing cash	\$32,297	\$112,770	\$193,242	\$273,715	\$354,187

Forecast balance sheet

Forecast balance sheet · five years, before income taxes

Metric	Year 1	Year 2	Year 3	Year 4	Year 5
Cash	\$32,297	\$112,770	\$193,242	\$273,715	\$354,187
Inventory	\$3,067	\$3,067	\$3,067	\$3,067	\$3,067
Card receivables	\$2,805	\$2,805	\$2,805	\$2,805	\$2,805
Refundable premises deposit	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Net fixed assets	\$136,440	\$121,280	\$106,120	\$90,960	\$75,800
Total assets	\$181,610	\$246,922	\$312,235	\$377,547	\$442,860
Loan balance	\$140,799	\$130,634	\$119,405	\$107,000	\$93,296
Contributed owner equity	\$77,600	\$77,600	\$77,600	\$77,600	\$77,600
Retained earnings	-\$36,789	\$38,688	\$115,230	\$192,947	\$271,964
Total liabilities and equity	\$181,610	\$246,922	\$312,235	\$377,547	\$442,860

Interest is included in operating cash here; principal is a financing outflow. Inventory and receivables changes bridge earnings to cash. Preopening expenses were recorded at opening, which is why retained earnings do not begin at zero. The initial funding schedule remains on the [startup-cost page](#).

First-year monthly cash flow

Base case · first twelve months, USD

Month	Operating cash after interest	Principal repaid	Cash change	Closing cash
1	-\$6,421	\$732	-\$7,154	\$37,846
2	-\$6,683	\$738	-\$7,421	\$30,425
3	-\$5,293	\$745	-\$6,038	\$24,387
4	-\$3,904	\$751	-\$4,655	\$19,733
5	-\$2,514	\$757	-\$3,271	\$16,461
6	-\$1,125	\$763	-\$1,888	\$14,574
7	\$265	\$770	-\$504	\$14,069
8	\$1,655	\$776	\$879	\$14,948
9	\$3,045	\$783	\$2,262	\$17,210
10	\$4,435	\$789	\$3,646	\$20,856
11	\$5,825	\$796	\$5,029	\$25,885
12	\$7,215	\$802	\$6,412	\$32,297

Download the forecast statements and monthly cash figures (CSV). The download contains this educational case only; it is not the planned personalized Excel workbook.

Sources and scope

Reference-case assumptions and calculation method · Checked 2026-10-01 · Fictional US planning case authored 1 October 2026. Budget allowances, demand, rent, labor, finance and scenarios are assumptions, not market averages.

<https://www.businessplanlibrary.com/methodology/planning-cases/>

SBA - 7(a) loans · Checked 2026-10-01 · United States; permitted uses, lender application process and ability-to-repay requirement. No approval, rate or equity percentage is promised.

<https://www.sba.gov/loans/7a-loans/>

SBA - 504 loans · Checked 2026-10-01 · United States; qualifying long-term fixed assets; working capital and inventory excluded.

<https://www.sba.gov/loans/504-loans/>

WebstaurantStore - Appia Life Compact two-group machine · Checked 2026-10-01 · Listed machine price checked 1 October 2026. Required service-plan selection and site work are separate; this is not a complete equipment quotation.

<https://catalog.webstaurantstore.com/nuova-simonelli-appia-life-compact-2-group-volumetric-espresso-machine-220v/238APLCV2D.html>

FDA - How to Start a Food Business · Checked 2026-10-01 · US retail food businesses: state/local oversight and site-specific licenses; not a local permit checklist.

<https://www.fda.gov/food/food-industry/how-start-food-business>

Related resources

Compare: self-service car wash

Document edition

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The narrative, figures, sources and evidence gaps reproduce the full HTML example with content revision 2026-10-04. This PDF adds page navigation and the existing operating-scene illustration. Navigation, duplicate product offers and site controls are excluded from the document rendition.

Model run: coffee-shop-2026-10-04. Model checked: 2026-10-04. The source dates retain their original meaning; PDF generation does not refresh supplier prices or validate a real site.

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