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ESCUELA DE POSGRADO**



Consulting Report – Café Comadre

**TESIS PARA OBTENER EL GRADO DE MAESTRA EN
ADMINISTRACIÓN DE NEGOCIOS OTORGADO POR LA
PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ**

PRESENTADA POR

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Executive Summary

This consulting report is a comprehensive analysis of Café Comadre, a coffee establishment located in Pueblo Libre, which has a dual-pronged mission of empowering Peruvian coffee farmers and promoting sustainability coffee consumption. The consulting project extensively explores various aspects of the café's operations, including its strengths, weaknesses, opportunities, and threats, shedding light on the significance of its decentralized supply network and its alignment with prevailing sustainability trends within the industry.

The analysis reveals key challenges faced by Café Comadre, notably in the domains of resource management and human resources. These challenges are identified as impediments to the café's growth and sustainability objectives.

To address these challenges and capitalize on its strengths, the consulting thesis offers a set of comprehensive and actionable recommendations. These recommendations encompass waste reduction strategies, leadership workshops to enhance managerial skills, forging strategic sustainability partnerships, and implementing robust customer service training programs. The thesis also underscores the imperative of fostering a culture of continuous learning within the organization.

By diligently executing these strategic initiatives, Café Comadre aspires to carve a distinct and enduring niche in the highly competitive coffee market. These endeavors are meticulously aligned with the café's overarching mission and vision, which are firmly rooted in growth, sustainability, and the pursuit of operational excellence.

In sum, it serves as a strategic roadmap for Café Comadre, outlining a path towards realizing its dual mission and vision, thereby reinforcing its position as a responsible and sustainable player in the dynamic coffee landscape.

Abstract

Este informe de consultoría es un análisis exhaustivo de Café Comadre, un establecimiento de café ubicado en Pueblo Libre, que tiene como misión empoderar a los agricultores de café peruanos y promover la sostenibilidad. El proyecto de consultoría explora en profundidad varios aspectos de las operaciones del café, incluyendo sus fortalezas, debilidades, oportunidades y amenazas, principalmente sobre la importancia de su red de suministro descentralizada y su alineación con las tendencias de sostenibilidad prevalentes en la industria.

El análisis revela los principales desafíos enfrentados por Café Comadre, especialmente en los ámbitos de gestión de recursos y recursos humanos. Estos desafíos se identifican como obstáculos para los objetivos de crecimiento y sostenibilidad del café.

Para abordar estos desafíos y aprovechar sus fortalezas, la tesis de consultoría ofrece un conjunto de recomendaciones exhaustivas y viables. Estas recomendaciones abarcan estrategias de reducción de desperdicios, talleres de liderazgo para mejorar las habilidades directivas, forjar alianzas estratégicas de sostenibilidad e implementar programas sólidos de capacitación en servicio al cliente. La tesis también destaca la importancia de fomentar una cultura de aprendizaje continuo dentro de la organización.

Mediante la ejecución de estas iniciativas estratégicas, Café Comadre aspira construir una marca sustentable y ser altamente competitivo dentro del mercado del café. Estos esfuerzos están alineados con la misión y visión globales del café, que están firmemente arraigados en el crecimiento, la sostenibilidad y la búsqueda de la optimización de recursos.

En resumen, este informe sirve como una hoja de ruta estratégica para Café Comadre, delineando un camino hacia la realización de su misión y visión duales, reforzando así su posición como una cafetería responsable y sostenible en el dinámico panorama del café.

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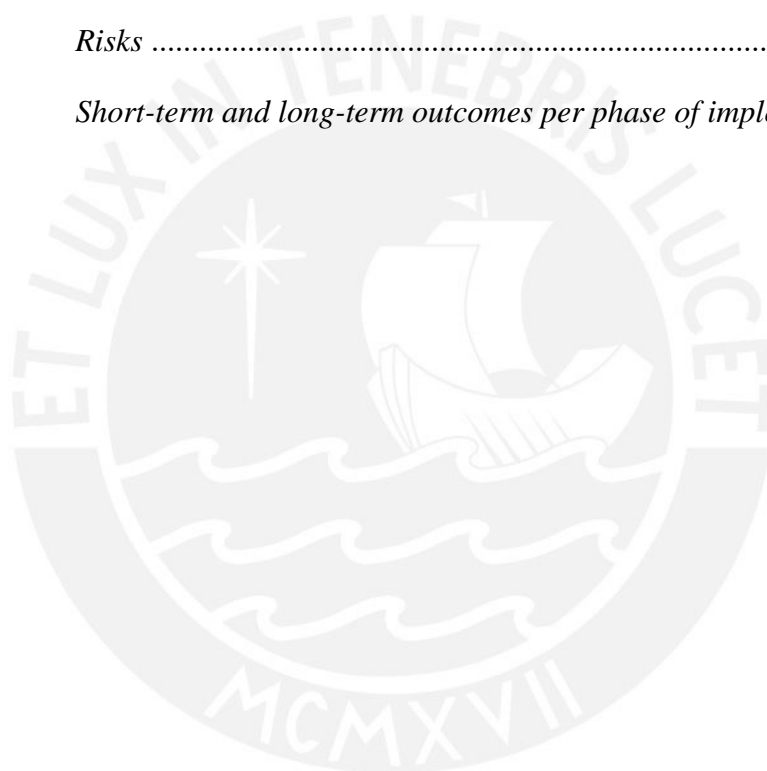
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Chapter I: General Situation of the Organization

This chapter will encompass a comprehensive overview of the organization, incorporating details about its organizational structure and general context. The initial section will serve as an introduction to the company, followed by an analysis of the industry using Porter's Five Forces framework. Furthermore, both external analysis (PESTE) and internal analysis (AMOFHIT) will be conducted to gain a deeper understanding of the organization's competitive environment and internal capabilities.

1.1 Presentation of the Organization

Café Comadre is the cafeteria division of Café Compadre, which is situated in Pueblo Libre, Lima. The café, which opened its operations one year ago, aims to promote both the value of sustainable coffee consumption and its value chain. A company that seeks to promote the small-scale coffee grower in Peru.

Café Compadre, established between 2014 and 2015, had the vision of creating a solar energy-focused company that provided innovative technology to farmers to simplify coffee sales. The primary goal was to streamline coffee processing and roasting, guaranteeing farmers a fair purchase price and emphasizing coffee sales rather than technology development. Over time, the company transitioned to producing its own coffee, with 95% of their focus on coffee production.

To ensure sustainability and support for the farmers, Café Compadre paid an average of 40% higher prices than regular traders. This approach aimed to provide fair compensation to the farmers for their coffee produce, helping them to sustain their livelihoods and incentivizing them to continue producing high-quality coffee.

However, the initial challenges revolved around the expensive technology costs. In 2019, they implemented improved solar energy solutions, although much of their funding was used for survival. Their production model underwent a transformation with a strong emphasis

on establishing a solid supply chain structure, providing farmers with access to technology and addressing challenges related to the coffee drying process, especially in adverse weather conditions.

Café Compadre's value proposition centered around being the world's first solar coffee provider, offering a range of Specialty Coffees, including instant and fresh (grinded beans) coffees as well as different varieties like organic, well-traded and specialty Coffees, which require special certifications. Specialty Coffee for example is defined by certain criteria, with the coffee needing to reach a minimum of 84 points by a certified coffee taster (SCAA) or by a licensed Q Grader(CQI) (Company, 2023).

In their pursuit of a personal connection with customers and the community, Café Compadre chose to be near the final consumers. The inspiration behind naming their coffee shop 'Café Comadre' instead of 'Café Compadre' was rooted in their commitment to promoting gender equality and supporting women in the industry. (J. Euchi, personal communication, July 19, 2023).

Café Comadre embodies a dual-purpose mission aimed at advancing business expansion while nurturing a collaborative space for remote work and coffee enthusiasts. This endeavor responds to the vital need to foster connections, particularly in the post-pandemic era and to establish an ethical value chain within the coffee industry. This involves forging close relationships with farmers to ensure a sustainable and ethically conscious journey from cultivation to consumption. Looking ahead, Café Comadre envisions a network of distinct coffee shop models that converge around a shared commitment to the coffee craft. This network extends beyond traditional conceptions, aiming to set new standards for sustainability while delivering a superior coffee experience. The company's aspiration is to attain recognition as Peru's preeminent sustainable specialty coffee shop by integrating quality, profitability, and sustainability within its operations, thereby showcasing the

feasibility of environmentally conscious business practices (J. Euchi, personal communication, July 19, 2023).

1.2 Industry Analysis (Porter's Five Forces)

Starting a new company, it is necessary to understand the industry and analyze its competitiveness within the existing market. This can be done by using Michael Porter's five forces. According to Porter, each factor holds varying relevance and impact on businesses. The intrinsic power of buyers and sellers is considered the most crucial determinant of a marketplace's profit potential. This involves defining all the forces acting in or on an industry and assessing their impact on the market to identify competitive strategies. Rivalry among existing competitors, threat of new entrants, bargaining power of customers, threat of substitute products, and bargaining power of suppliers are the five factors to be considered (Porter, 2008).

Figure 1

Porter's Five Forces



1.2.1 Threats of new entrants

Threats Entry into the cafe industry poses a significant challenge due to the requirement of substantial capital and resource investment. This financial barrier acts as a deterrent to potential competitors, especially in an area like Pueblo Libre, which, according to Lora (2010), exhibits a medium-high socioeconomic level. This classification encompasses households' combined income, labor market activities and asset ownership. As a result, Pueblo Libre is comparable in this regard to districts such as Miraflores and its neighboring San Miguel. Given Pueblo Libre's socioeconomic status, as characterized by Lora (2010), new entrants need to possess the requisite capital to establish a coffee shop in the district. However, the advantageous location could potentially contribute to the company's future success.

Moreover, the challenge posed by threat of new entrants can be diminished through elements like product distinctiveness and the distinct customer experience provided by longstanding coffee shops. Established cafes can differentiate by providing distinct coffee blends, pastries, or niche offerings like organic coffee or live music events. This distinctiveness makes it challenging for new entrants to compete effectively. Furthermore, established coffee shops can offer a memorable experience that customers value, including elements like comfortable seating, free Wi-Fi, or friendly staff. This experience fosters customer loyalty, reducing the likelihood of switching to new competitors, even in the face of lower prices or broader coffee selections. (Cusson, 2023)

Nonetheless, the presence of a large number of cafes in Pueblo Libre and Lima increases the overall threat of new competitors entering the market. Many of these cafes focus on providing basic and quick coffee services, which can lead to intensified competition for more specialized coffee establishments like Café Comadre (J. Euchi, personal communication, July 19, 2023).

One advantage that Café Comadre possesses is the difficulty new players face in building a distribution network. Establishing such a network, which involves sourcing high-quality ingredients and coffee beans, is a complex task, especially in Peru, where many farmers are small-scale operators. It requires a considerable amount of time and effort to build individual relationships with these farmers to ensure a reliable supply chain.

In conclusion, while the cafe industry in Pueblo Libre and Lima faces a high threat of new entrants due to the presence of many surrounding cafes, Café Comadre can potentially leverage its product differentiation and unique experience to maintain a competitive edge. Furthermore, the challenge of establishing a distribution network can act as an advantage, deterring some potential competitors from entering the market (United Nations Development Programme, 2023).

1.2.2 Bargaining Power of Buyers

The cafe industry in Pueblo Libre and Lima is marked by fierce competition, with numerous cafes vying for the attention of customers. As Café Comadre operates in this highly competitive landscape, understanding customer bargaining power becomes crucial for its strategic decision-making. This report explores three key factors contributing to the high bargaining power of customers, which are low switching costs, weak or nonexistent brand loyalty and considering customers' convenience.

One significant factor driving customer bargaining power in the cafe industry is the low switching costs for consumers. Customers can easily try out different cafes without significant financial or emotional investment, making it challenging for Café Comadre to retain their loyalty. In such a saturated market, the company must strive to stand out and attract customers through a unique value proposition. However, the presence of competitors, some of whom may not prioritize fair wages for farmers, can further intensify the rivalry (Kim, 2018). Thus, building customer loyalty through exceptional service and meaningful connections is essential for Café Comadre's success.

The other factor is the weak or no brand loyalty among consumers accentuates the importance of developing a compelling brand identity for Café Comadre. As customers show minimal attachment to specific cafe brands, the company must focus on creating an emotional connection with its customers. Moreover, highlighting the ethical sourcing of ingredients and fair compensation for farmers can serve as a powerful differentiator from competitors (Kim, 2018).

Thirdly, customers' high bargaining power is bolstered by the availability of numerous alternative cafes along their regular routes. As customers have easy access to various cafe options on their way to different destinations, the company faces the challenge of standing out among the crowd (J. Euchi, personal communication, July 19, 2023).

In the fiercely competitive cafe industry of Pueblo Libre and Lima overall, Café Comadre must navigate the high bargaining power of customers. Low switching costs and weak brand loyalty pose significant challenges for the company's growth and profitability.

1.2.3 Bargaining Power of Supplier

In the dynamic cafe industry, understanding the bargaining power of suppliers is crucial for businesses like Café Comadre. A weak supplier power can create an advantageous situation characterized by higher profitability and growth potential.

The weak bargaining power of suppliers presents an opportunity for Café Comadre to negotiate more favorable terms, leading to higher profitability. By demonstrating a commitment to fair compensation and paying its farmers 40% more than the industry average (J. Euchi, personal communication, July 19, 2023), the café fosters positive relationships with suppliers and attracts socially conscious consumers. This ethical sourcing approach enhances the company's brand image and positions it favorably in the market (United Nations Development Programme, 2023).

Furthermore, the lack of concentration among suppliers means that there is no single dominant supplier with substantial control over the market. In Peru, the coffee industry

primarily consists of small-scale growers, resulting in a decentralized supply network. This fragmentation allows Café Comadre to diversify its sourcing, reducing dependency on a single supplier and ensuring a stable supply chain (Mercanta The Coffee Hunters, 2023).

The coffee industry's low switching costs and lack of product differentiation make it relatively easy for cafes to change suppliers. As many farmers face financial hardships, they may be more willing to collaborate with Café Comadre if the company offers fair compensation and supportive partnerships. Additionally, the ease of switching enables the company to explore alternative suppliers, fostering a competitive market that can drive down costs and improve product quality.

Moreover, the presence of substitute products in the market provides Café Comadre with options when sourcing ingredients or supplies. With many farmers operating in Peru, the availability of substitutes is high, granting the company flexibility in choosing the most suitable suppliers based on factors like quality, pricing, and ethical practices.

Lastly, the lack of a united front among suppliers means they may not collude to impose higher prices or unfavorable terms. The fragmented nature of the supplier base, with an average farm size under 3 hectares (Mercanta The Coffee Hunters, 2023), makes it challenging for suppliers to collectively exert pressure. This situation provides Café Comadre with a strategic advantage in negotiations, enabling the company to maintain fair pricing and terms for its sourcing activities.

The weak bargaining power of suppliers in the cafe industry offers Café Comadre an attractive environment marked by higher profitability and growth potential. By emphasizing fair compensation, ethical sourcing and fostering diverse supplier relationships, the company can strengthen its position in the market. The decentralized and competitive nature of the supplier network allows the company to optimize its sourcing strategies, ultimately enhancing the quality of its products and solidifying its reputation as a responsible and sustainable cafe brand.

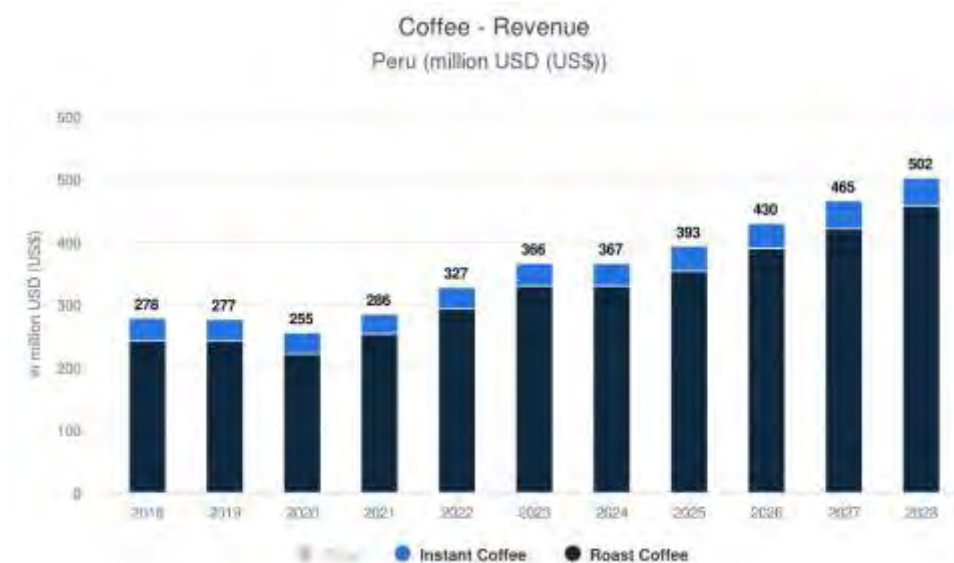
1.2.4 Threats of Substitutes

The presence of a high substitute threat in the coffee industry indicates that customers have the flexibility to opt for alternative products or services from other industries to fulfill their needs. This poses a significant challenge for businesses like Café Comadre, as customers may be drawn away by cheaper alternatives available elsewhere. The availability of such cost-effective options can particularly attract price-sensitive customers away from specialty coffee offerings. Therefore, the high threat of substitutes in the coffee industry necessitates a proactive approach from Café Comadre to mitigate the impact of alternatives and establish a strong foothold in the market. This involves focusing on building customer loyalty and effectively addressing the prevalent customer preference for regular, more affordable coffee. Understanding customer behavior and providing compelling reasons to choose specialty coffee will be crucial in positioning Café Comadre for success amidst this substitute threat (J. Euchí, personal communication, July 19, 2023).

1.2.5 Competitive Rivalry

In the cafe industry, high rivalry exposes Café Comadre to significant pressure from competing firms, limiting growth potential, and leading to low profitability due to aggressive targeting and pricing strategies. Responsible consumption is gaining traction in Peru, but customers remain largely price-conscious (J. Euchí, personal communication, July 19, 2023).

Despite the challenging landscape, Café Comadre can find opportunities to thrive. The industry is experiencing rapid growth, providing avenues for expansion and market capture. The presented data in Figure 2 shows the coffee market in Peru amounts US\$366m revenue in 2023, projected to grow annually at 6.53% (CAGR 2023-2028). The Coffee market is projected to reach a volume of 33.5 million kg by 2028, but it's anticipated to experience a 2.3% volume decline in 2024. The data utilizes current exchange rates and captures the market effects of the Russia-Ukraine conflict. The revenue figures exclude out-of-home consumption (Peru, 2023).

Figure 2*Coffee Revenue*

Note. Sources from Statista Market Insights (n.d.).

Overall, industry analysts foresee the ascension of specialty coffee, introducing a diverse range of unique flavors. Brewing techniques such as capsules, AeroPress, and cold brew are finding increasing favor among consumers. The paramount importance of sustainability is steering consumers towards making ethical choices. Concurrently, the rise of emerging markets, the pursuit of premium coffee experiences and the mounting emphasis on ethical considerations are all pivotal factors driving the upward course of the coffee market. To seize the opportunities presented by this expansion, the company needs to confront two crucial aspects: the challenge of low customer loyalty and the issue of low switching costs. The lack of customer loyalty in the cafe industry means customers easily switch between cafes, making it crucial for Café Comadre to differentiate itself from competitors. In addition to differentiation, Café Comadre must prioritize fair compensation for farmers. Some competitors may offer cheaper prices by compromising on farmer compensation, contributing to poverty among farmers in Peru. By demonstrating a commitment to fair wages, the company can attract socially conscious consumers and differentiate itself in the market (Peru, 2023).

Among its competitors, Café Comadre must pay attention to Doomo Saltado, which works with Sinba for waste management and Pan Atelier, a Bakery Shop in Pueblo Libre. Although Pan Atelier's coffee may not meet the same quality standards as Café Comadre, its appealing cheap selection of bread and food options still attracts customers. On the other hand, Origen Tostadores, a Specialty Coffee Shop in Pueblo Libre, is renowned for its expertise in coffee, even though its food offerings may not be as impressive (J. Euchi, personal communication, July 19, 2023).

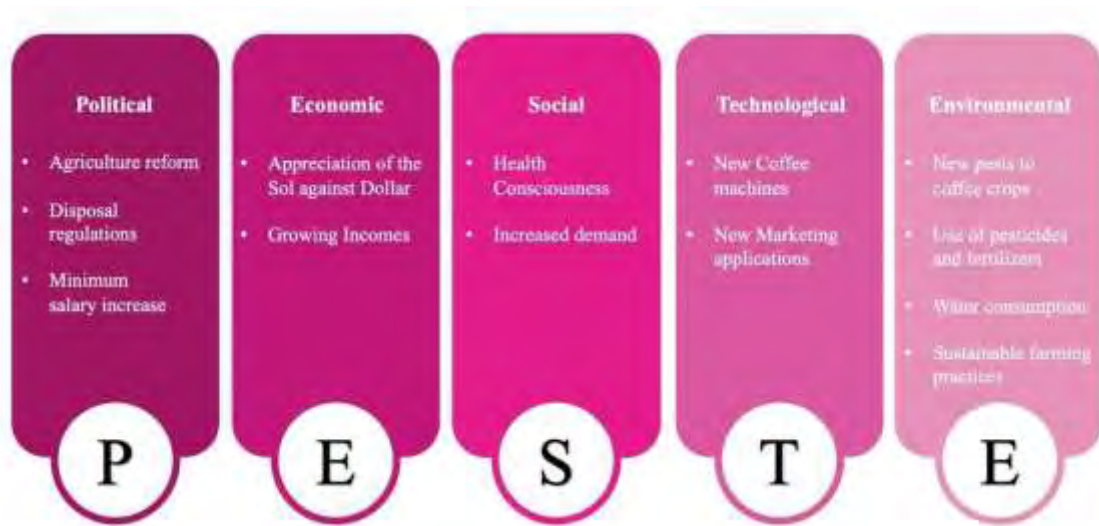
The cafe industry's high rivalry demands strategic initiatives from Café Comadre. By addressing low customer loyalty and switching costs, emphasizing differentiation, and meeting implicit customer needs and ensuring fair compensation for farmers, the company can navigate the competitive landscape successfully.

1.3 External Analysis (PESTE)

The Figure 3 presents the PESTE analysis of Café Comadre, which is a strategic tool used by businesses to assess external macro-environmental factors (Political, Economic, Social, Technological, and Environmental) that impact their operations. This analysis helps identify market opportunities, potential challenges and informs better strategies for adapting to the operating environment (Washington State University, 2023).

Figure 3

PESTE Analysis



1.3.1 Political Factors

Land reform in the country is a relevant political factor that may affect Café Comadre. Changes in agricultural policy could significantly impact the coffee supply chain and relationships with farmers. If land reform promotes more sustainable and equitable practices, the company could benefit by enhancing its image and supporting local farmers, thus fostering a positive impact on both its business and the community (Organización Internacional del Café, 2007).

Café Comadre must consider an increase in the minimum wage, a legal measure that may significantly modify the company's expenses by having to adjust the salaries of its employees. This change could affect profit margins and require a review of the salary structure and labor budget.

In addition, laws related to waste management are another critical legal factor to consider. Regulations require companies, including the coffee industry, to properly classify the waste generated and comply with environmentally responsible management practices. The coffee company should ensure that it complies with current regulations and adapt its processes for the adequate management, disposal, and recycling of waste. It is also important to be aware of possible changes in the laws related to waste management, as new regulations

could arise, which would imply the need to adjust the company's operations and policies to be in compliance with the constantly evolving legal requirements.

1.3.2 Economic Factors

The strengthening of the Peruvian Sol against the US dollar could significantly impact Café Comadre's economic outlook, particularly concerning its reliance on imported materials and essential resources. The extent of the Sol's appreciation against the US dollar could substantially reduce the company's operational costs, leading to lower fuel prices and increased revenues due to the decreased prices of basic commodities (BCR, 2008). Moreover, this currency exchange can potentially influence Café Comadre's financial results.

The coffee product that generates the highest margin for Café Comadre is the 250g bagged coffee from Cafe Sabroso. The pricing of this product is heavily influenced by the expenses linked to importing machinery and fertilizers. Exchange rate fluctuations could directly impact these expenses. Importantly, Peru sourced its primary fertilizers from China in 2021, as documented by data from the National Superintendence of Customs and Tax Administration (Custodio, 2022)

Furthermore, as people's incomes increase, their purchasing power is likely to rise, potentially driving higher demand for quality products such as coffee. This positive correlation between income growth and consumer demand presents an opportunity for Café Comadre to capitalize on increased sales and potentially expand its market reach (Instituto Peruano de Economía, 2022).

1.3.3 Social Factors

The increasing health awareness and the use of coffee as a healthy beverage present an opportunity for Café Comadre. DePaula & Farah (2019) found out that caffeine, a significant component of coffee, not only has stimulating effects on the central nervous system but also yields positive effects within the body's physiological context. It operates synergistically with other compounds to potentially contribute to the prevention of chronic

diseases. Leveraging this finding, the company could highlight the health advantages associated with their high-quality coffee offerings, appealing to customers who prioritize their well-being. Furthermore, the increasing demand for coffee underscores consumers' willingness to partake in its consumption (dePaula & Farah, 2019).

1.3.4 Technological Factors

The adoption of new coffee machines, as well as the way coffee is prepared greatly influences its taste and cup profile, and new coffee brewing and preparation technologies can contribute to improve product quality and customer satisfaction (Gloess, et al, 2013). Also, the use of innovative marketing applications can allow the company to reach new market segments and increase its customer base (Barsky, 2021).

New technologies can also influence and change consumer behavior. Currently, Café Comadre's customers are constantly using social networks, so it can take advantage of new applications and emerging social networks (such as instagram, tiktok) to send personalized promotions and offers of its products according to user preferences and that are close to Café Comadre, thus attracting more customers (Mou, 2020).

The adoption of new coffee machines and marketing applications can improve Café Compadre's operational efficiency and enhance its promotional and advertising efforts (Gloess, et al ,2013). New technologies in coffee processing and preparation can contribute to improved product quality and customer satisfaction. Also, the use of innovative marketing applications can enable the company to reach new market segments and increase its customer base (Barsky, 2021).

1.3.5 Environmental Factors

The emergence of new pests affecting coffee crops poses a significant risk to Café Compadre's coffee production and availability. To safeguard its supplies, the company must remain vigilant about pest management and control practices. Moreover, the use of pesticides and fertilizers can have adverse environmental effects, urging Café Compadre to explore

more sustainable alternatives for coffee cultivation. Prioritizing responsible water consumption is equally crucial to ensure an environmentally friendly operation (Junta Nacional del Café, 2023).



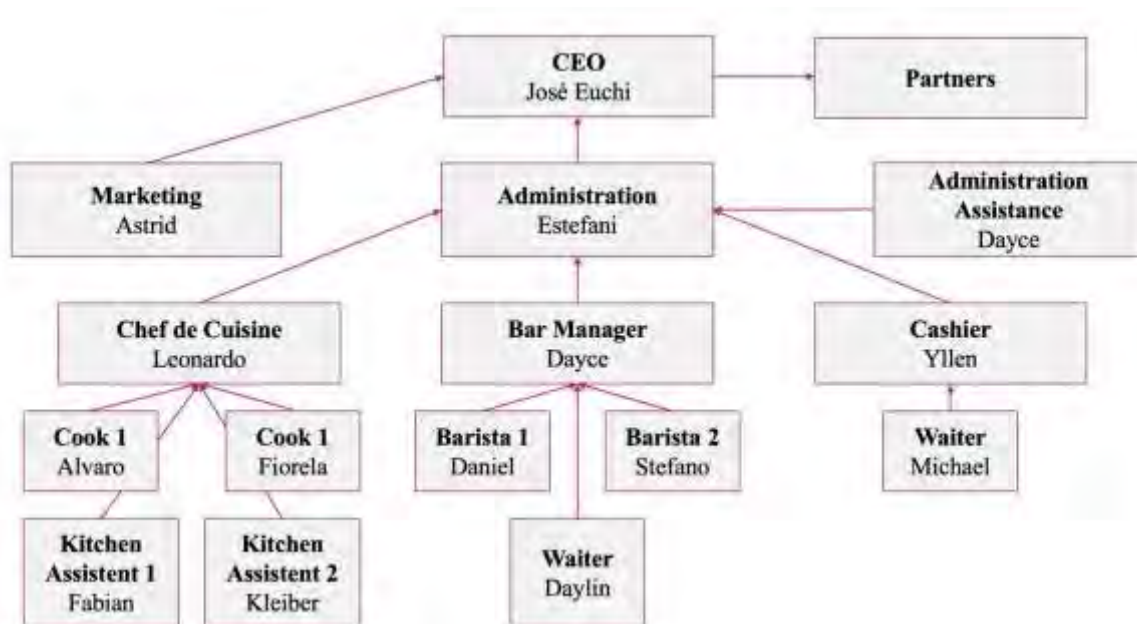
1.4 Internal Analysis (AMOFHIT)

1.4.1 Administration and management

Café Comadre, founded and led by CEO José Euchí and co-founder Caroline Euchí, operates with a 13-member team, depicted in Figure 4.

Figure 4

Organization Chart



José Euchí holds responsibility for departments related to both management and finances. In the area of management, José's role encompasses overseeing the process of hiring new employees. His engagement in management further extends to tasks such as preparing and presenting management reports to partners, a pivotal aspect ensuring effective communication and transparency in the decision-making process. Within the realm of finance, José's responsibilities include analyzing financial reports, which contributes to a comprehensive comprehension of the organization's financial performance. Additionally, he assumes a significant role in the financial domain by effectively managing the organization's loan portfolio. This responsibility entails meticulous monitoring and strategic decisionmaking to optimize the financial well-being of the organization.

Estefani, as the head of Administration at Café Comadre, oversees a diverse array of responsibilities crucial for the establishment's smooth functioning. These include coordinating schedules to optimize operations, maintaining accurate employee records and aiding in the selection of qualified staff. Additionally, she ensures timely compensation through careful payroll management and compliance with tax obligations. Estefani also facilitates transactions with suppliers, maintains accurate financial records and supervises expense tracking, while skillfully managing invoicing, bolstering financial precision. Her role extends to compiling informative weekly and monthly reports, meticulously organizing bank accounts and ensuring adherence to tax regulations. She adeptly manages procurement processes, collaborates with department heads, and applies effective cost-control strategies to minimize waste. Estefani's meticulous oversight extends to inventory control of essential tableware items, guaranteeing a seamless dining experience through provision availability.

Dayce's comprehensive role encompasses various aspects of support and collaboration within the team. She aids Estefani when needed, enhancing their collaborative connection. Dayce, together with Yllen, manages diverse tasks including staff schedule supervision and overseeing duties. Additionally, Daylin, Dacey and Yllen collaboratively handle tasks like device activation, deactivating products on delivery platforms and managing messages and orders. As the Bar Manager, Dayce further undertakes extensive responsibilities. These include tasks such as display case upkeep, dessert handling, equipment maintenance and beverage calibration. She also oversees grinder cleaning, bar area hygiene, juice production, and dehydrated fruit slices creation. Furthermore, Dayce collaborates with Pepe for beverage quality control, manages stock requisites and contributes to beverage development. Her involvement extends to espresso quality control, partnering with Daniel, Stefano and José.

Leonardo serves as the kitchen chef, overseeing the kitchen staff, food control, quality maintenance and inventory management. Assisted by two cooks, Alvaro and Fiorela, they work collaboratively within their assigned schedules. Additionally, for enhanced guest

service, Café Comadre employs two part-time kitchen assistants, Fabian and Kleiber, who support the kitchen operations. These assistants' step in to aid the cooks whenever extra help is required.

Managing all marketing and communication strategies is Astrid's domain. She operates both within the cafe and online, devising marketing plans and handling social media efforts. Astrid is also responsible for promptly addressing requests, establishing an online brand presence and managing the online shop of Café Comadre. Her role encompasses a comprehensive approach to bolster the cafe's marketing and communication endeavors (J. Euchí, personal communication, July 19, 2023).

1.4.2 Marketing and sales

Café Comadre is a sustainable coffee brand with a unique selling point of paying coffee farmers 40% more than the industry average. The company's purpose is deeply rooted in a dual mission that encompasses both business growth and the cultivation of a collaborative environment for remote work and coffee enthusiasts. The company aspires to solidify its position as Peru's foremost sustainable specialty coffee shop by seamlessly integrating quality, profitability, and sustainability into its operational framework.

However, effectively communicating its sustainability efforts to customers has proven challenging, particularly in the highly competitive Peruvian market where sustainability is not yet a prominent factor. The café generates around 10% - 15% of its income during lunch hours, but experiences a decline in customer flow after 4 pm, indicating potential opportunities for attracting more customers during the afternoon and evening.

To reach its target audience, Café Comadre utilizes social media platforms like Instagram and delivery applications like Rappi, along with investing in social media advertisements.

In addition to digital marketing, Café Comadre attends coffee events to gain more visibility in the market. The café has its single point of sale in Pueblo Libre, taking advantage of the district's lack of good food places to eat and enjoy quality coffee.

The target audience of Café Comadre comprises individuals between 25-40 years old and 60 years old, representing the key customer base the company aims to engage with. To complement their specialty coffee offerings, Café Comadre offers a diverse range of highquality baked goods and desserts. The average price for coffee in Pueblo Libre is around 9/10 Soles. Overall, Café Comadre faces the challenge of effectively promoting its sustainability efforts and attracting customers beyond the lunch hours to enhance its market position and growth prospects (J. Euchí, personal communication, July 19, 2023).

1.4.3 Operations and logistics

Café Comadre operates across various operational departments, including Management and Finance, Marketing, Administration, Kitchen, Bar and Cashier. These departments play a vital role in the café's overall functioning. They are closely interconnected with Dan Dan Burger, encompassing operations, staff, location, administration and finances, creating a cohesive relationship between the two establishments.

Regarding the coffee and food supply chain, Café Comadre's production model is focused on establishing a robust supply chain structure. They prioritize fair compensation to coffee farmers, fostering technology adoption to enhance the drying process and address potential weather-related challenges during coffee production. This commitment extends through collaboration with Café Compadre, a reliable supplier that aids coffee farmers in their production processes. Café Compadre purchases Compadre roasted coffee on a weekly basis, working with over 15 farmers and cooperating with cooperatives and partners to ensure consistent supply. Annual projections guide their coffee purchasing and the coffee is stored in their warehouse, also located at Café Comadre.

While Café Comadre doesn't employ a specific management system to track materials and timing processes, their approach to risk management involves collaborating with various suppliers to mitigate potential supply shortages. To date, the company has not encountered significant shortages.

Amid an environment with low regulations and minimal sustainability policies, Café Comadre strategically positions itself to target the middle-class residential population. Despite the ease of company setup, the café acknowledges room for growth, particularly in diversifying sales throughout the day beyond the current morning-oriented focus. By continuing to emphasize their value proposition of offering innovative Solar Coffee and maintaining a strong supply chain, Café Comadre aims to further solidify its position as a sustainable and unique coffee brand, appealing to a wider customer base and contributing to its growth and success (J. Euchí, personal communication, July 19, 2023)..

1.4.4 Accounting and Finance

The financial performance of Café Comadre shows significant progress over the past months. In September, the revenue was below \$8,000, but by December, it increased to \$12,000, reflecting a positive trend. The total revenue from September to December amounted to \$35,000 or 112,000 Soles.

In the subsequent months, Café Comadre experienced even more substantial growth in revenue. In January and February, the company earned 160,000 Soles, and from March to May, the revenue increased further to 194,000 Soles. To support the company's growth, Café Comadre receives a share of 15-20% of the purchases made through its supplier. This arrangement contributes to the company's overall financial stability and expansion.

Café Comadre has shown commendable progress in achieving its financial goals. Merely three months ago, the company reached its break-even goal, achieving a significant milestone in its financial journey. However, it is worth noting that the path to break-even was supported by personal loans, credit, and working closely with suppliers to manage cash flow

effectively (J. Euchí, personal communication, July 19, 2023).

Figure 5 provides a monthly breakdown of revenues for two companies, Café Comadre including Dan Dan, from August 2022 to April 2023, with values expressed in the local currency, the sol. For Café Comadre, the revenues show an increasing trend from 2276.73 soles in August 2022 to a peak of 32260.75 soles in March 2023.

Figure 5

Total Sales Café Comadre



In April 2023, Café Comadre's revenues notably dropped to 10,200.55 soles. This decline can be attributed to the overwhelming workload faced by José, the founder of Café Comadre, who is primarily responsible for preparing the financial reports. Because of the excessive workload, the reports were delayed, which subsequently resulted in a data analysis that may be biased results. It is crucial to emphasize the significance of having up-to-date financial reports for a more accurate understanding and assessment of the company's financial health. Timely financial data availability is essential for making informed decisions and taking corrective action when necessary.

Throughout most of the period, Café Comadre consistently generated the highest revenues. Meanwhile, Dan Dan's revenues also exhibited fluctuations. They started at 2,361.82 soles in August 2022, reached a peak of 16,741.15 soles in January 2023, and then declined to 4,061.84 soles in April 2023. The "Total Sales" category represents the combined

revenues of both companies each month. There is a general upward trend in total revenues during the period, starting from 4,638.55 soles in August 2022 and peaking at 44,422.11 soles in March 2023. In April 2023, the total revenues amounted to 14,262.38 soles.

1.4.5 Human Resources

José Euchí, the founder, and CEO of Café Comadre, leads the company alongside cofounder Caroline Euchí. The team consists of a total of 13 employees, with four individuals focusing on Management, Finances, Administration, Marketing, and Sales responsibilities. The remaining nine team members are distributed across various operational roles within the kitchen and coffee shop departments.

The full-time staff at Café Comadre includes Estefani, Dayce, Leonardo, Daniel, Fiorela and Alvaro. On the other hand, the part-time team members consist of Yllen, Michael, Daylin, Kleiber, Fabian, Stefano and Astrid.

However, Café Comadre faces a notable challenge in the form of cultivating a more skilled and qualified workforce. Additionally, the company currently lacks a clear procedure for performance evaluation and well-defined objectives and direction. As a result, employees lack a comprehensive understanding of the company's overarching vision and the message it intends to convey to its customer base.

An integral aspect for Café Comadre to address is the delivery of a comprehensive coffee experience to its patrons. Beyond providing exceptional coffee, the company should strive to create a holistic and immersive encounter that engages customers on multiple levels. This approach could encompass various elements, including creating the right ambiance, offering exceptional customer service, sharing narratives about coffee origins and demonstrating a strong commitment to sustainable practices (J. Euchí, personal communication, July 19, 2023).

1.4.6 Information Systems

Café Comadre employs tools such as WhatsApp to enhance its internal processes and manage its supply chain effectively. Each department utilizes specific WhatsApp groups to send the final inventory and requirements for the upcoming days once their workday concludes. This direct and user-friendly approach ensures efficient communication and coordination within the team. Regarding internal communication, WhatsApp is the primary channel used for swift and regular interaction among employees. Meetings are scheduled when necessary to address more complex matters.

To track essential aspects like vacations, working hours, and scheduling, Café Comadre follows a structured approach. Full-time employees are expected to work 48 hours per week, while vacation entitlement begins after the first year of employment, with each worker receiving 15 days per year. For extra hours worked, employees have the choice of receiving additional payment or adjusting their hours in the following week.

In their efforts to optimize operations, José Euchí and the Café Comadre team have established an e-commerce platform using Shopify to expand their reach and facilitate online sales. Furthermore, their cashier system is integrated into a centralized database, which provides valuable insights into sales performance.

Excel is utilized to manage financial data and prepare financial statements. While a more sophisticated system may be considered as Café Comadre continues to grow and potentially expand, Excel currently fulfills their needs effectively as a small business. This pragmatic approach highlights their awareness of the role of digital tools in enhancing business processes while maintaining cost-effectiveness and adaptability.

However, José is aware that as they grow and potentially expand to other districts or open more cafeterias around Lima, they may need to consider adopting a more sophisticated system to manage their operations efficiently.

By leveraging technology and utilizing Shopify for their e-commerce, as well as Excel for data management and financial reporting, the company demonstrates an awareness of the importance of digital tools in optimizing business processes. This approach allows them to maintain cost-effectiveness and agility as they continue to grow and adapt to evolving market demands (J. Euchí, personal communication, July 19, 2023).

1.4.7 Technology and Development

In the current scenario, the business operates with a single cashier but serves two distinct companies. To manage their financial data, both companies rely on Excel for various tasks, including financial record-keeping and analysis. While Excel provides a versatile platform for managing financials, the increasing complexity of their operations and the need for more advanced financial reporting may necessitate a shift towards more sophisticated technology. In response to the need for research and growth strategies, Café Comadre primarily relies on its partners. While there is no dedicated Research and Development (R&D) department, the shareholders, who gave financial support in the first place to open the café, take charge of creating innovative strategies and exploring avenues for expansion.

The company employs conventional technologies and machines in its operations, without the use of any specialized or uncommon equipment. Regarding budget allocation for new machines and maintenance, Café Comadre's decisions are contingent upon their sales performance. Investments in machinery and maintenance are determined based on the financial viability and revenue generated by the business.

To address the evolving demands of their operations, Café Comadre recognizes the significance of embracing technology. Incorporating dedicated accounting software or an Enterprise Resource Planning (ERP) system could significantly enhance their financial management processes, enabling streamlined data entry, automated calculations, real-time financial reporting, and more informed decision-making based on comprehensive insights into financial performance.

Beyond financial considerations, the company places emphasis on sustainability and energy conservation. While their coffee equipment boasts sophistication, they acknowledge the need to augment infrastructure to decrease energy consumption. Implementing energy-efficient practices, such as LED lighting installation, optimization of heating and cooling systems and exploration of renewable energy sources like solar power, holds potential for achieving energy-saving objectives. Additionally, investing in eco-friendly equipment and adopting sustainable operational practices can contribute to minimizing their ecological footprint (J. Euchí, personal communication, July 19, 2023).

1.5 Conclusion

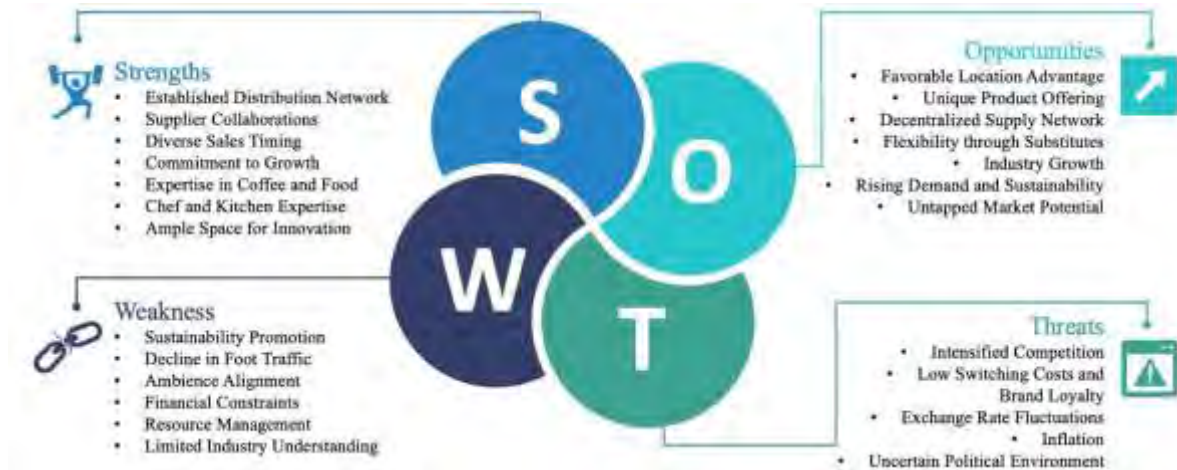
Café Comadre's decentralized supply network is a significant strength, allowing for flexible sourcing and ensuring a consistent supply of high-quality ingredients. This, in turn, enhances operational resilience by mitigating potential supply shortages. The café stands to benefit from the industry's rapid growth and the increasing demand for sustainable offerings, aligning well with its mission and customer preferences. Despite these strengths, the café faces weaknesses, including the need to better promote sustainability efforts and attract customers beyond lunch hours. Enhancing the café's ambiance to better reflect its purpose and addressing funding and staffing challenges are essential for sustained growth. Positioned in Pueblo Libre, Café Comadre can leverage its prime location for success. With a commitment to offering distinct coffee blends, delectable pastries, and unique experiences like live music events, the café caters to customers seeking a memorable coffee encounter. However, intensified competition, low brand loyalty, exchange rate fluctuations, and emerging coffee crop pests are potential threats that require careful management.

In conclusion, Café Comadre has promising opportunities to tap into the growing coffee market and appeal to environmentally conscious consumers through sustainable practices. By leveraging its strengths, addressing weaknesses, and navigating threats, the café can carve a distinctive position in the industry. The café's dual-purpose mission, underscored

by its commitment to sustainability and customer experience, positions it well for success in a dynamic coffee landscape.

Figure 6

SWOT Analysis



Chapter II: Key Problem

Café Comadre, a specialty coffee shop situated in the heart of Pueblo Libre, Lima, dedicated to promoting responsible coffee consumption and production, has identified a series of issues in its operations over the last year since its inception. These concerns encompass sustainability within the coffee market, efficient resource utilization, and financial management. These identifications have emerged from a collaborative effort between the owner's insights and the findings of the consulting team.

2.1 Identified Problems

Café Comadre faces a complex challenge stemming from its inability to efficiently manage valuable resources and optimize its financial stability. Inadequate resource management is evident in the wastage of energy, water and food within the bustling kitchen due to the absence of defined standards and protocols. This wastefulness leads to unnecessary expenses and reduces operational efficiency. The café's insufficient inventory tracking exacerbates the problem, resulting in lost food inventory. Moreover, unauthorized consumption of company products by employees further contributes to resource wastage.

Simultaneously, Café Comadre's financial management struggles are evident as the generated revenue falls short of covering essential expenses, jeopardizing the café's financial stability. Despite aspirations to secure investments, the absence of a well-structured business plan has impeded progress in obtaining much-needed financial support. The café should also prioritize strategies to reduce food costs and achieve an optimal percentage of sales, fostering a sustainable and secure financial future.

Furthermore, Café Comadre's commitment to becoming a prominent player in the sustainable coffee market faces challenges due to the small market size and insufficient regulatory support for sustainable practices. To thrive in this landscape, the café must adapt its operations to incorporate sustainable practices throughout its supply chain. Effective

communication of these changes to customers is equally pivotal, necessitating efforts to raise awareness and cultivate a community dedicated to sustainable choices.

Table 1

Identified Key Problems

	Problem 1: Inefficient Resource Management	Problem 2: Financial Management Struggles	Problem 3: Challenges in the Sustainable Coffee Market
Substance	The issue of food waste persists within the kitchen, no control over waste and energy management as well as the inventory management needs improvement.	The company is not generating sufficient revenue to cover its expenses. Additionally, there is no established business plan for seeking investments.	The sustainable coffee market is small, and inadequate regulations are hindering its growth. The company needs to adapt its operations to be more sustainable and communicate these changes to raise awareness among customers.
Location	The problem persists within its operations. The issue is also located in the management sector.	The problem is centered around the need to create a business plan for obtaining investment and identifying and reducing major sources of expenses located in the financial department.	The company is situated in Pueblo Libre, Lima, an area with a limited number of potential sustainable coffee customers, individuals who prioritize ethical and environmentally friendly coffee production practices, compared to competitors based in Miraflores.
Ownership	The company is owned by José Euchi and his cofounder Carolina Euchi.	The company is owned by José Euchi and his cofounder Carolina Euchi.	The company is owned by José Euchi and his cofounder Carolina Euchi.
Magnitude	The problem affects specific areas of the company, including operations, waste management, and marketing.	The problem poses a significant threat to the company's financial stability, as food costs exceed the optimal percentage of sales.	The problem significantly hampers the company's potential growth in the market, though further specifics need to be defined.
Time	The problem has been ongoing since opening, and without intervention, it is	The problem has been evident since the company's inception (9 months) and it	The problem has persisted for some time and is likely to continue until sustainability

likely to continue in the has recurred without awareness improves within future. resolution.
 Continued lack of Peruvian society.
 effective management may lead
 to reduced financial savings.

2.2 Key Problem

Based on the comprehensive analysis of Café Comadre's strengths, weaknesses, opportunities, and threats (SWOT), the key problem that needs to be addressed to achieve the company's purpose of becoming a sustainable coffee shop and seller while expanding its operations is Inefficient Resource Management. Café Comadre possesses strengths such as reliable suppliers, exceptional coffee quality, and a commitment to supporting coffee farmers. However, it also faces weaknesses like a lack of trained workers, limited industry understanding and financial constraints.

To harmonize with its pursuit of sustainability and growth, Café Comadre currently faces the need to enhance its value chain, particularly in the domains of food and energy management, waste management, and financial management. The identified inefficiency in resource management, as illuminated through the analysis, exhibits interconnectedness with other challenges encountered by the company. The absence of established standards and protocols results in unwarranted expenditures and a diminished level of efficiency. Furthermore, inadequate inventory tracking and the lack of oversight on employee consumption contribute to this issue, ultimately culminating in food wastage across both kitchen and coffee shop operations. The problem has persisted since the company's inception and without intervention, it is likely to persist in the future.

Café Comadre aims to establish itself both as a sustainable coffee shop within its operations and as a recognized brand for its customers. Consequently, the central challenge lies in enhancing Café Comadre's value chain, with a specific focus on improving food, energy, and waste management, as well as bolstering financial oversight. By addressing these

aspects within its operations, Café Comadre can effectively work toward fulfilling its goal of consistent growth as a responsible and sustainable coffee shop. This effort could potentially lead to the opening of another branch in Lima, all while actively contributing to the realization of a more equitable and just world. This overarching mission extends to not only uplift the livelihoods of farmers but also to disseminate this noble purpose to a wider audience.

2.3 Conclusion

Addressing this problem of Inefficient Resource Management is crucial for Café Comadre to fulfill its purpose of persistent growth as a responsible and sustainable coffee shop. Through the analysis of its resource management practices, the company can identify opportunities to reduce waste and operational inefficiencies, further aligning with its commitment to supporting coffee farmers and fostering a more equitable and transparent world. By embracing sustainable practices and improving resource management, Café Comadre can create a competitive edge, appeal to environmentally conscious consumers, and strengthen relationships with local farmers, ultimately achieving its purpose and expanding its operations.

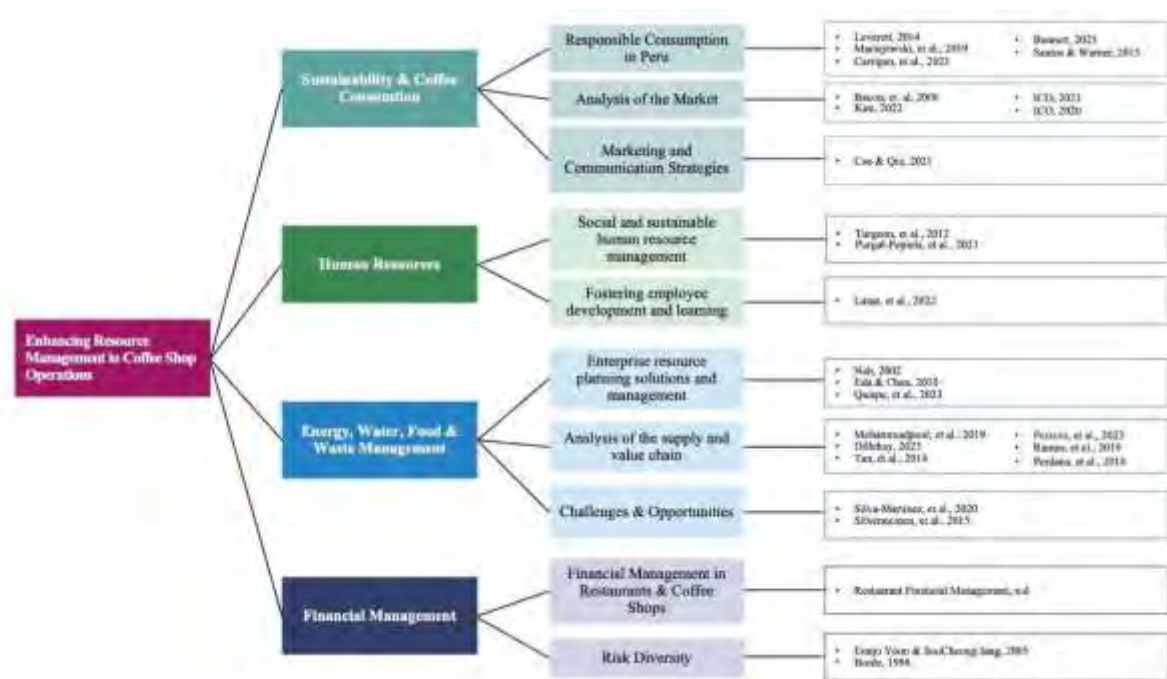
Chapter III: Literature Review

Within this chapter, a comprehensive overview of the literature utilized for further analysis will be presented. The literature mapping will offer a comprehensive understanding of the content discussed, aligning with the primary objective of this paper, which is to enhance resource management in coffee shop operations, particularly focusing on the case of Café Comadre. Additionally, the literature review will synthesize and provide an overview of the key findings from the reviewed literature.

3.1 Literature Mapping

Figure 7

Literature Map



3.2 Literature Review

3.2.1 Sustainability & Coffee Consumption

In the 21st century, leaders must prioritize ethical behavior and integrate biblical values into their organizations to ensure success. According to Leverett (2014), the incorporation of ethical green practices stands as a worthy pursuit despite the hurdles, as it leads to the cultivation of more successful and sustainable businesses. In this pursuit, companies are compelled to assess the environmental impact of their offerings, ethically source materials, and effectively manage waste. This holistic approach not only benefits the business but also contributes to building a more sustainable and socially responsible future. It's important to recognize that ethical considerations within green initiatives transcend mere legal compliance; they demand doing what is right, even when faced with challenges. Effective leaders take a proactive stance in parallel with the encouragement of environmentalists who advocate recycling and sustainability in the public domain. Amidst a

backdrop where values and ethics have often been treated as disposable, the adoption of green principles intertwined with ethical values nurtures trust among employees, customers, and stakeholders alike.

Bacon, et al. (2008) explores the growth and challenges of sustainable coffee certification systems since the early 1990s. The paper emphasizes the need for cooperation among stakeholders to address these challenges. Government involvement is crucial in promoting credible private initiatives and harmonizing organic regulations. Immediate action is required to reduce certification costs and improve accessibility for smallholder producers. However, Café Comadre lacks government support to incentivize more responsible coffee production and consumption, which hinders progress in addressing these challenges.

Maciejewski, et al. (2019) points out that the idea of sustainability is primarily driven by producers and retailers. However, during product range preparation, many still focus on conventional criteria such as customers' earnings, shopping frequency and purchase volume. The aim of the study is to determine whether values like environmental protection, ethical producer behavior, fair trade, and maximizing utility function influence coffee purchasing decisions and can be used as segmentation variables. The market research in the journal article confirms that sustainable values significantly differentiate consumer groups. The segments "responsible, aspiring to be connoisseurs" and "consumerists, connoisseurs, but not at any price" represent two extreme clusters with distinct attitudes towards sustainable values. This highlights the importance of sustainable values as variables in differentiating consumer behavior in the coffee market and contributes to the development of consumer behavior theory in this context.

The "Research Handbook on Ethical Consumption" by Bennett (2023) delves into fair trade as a multifaceted movement that strives for a more just global trading system. Advocates aim to secure fair compensation, decent working conditions, and development opportunities for farmers and workers in developing countries. Consumers can support fair trade by choosing products with fair trade certification, which adheres to social and

environmental standards. However, the research highlights limited consumer knowledge about fair trade, hindering effective support. Further research is essential to understand how consumers learn about fair trade and its impact on their purchasing decisions. Fair trade certification brings both benefits and risks, including reinforcing traditional power dynamics and higher standards costs. Bennett's exploration also includes fair trade-inspired innovations like worker-driven social responsibility (WDSR) initiatives, integrating fair trade principles into supply chains. Additionally, fair trade aligns with other global movements advocating for living wages, living incomes, and sustainable development. It differentiates itself by emphasizing market-based solutions for social and environmental challenges. Implementing these initiatives can help Café Comadre enhance its mission of promoting more responsible coffee consumption, further strengthening its commitment to sustainability.

The coffee industry holds significant importance for South American countries, contributing to their social and economic development. To maintain competitiveness and achieve sustainable growth, continuous research to improve coffee quality is essential. In Kim's study (2022), a machine learning model called random forest is introduced for predicting coffee quality. This machine learning-based approach empowers coffee-producing countries to enhance the quality of their coffee, leading to increased competitiveness in the market and fostering sustainable social and economic development. The study's findings align with Café Comadres' mission of responsible coffee production and support the company's future success in the market.

3.2.2 Human Resources

Turgeon's et al. (2012) discussion on "The Future of Espoir Cafés" highlighted its success in promoting responsible food consumption and supporting unpaid caregivers. The cafes achieved this through fair trade products, local procurement, and engaging customers. The management involved strategic orientation by cooperative managers and daily operations by loyal assistant managers. Recruitment focused on values and customer service. Challenges

arose in 2009 due to the economic environment and internal issues, including employee dissatisfaction and lower customer loyalty. Key proposals included changing selection criteria for assistant managers to prioritize leadership and motivation. Balancing profitability with values was emphasized to address employee satisfaction. The team also suggested a participative management approach and an improved marketing strategy to enhance customer loyalty. The management committee aimed to work together, prioritize customer satisfaction, and promote growth while upholding the cooperative's values. Their goal was to find solutions and ensure the success of Espoir Cafés. The example shows, that Café Comadre underscored the need for a structured plan and Human Resources department to manage employees effectively.

Latan's et al. (2022) article explores sustainable human resource management and socially responsible HR practices. They propose that improving employees' career satisfaction in public sector organizations contributes to internal social responsibility. The study identifies key factors influencing career satisfaction, such as trust in superiors and a positive work environment. HRM departments should focus on developing these aspects. Career aspirations are linked to career opportunities, emphasizing the need for clear promotion pathways. Conversely, intention to leave is affected by career satisfaction, urging organizations to assess workplace culture to prevent high turnover.

The book 'Human Resource Management in Early Internationalised SMEs' by PurgalPopiela, et al. (2023) emphasizes the growing importance of small- and medium-sized enterprises (SMEs) in the global economy and their increasing engagement in international activities. Despite the recognized significance of human capital in SME internationalisation, there is a notable knowledge gap concerning HR practices in this context, particularly in the post-entry phase of early internationalised SMEs. The book offers valuable insights for SME managers dealing with internationalisation-related challenges, providing guidance on various HR practices, including work structuring, recruitment and selection, training and development, employee appraisal and remuneration, and performance management.

3.2.3 Energy, Water, Food & Waste Management

According to research by Mohammadpour, et al. (2019), implementing energy-efficient technologies is crucial to reducing energy consumption in commercial establishments. This approach encompasses various measures, including the adoption of LED lighting, utilization of energy-efficient appliances, and the implementation of efficient heating and cooling systems. Furthermore, the incorporation of renewable energy sources like solar and wind power emerges as a complementary method, addressing the objective of diminishing reliance on fossil fuels and mitigating carbon emissions.

Regarding water savings, Dillehay's, et al. work (2023) highlights its significance in the restaurant industry by installing low-flow faucets and showerheads to reduce water consumption. Furthermore, the use of water-saving devices in toilets and the kitchen is strongly suggested. Water reuse is also crucial, for example, recycling wash water for plant irrigation or other non-potable activities.

Research by Tan, et al. (2014) emphasizes the importance of adopting sustainable food practices in the food industry. This involves giving preference to local and seasonal ingredients during dish preparation, while concurrently implementing effective storage and inventory management strategies to curtail food waste. These actions collectively contribute to enhancing the restaurant's overall sustainability.

Research by Martin-Rios, et al. (2018) analyses innovative methods of reducing food waste in the foodservice industry. They highlight different approaches to food waste management ranging from easy to implement to more radical changes. These could include more efficient cold chain management, less plate waste and precise food inventory management to prevent overstocking. Research also proposes example innovations like end of day sales, use of new technology for better monitoring and transforming food waste into something new like fertilizer.

Filimonau & De Coteau (2019), conducted a critical review into food waste management in hospitality operations to understand more how managers can more effectively

limit food waste. Streamlining the menu with better tracking of ingredient use helps eliminate waste of resources. Keeping a close eye on the popularity of different menu items enables better focus on items that are selling the best but also to be more efficient in ordering ingredients. The addition of seasonal items can aid in menu planning and offering more portion sizes thus applying portion control.

Proper waste management is addressed by Peixoto, et al. (2023), who suggest implementing a comprehensive recycling program in the restaurant industry. Additionally, composting food scraps and other compostable materials is recommended to decrease the amount of organic waste generated. Reducing the use of disposable packaging and opting for biodegradable or compostable materials are also crucial considerations.

Silvennoinen, et al. (2015) conducted a project to map out the volume and the composition of food waste in the Finnish food service sector. The paper studies different types of outlets and what kind of waste they produce. The wasted food was categorized into inedible waste and edible waste, which was further divided based on its origin. These categories were kitchen waste, serving waste and customer plate waste. By keeping a close eye on the sources of waste Café Comadre is able to change its processes to cut down on especially wasteful moments.

Finally, Ramos, et al. (2019) and Perdana, et al. (2018) emphasize the relevance of sound financial management and a holistic approach to sustainability in the food industry. Café Comadre must consider the budget and costs associated with implementing improvements in energy savings, water, and waste management. Assessing the financial viability of these measures is crucial to ensuring a sustainable transition. Moreover, comprehensively addressing energy, water, food, and waste management savings, as suggested by Perdana, et al. (2018), will allow for a more sustainable and eco-efficient operation at Café Comadre.

3.2.4 Financial Management

Studies by Jang & Eunji (2005) underscore the importance of sound financial management for the successful performance of a gastronomic establishment. Accurate accounting and regular evaluation of financial performance are highlighted as essential tools to identify areas for improvement and opportunities to reduce costs. Additionally, maintaining strict control over inventories and food costs, along with implementing effective pricing and promotional policies to maximize revenues, is emphasized.

Aligned with financial management, Borde's work (1998) underscores the importance of effective cash management in the restaurant industry. Thus, practices to optimize cash flow, like negotiating favorable terms with suppliers and promoting electronic payment methods for faster transactions, are highlighted. The establishment of cash reserves to address unforeseen situations is considered a prudent measure, as is the implementation of strategies for managing income and expenses over time.

Furthermore, the source Jung (2018) addresses various aspects of restaurant financial management. Emphasis is placed on the significance of maintaining accurate and current financial records, enabling informed decision-making and enhanced control over the restaurant's financial standing. Investing in staff training and education to enhance efficiency and service quality is also underscored, given its potential positive influence on business profitability. Similarly, the suggestion to create realistic financial projections and periodically review outcomes for necessary adjustments is presented.

3.3 Conclusion

In conclusion, this chapter delves into a wide spectrum of topics relevant to achieving sustainability and success in the foodservice industry. From the integration of ethical values and biblical principles to the exploration of consumer behavior, fair trade, and sustainable practices, the discourse underscores the multifaceted nature of modern businesses. The examination of energy, water, food, and waste management strategies further emphasizes the

crucial role these aspects play in shaping a responsible and efficient operation. Financial management and human resources are identified as integral components in steering a business towards sustainability.

Chapter IV: Qualitative/Quantitative Analysis

This chapter outlines the methods and tools employed to analyze the core issue, aiding in the identification of causes and solution directions. To facilitate this analysis, a combination of primary and secondary data sources will be utilized. Primary data will be collected through interviews and surveys with Café Comadre's employees, management, and customers, which will provide direct insights and experiences. Secondary data will be extracted from internal company records, such as financial reports and inventory records, as well as from relevant databases to obtain quantitative and statistical information.

4.1 Qualitative Analysis

The qualitative analysis was based on the information gathered from the interview with José Euchí, owner of Café Comadre, a key player in the operations and logistics of the company. Based on the interview, it was possible to clearly identify the mission and vision of Café Comadre.

4.1.1 Mission

During an interview with CEO José Euchí, he shared Café Comadre's mission, which is to serve as a unique destination for customers by offering exceptional sustainable coffee and delicious food. José emphasized that many cafes typically excel in one aspect or the other but rarely in both, which inspired him to establish Café Comadre. The establishment aims to not only sell Café Comadre's sustainable specialty coffee but also promote sustainable consumption among Peruvians. The coffee experience holds a special place at Café Comadre, where they specialize in various specialty coffees and aim to share this distinctive coffee experience with their customers. Importantly, the company ensures fair compensation for the

farmers who make it all possible. Summarizing, Café Comadre's mission is to provide a unique destination where customers can enjoy exceptional sustainable coffee, delicious food, and a distinctive specialty coffee experience, all while promoting sustainable consumption and ensuring fair compensation to the coffee farmers.

4.1.2 Vision

Café Comadre's vision is a comprehensive and forward-thinking approach that spans various aspects of the coffee industry and their commitment to sustainability. Over the next five years, they intend to establish their brand as a symbol of unwavering support for coffee farmers and a strong focus on sustainable coffee consumption. Their goal is to firmly connect their brand with sustainability in the minds of consumers, emphasizing their dedication to both supporting farmers and environmentally conscious practices. This vision extends to achieving a leadership position in the industry, driven not only by the quality of their coffee and culinary offerings but also by their positive impact on coffee-growing communities.

Simultaneously, Café Comadre envisions a robust expansion strategy, marked by the opening of new outlets. This expansion aligns with their objective of providing customers with a comprehensive experience that seamlessly combines premium coffee with exceptional culinary offerings. Their ultimate ambition is to leave a lasting mark within the industry.

To gain a comprehensive understanding of customer dynamics in alignment with Café Comadre's mission and vision, they conducted a customer survey. This survey aimed to assess customer awareness of the brand, particularly its sustainability orientation, while gathering insights, perspectives, and preferences regarding Café Comadre's product range. The survey covered a wide range of topics, starting with core demographics such as gender and age. It then delved into geographic specifics and quantitatively evaluated customers' experiences with the services. Additionally, the survey explored customer awareness of the ethical sourcing of coffee and their inclination to support sustainable initiatives. Furthermore, it sought insights into how customers perceive Café Comadre as a sustainable entity and their

intentions to recommend the coffee shop to others, following a framework similar to that presented by Hill & Brierley (2003).

4.1.3 Applying Literature Review for Qualitative Analysis

Drawing on Chapter III, this literature serves as a valuable resource for conducting qualitative analysis, complementing new insights from José's interview, and gathered information. Addressing the issue of Inefficient Resource Management holds paramount importance for Café Comadre in realizing its mission of sustainable growth as a responsible coffee shop. By embracing effective resource management strategies, the company can simultaneously mitigate waste, enhance operational efficiency, and align with its commitment to supporting coffee farmers and fostering equality. The integration of sustainable practices not only affords a competitive edge but also resonates with environmentally conscious consumers, ultimately strengthening ties with local farmers and advancing the company's objectives.

As highlighted by Leverett (2014), the pursuit of ethical green practices is well worth the challenges, yielding success and sustainability. Café Comadre's adoption of environmentally mindful approaches, including responsible sourcing and waste management, promotes social responsibility and contributes to a sustainable future. It's crucial to recognize that ethics in green initiatives transcend mere legal obligations, demanding a proactive approach to foster a culture of sustainability and trust. Furthermore, Café Comadre stands to gain substantial benefits from this information. Acknowledging the demand for ecoconscious and sustainable products, the company can carve a competitive advantage while aligning with its commitment to sustainable development. The potential for collaboration with sustainability-focused companies presents avenues for growth and competitive differentiation. Leveraging fair trade certifications, as recommended by Tan et al. (2014), offers Café Comadre a means to expand its customer base and uphold its dedication to responsible and sustainable practices.

As Café Comadre faces challenges with HR practices, operating only at the national level, the insights from the book 'Human Resource Management in Early Internationalised SMEs' by Purgał-Popieła, et al. (2023) could bridge this knowledge gap by giving insights about HRM in SMEs and international business. The book offers valuable insights for SME managers dealing with internal challenges, providing guidance on various HR practices, including work structuring, recruitment and selection, training and development, employee appraisal and remuneration, and performance management.

In the pursuit of resource optimization, Café Comadre's potential for improvement lies in the implementation of waste management practices within its kitchen and storage areas. This observation is supported by Martin-Rios et al.'s (2018) research findings, which emphasize the benefits of efficient cold chain management, waste reduction strategies, and precise inventory control in mitigating overstocking. Additionally, the adoption of innovative techniques such as end-of-day sales and technology-driven monitoring can further amplify resource efficiency.

Filimonau & De Coteau (2019), conducted a critical review into food waste management in hospitality operations to understand more how managers can more effectively limit food waste. For Café Comadre the menu streamlining with better tracking of ingredient use could help eliminate waste of resources. Keeping a close eye on the popularity of different menu items enables Café Comadre to focus resources better on items that are selling the best but also to be more efficient in ordering ingredients. The addition of seasonal items can aid in menu planning and offering more portion sizes thus applying portion control.

Proper waste management is addressed by Peixoto, et al. (2023), who suggest implementing a comprehensive recycling program in the restaurant industry. Café Comadre can reduce the amount of waste sent to landfills by adopting recycling practices. Additionally, composting food scraps and other compostable materials is recommended to decrease the amount of organic waste generated. Reducing the use of disposable packaging and opting for biodegradable or compostable materials are also crucial considerations.

Drawing from Silvennoinen et al.'s (2015) study, conducted a project to map out the volume and the composition of food waste in the Finnish food service sector. The paper studies different types of outlets and what kind of waste they produce. Café Comadre could benefit from organizing its waste similarly to what was pointed out in the paper and gain better insight into its waste. The wasted food was categorized into inedible waste and edible waste, which was further divided based on its origin. These categories were kitchen waste, serving waste and customer plate waste. By keeping a close eye on the sources of waste Café Comadre can change its processes to cut down on especially wasteful moments.

In the realm of financial management, Borde's (1998) insights on cash management align with Café Comadre's objectives. Strategies such as supplier negotiation and electronic payments can optimize cash flow. Creating cash reserves and implementing income-expense management strategies ensures fiscal resilience.

The recommendation to establish a clear, realistic budget for operating expenses and food-related costs reinforces Café Comadre's financial stability and operational efficiency. By adopting these strategies, the company moves closer to achieving its mission and vision.

Aligned with financial management, Borde's work (1998) stresses the relevance of effective cash management in the restaurant industry. Thus, it is suggested that Café Comadre adopts practices to optimize cash flow, such as negotiating favorable terms with suppliers and encouraging the use of electronic payment methods to expedite transactions. The creation of cash reserves to deal with unforeseen situations is considered a prudent measure, as is implementing a strategy for the proper management of income and expenses over time. It is highly recommended that Café Comadre establishes a clear and realistic budget covering all operating expenses and food-related costs.

4.2 Quantitative Analysis

The quantitative analysis serves as a mechanism to comprehend the markets and economic landscapes that Café Comadre would navigate upon its expansion. As discussed in

the literature review, the Café Comadre encompasses various sub-industries within the coffee sector. Hence, delineating the market potential for the coffee industry in Peru necessitates employing diverse approaches. The results present the outlines of the survey, 139 respondents, conducted from the 04th of August till the 11th of August 2023 with Café Comadre's customers, serving as a basis to establish a branding in the Peruvian coffee industry.

The analysis of the distribution by age group in the Figure 8 highlights that the main target audience is concentrated in the 25-36 age range, with a significantly higher number of 65 people in this age group. Accurately identifying this age range is critical to understanding and effectively targeting marketing strategies. By knowing the most recurring demographic, a company can tailor its content and approach accordingly, designing campaigns that resonate with this particular audience and maximize the impact of its promotional efforts. **Figure 8**

Customer's Ages

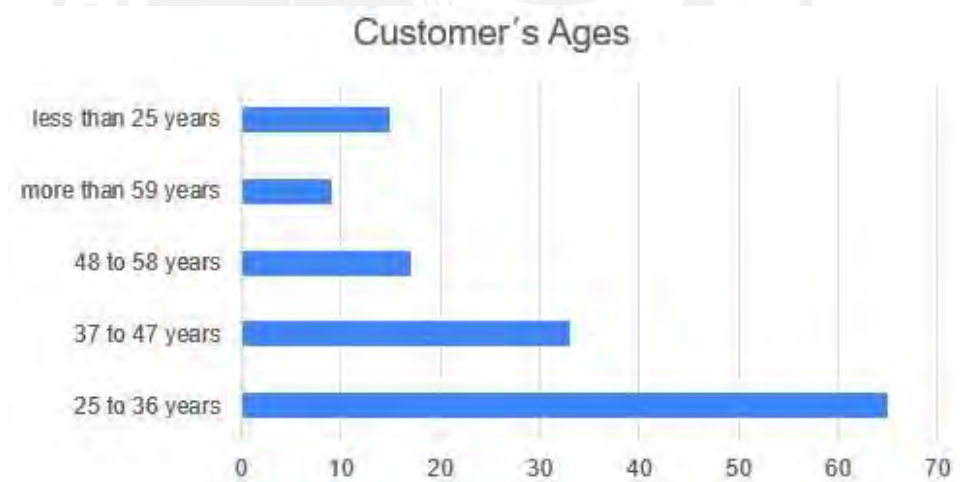


Figure 9 illustrates the distribution of clients by district, focusing on the most recurrent district. The district of Pueblo Libre stands out as the most frequent, with 83 clients. If we look at the percentage of each district, Pueblo Libre represents approximately 60.14% of the total number of clients, followed by San Miguel with 11.59%, Magdalena del Mar with 5.07%, and San Borja with 4.35%.

It is important to highlight the strategic value of having this data on the distribution of clients by district. This information is crucial for making informed decisions regarding the location of future branches, the planning of advertising campaigns and promotions specific to each district, and the customization of services according to customers' demographic and geographic preferences. By knowing the most recurring district, the company can efficiently focus its resources to maximize its market reach and effectiveness.

Figure 9

Customer's Districts

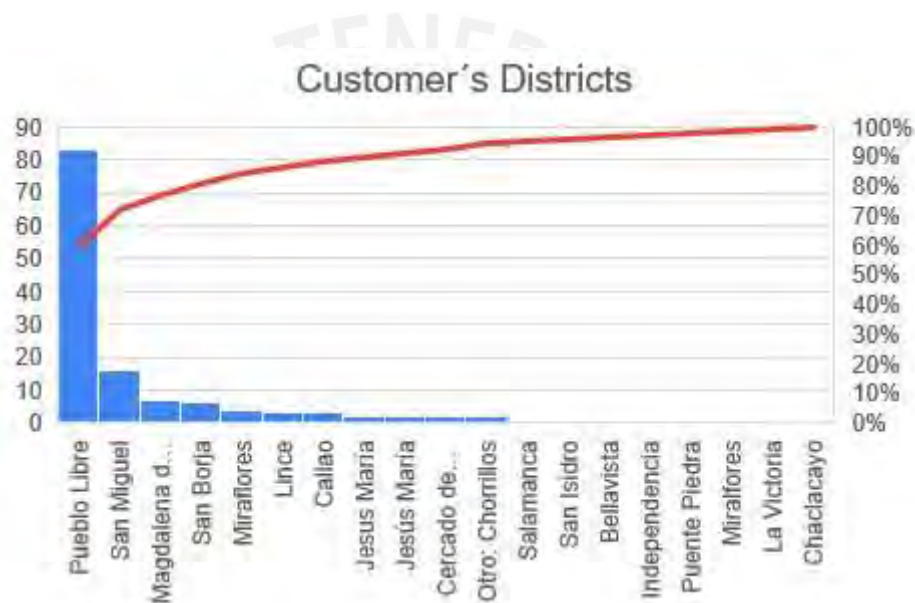


Figure 10 shows the number of visitors to Café Compadre, the group that has visited the café only once constitutes a total of 54 people. This data highlights the importance of customer retention as well as the attraction of new customers, since there is a clear interest in returning among those who have visited the café only once. An analysis of great relevance is presented when comparing this group with the data on repeat visitors. In fact, of those who have visited the café on more than three occasions, there are a total of 47 individuals. This suggests that a significant proportion of those who initially visited the café only once found motivation to return. To maximize this trend and foster customer loyalty, measures such as

loyalty programs, special offers for repeat visitors and personalized attention to customer preferences could be implemented, thus providing an experience that customers will enjoy.

Figure 10

How many times have you visited Café Comadre



Figure 11 reflects the responses from a survey where participants were asked how they would rate the service and attention of the day on a scale of 1 to 5. Among the responses, 15 people rated a 3, 55 people gave a 4, and 66 people gave the highest rating of 5. It is particularly interesting to note the group that rated a 3, as it represents a significant number of evaluations. These middling responses could indicate a moderate degree of satisfaction, suggesting that there is room for improvement in the customer experience. It is crucial to consider these data as the group that gave a 3 shows a perception that could be improved with minor adjustments. Exploring the rationale behind these evaluations could reveal specific areas that require attention and refinement, which in turn would contribute to raising the overall quality of service and increasing customer satisfaction.

Figure 11

Customer service rating

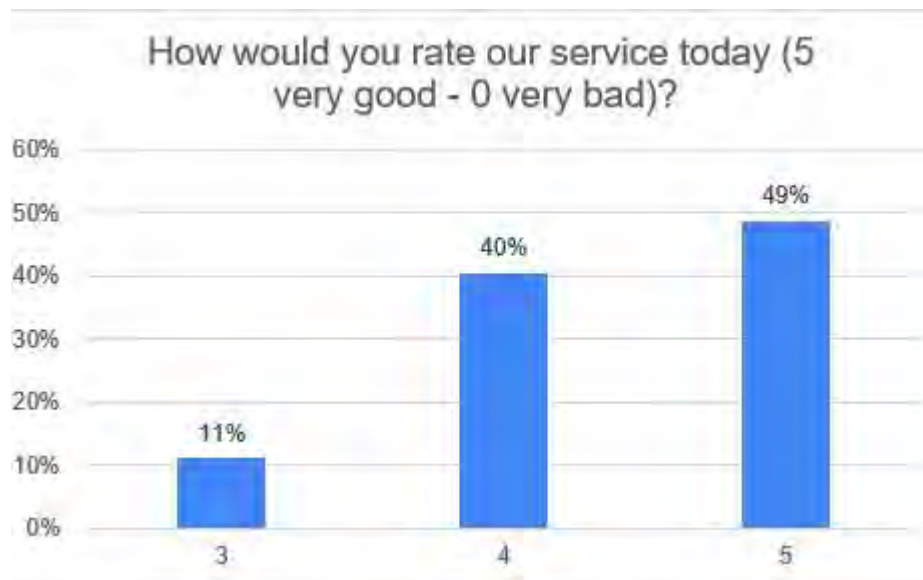


Figure 12 presents the results of a survey that inquired about participants' knowledge of Café Comadre's sustainable and responsible sourcing practices compared to the average of other coffee shops. Of those surveyed, 64 people indicated that they were not aware that Café Comadre sources coffee in a more responsible and sustainable manner than the average coffee shop, and that it also recognizes coffee growers with a 40% higher payment than the average. On the other hand, 51 people affirmed that they were aware of this information. Highlighting the high percentage of people who are not aware of these practices highlights the need to improve communication and visibility of Café Comadre's efforts in this area. Information on sustainable practices not only contributes to the brand's image as a conscious and ethical company, but also educates customers and encourages their support. Therefore, understanding customer perception and awareness of these initiatives is essential to tailoring communication strategies and ensuring that the message is delivered effectively.

Figure 12

Recognition of Café Comadre as a sustainable coffee shop

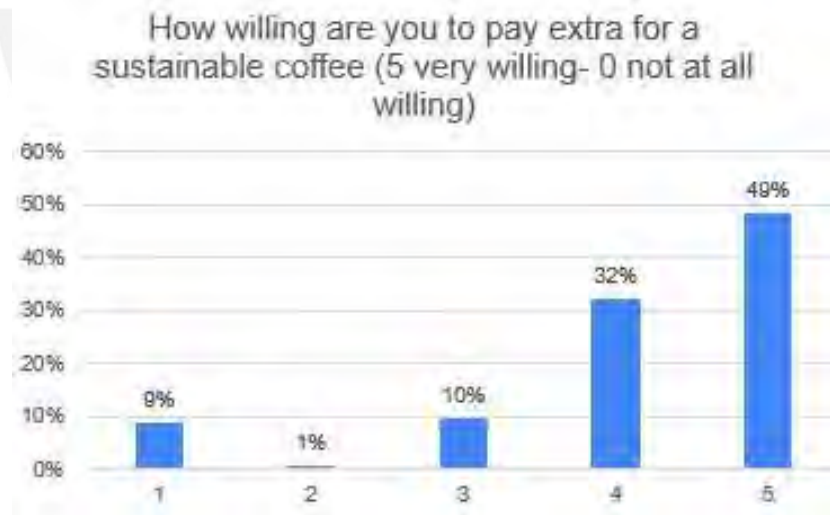
Did you know that Café Comadre sources its coffee more responsibly and sustainably than the average coffee shop, recognizing coffee growers by paying them 40% more than the average. YES/NO



Figure 13 presents the results of a survey that explores the willingness of participants to pay extra for sustainable coffee, on a scale of 1 to 5, where 5 indicates a high willingness and 0 indicates no willingness. Remarkably, a remarkable 49% of respondents stated that they were "very willing" (score 5) to pay extra for sustainable coffee.

Figure 13

Willingness to pay higher prices



Furthermore, 42% of respondents expressed their willingness to do so with scores of 4 and 3. These results point to a significant opportunity for Café Comadre in terms of potential customers who are willing to support a more sustainable supply chain. A consumer base that is aware of and committed to responsible practices can not only increase revenues, but also reinforce the brand's image as a leader in sustainability.

Figure 14 presents the sales performance over several months, from September 2022 to June 2023. These data reveal an upward trend in total sales during this period, evidencing continued growth potential in the business. From September 2022 to June 2023, sales have experienced a gradual increase, starting from 34,655.7 and peaking in June 2023 at 81,114.14.

Figure 14

Total Sales

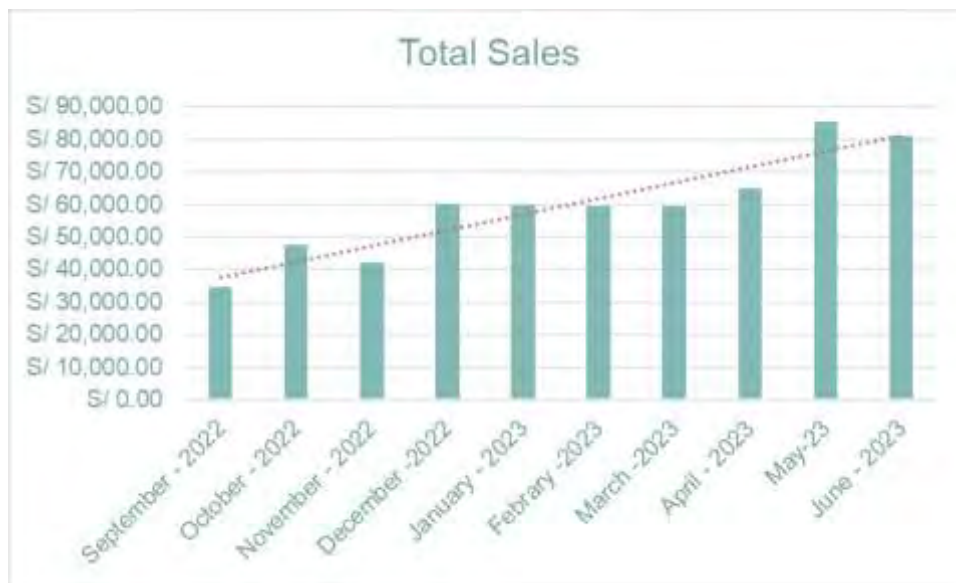
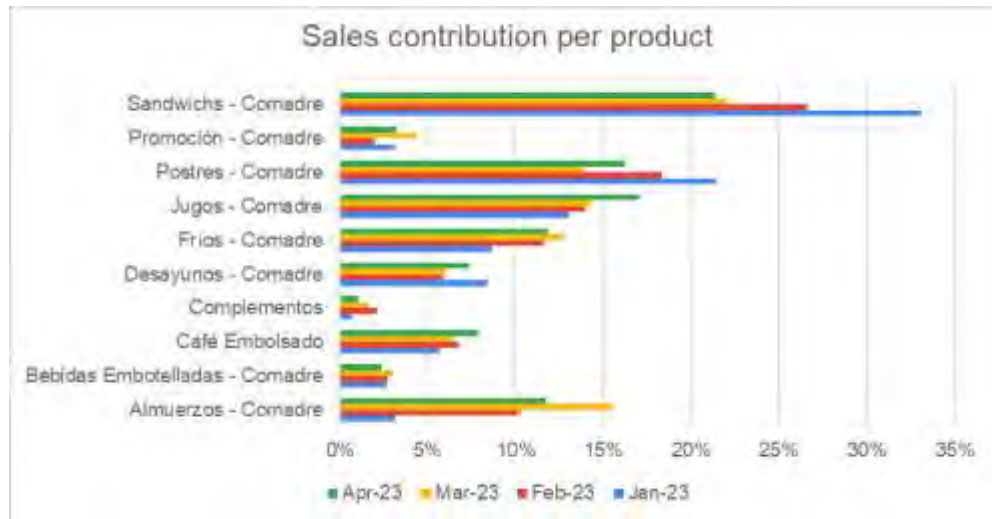


Figure 15 illustrate the detailed analysis of the percentage contribution of total sales corresponding to each of the products offered by Café Comadre, in a period of four months, from January 2023 to April 2023, see Appendix B for further understanding. The product that contributes most to Café Comadre's total sales is the "Sandwiches - Comadre" category, which exhibits a significantly high percentage throughout the analysis period. With an initial percentage of 33% in January 2023, the share of sales of "Sandwiches - Comadre" gradually decreases, reaching 21% in April 2023. Despite this decrease, it remains the most influential product in terms of contribution to total sales in all months evaluated.

Figure 15

Sales contribution per product



In contrast, the product with the lowest contribution to total sales is "Bottled Beverages - Comadre". Throughout the period analyzed, this category presents a marginal contribution, ranging between 2% and 3% of total sales. Being the product with the lowest demand in terms of contribution, it follows that "Bottled Beverages - Comadre" represent a limited portion of customers' preferences and choices.

4.4 Conclusions

The qualitative analysis conducted through an interview with José Euchí, the owner of Café Comadre, provided valuable insights into the mission and vision of the company. The mission of Café Comadre revolves around empowering Peruvian coffee farmers through technology and equitable trade. This is achieved by providing resources and training, creating an exceptional coffee journey, and aligning operations with responsible waste management. The vision over the next five years involves brand recognition for commitment to farmers and sustainability, industry leadership, and expanding outlets for a comprehensive coffee and culinary experience.

Leveraging literature, Café Comadre can address inefficiencies in resource management by implementing waste reduction techniques and optimizing inventory control. Addressing HR challenges requires José Euchí's participation in management/leadership courses and workshops, building a qualified team, and effectively communicating the company's values.

Quantitative analysis unveils Café Comadre's market potential and customer perceptions. The analysis of customer ages, districts, visit frequencies, service ratings, and awareness of sustainable practices offers strategic insights. Customers' willingness to pay more for sustainable coffee signifies an opportunity to enhance revenue and reputation. Additionally, analyzing product sales contributions highlights the significance of certain menu items, aiding Café Comadre in optimizing offerings.

Incorporating insights from both qualitative and quantitative analyses, Café Comadre can establish a comprehensive strategy to enhance its operations, sustainability, and financial performance, ultimately driving its mission and vision forward.

Chapter V: Root-Cause Analysis of the Problem

A root-cause analysis aimed to dissect the underlying reasons behind the central issue. The potential causes were predominantly pinpointed in the second chapter, focusing on the primary problem, and were further examined through qualitative and quantitative analyses in the preceding chapter. Employing a widely utilized tool, the fishbone analysis (Barsalou, 2014, pp. 69-71), Café Comadre's challenges are examined. Recognized for its skeletal fish shape, this model has been historically applied in quality management contexts. As outlined by Liliana (2016), the fishbone analysis initiates with problem identification, followed by elucidating the principal factors intertwined with the issue. Subsequently, possible causes are delineated, and the diagram is thoroughly assessed.

5.1 Identified Causes

The identified inefficiency in resource management, as illuminated through the analysis, exhibits interconnectedness with other challenges encountered by the company. The roots of Café Comadre's Inefficient Resource Management problem lie in five areas: lack of knowledge, human resources, financial constraints, internal processes, and communication. The fishbone analysis is depicted in Figure 8 below and explained thereafter.

Figure 16

Fishbone Analysis



Note. The fishbone analysis identifies the root-causes of Café Comadre’s identified challenges. Data are from own elaboration.

5.1.1 Lack of Knowledge

A comprehensive root cause analysis of the challenges faced by Café Comadre reveals that the primary underlying issue is a lack of knowledge and experience. José Euchí’s background isn’t in the café business as he has gained his experience from selling coffee directly to customers by shipping and sourcing the coffee, which explains his lack of experience. The new venture has highlighted new gaps in knowledge that are required when running a café type business, that might not have been present in his earlier business. The intricacies of managing daily operations, overseeing a team, and ensuring excellent customer service are distinct from coffee procurement and require a different kind of expertise.

Furthermore, José’s focus is spread across multiple aspects, a situation that prevents him from fully concentrating on the crucial management of the café’s team. This lack of focused management directly contributes to the café’s inability to identify its main competitors and target customers. Without a clear understanding of the competitive landscape

and the preferences of the target audience, formulating effective marketing strategies becomes an uphill battle.

Consequently, the absence of a well-defined customer base and competitor awareness leads to the creation of unfocused marketing strategies. The absence of a strategic marketing direction hampers the cafe's ability to effectively communicate its unique selling points and offerings to potential customers. This lack of direction not only compromises the cafe's ability to attract new customers but also impedes its efforts to engage with its existing clientele.

Moreover, despite recognizing the need for improvement, Cafe Comadre faces difficulties in implementing changes due to the absence of relevant indicators for measuring progress. The lack of tangible metrics for gauging the effectiveness of improvements makes it challenging to track customer service levels and customer satisfaction accurately. This inability to measure progress further exacerbates the cafe's struggle to enhance its offerings and customer experience effectively.

In conclusion, the root cause analysis of Cafe Comadre's challenges highlights the pivotal role played by the lack of knowledge and experience, from a new team in the café industry with backgrounds in coffee sourcing rather than cafe management. This deficiency ripples through various aspects of the cafe's operations, from the inability to identify competitors and target customers to the formulation of unfocused marketing strategies. Moreover, the absence of relevant indicators makes it difficult to implement and track improvements, further compounding the cafe's difficulties. Addressing these root causes by leveraging external expertise or providing training could potentially lead to the success of Cafe Comadre.

5.1.2 Human Resources

A critical factor contributing to the challenges faced by Cafe Comadre is the state of its human resources management. The inadequacies in this domain have given rise to several issues that impede the cafe's efficiency, cohesion, and alignment with its overarching goals

(J. Euchi, personal communication, July 19, 2023).

Firstly, the cafe suffers from a lack of a skilled workforce, compounded by insufficient training. Team members have not been adequately trained in various processes that could significantly enhance Cafe Comadre's operational efficiency. This knowledge gap limits their ability to perform tasks proficiently and to their full potential. A workforce equipped with a broader skill set would contribute to smoother operations and a more streamlined customer experience.

In addition, the absence of a well-defined employee performance evaluation process after the initial one-month trial period adds to the human resources challenges. The lack of clear procedures for assessing employee performance impedes the cafe's ability to identify strengths, areas for improvement, and developmental needs. This undermines the potential for growth and the cultivation of a motivated workforce.

A further complication arises from the lack of well-defined objectives and a common direction provided to the employees. This absence of clarity results in a fragmented workforce, with individuals pursuing different priorities and approaches. Without a cohesive understanding of their roles and contributions to the cafe's larger vision, employees struggle to unite under a shared purpose.

Consequently, the absence of a comprehensive understanding of the company's vision hinders the employees' ability to effectively communicate it to customers. A workforce that is not fully aligned with the cafe's mission and values may find it challenging to convey the cafe's unique selling points and brand identity to customers. This misalignment can lead to inconsistent messaging and a diluted customer experience.

To address these human resources challenges, Cafe Comadre needs to take proactive measures. Implementing a robust training program that covers a range of processes would equip employees with the skills needed to enhance operational efficiency. Establishing clear and structured procedures for evaluating employee performance beyond the initial trial period

would provide valuable insights for both individual development and overall performance management. Moreover, the cafe should work on articulating well-defined objectives and a unified direction to create a cohesive team that works towards a common goal. This sense of purpose and alignment can enhance employee morale, collaboration, and commitment to the cafe's success. Finally, reinforcing the cafe's vision and values among the employees through regular communication and training initiatives can empower them to act as brand ambassadors. When employees are deeply connected to the cafe's mission, they can authentically convey its essence to customers, creating a more compelling and consistent customer experience.

In conclusion, addressing the human resources challenges at Cafe Comadre is crucial to overcoming its obstacles. By investing in training, developing clear performance evaluation processes, establishing well-defined objectives, and reinforcing the cafe's vision among employees, the cafe can foster a skilled, motivated, and aligned workforce that contributes to its growth and success.

5.1.3 Financial constraints

Another significant challenge affecting Cafe Comadre's overall performance is its financial constraints. The cafe's inability to maintain detailed and accurate financial records has led to several complications that hinder its financial stability and growth potential.

One primary issue stemming from inadequate financial record-keeping is the difficulty in tracking specific expenses, such as ingredients, and identifying the sources of revenue accurately. Without comprehensive records, the cafe struggles to monitor costs associated with ingredients and other operational expenses. Similarly, the absence of clear revenue breakdowns makes it challenging to pinpoint the top-selling items, preventing the cafe from focusing on its most profitable offerings.

Although the cashier and delivery app front ends like Rappi and PedidosYa collect valuable financial data, the failure to utilize and record this information in an organized

manner exacerbates the problem. This untapped data holds insights into customer preferences, sales trends, and operational efficiencies. By overlooking this information, Cafe Comadre misses out on opportunities to optimize its offerings and operations.

Moreover, the lack of clear financial records poses a hurdle when seeking external financial support or collaboration. Investors, potential partners, or financial experts who are not directly involved with the business find it challenging to comprehend the cafe's financial status and potential areas for improvement. This opacity impedes efforts to secure additional resources or to make informed decisions aimed at financial growth and stability.

Additionally, the absence of detailed financial records makes it difficult to identify potential areas for cost reduction or leaner operations. This limits the cafe's ability to implement strategic adjustments that could enhance efficiency, increase profitability, and ensure long-term sustainability.

To address these financial constraints, Cafe Comadre should prioritize the establishment of robust financial record-keeping practices. Implementing a comprehensive accounting system to track expenses and revenue is crucial. Utilizing data from cashier systems and delivery apps to analyze customer preferences and sales trends can inform strategic decisions and aid in optimizing the cafe's offerings.

By maintaining clear and well-organized financial records, the cafe can facilitate collaborations with financial experts and potential partners. This transparency enhances credibility and increases the likelihood of securing necessary financial support for growth and expansion.

Furthermore, having accurate financial records enables the cafe to identify areas where cost reduction is possible and where operational improvements can be made. This proactive approach can lead to more efficient resource allocation and ultimately contribute to the cafe's financial health and success.

In conclusion, the financial constraints faced by Cafe Comadre highlight the critical importance of maintaining detailed and accurate financial records. By rectifying this challenge, the cafe can overcome obstacles related to tracking expenses and revenue, harness the power of available data, improve transparency for external stakeholders, and identify avenues for cost reduction and efficiency enhancement. Addressing these financial constraints is pivotal for the cafe's long-term sustainability and growth.

5.1.4 Internal processes

The absence of effective inventory tracking represents another significant challenge for Cafe Comadre. This deficiency in managing its inventory has given rise to several operational issues that impact the cafe's efficiency, cost-effectiveness, and overall customer experience.

Firstly, the lack of comprehensive inventory tracking hampers the cafe's ability to maintain accurate records of its stock levels. Without a clear overview of available ingredients and supplies, the cafe faces the risk of overstocking or understocking items. Overstocking ties up valuable capital in excess inventory, while understocking can result in disruptions to menu offerings and customer dissatisfaction.

Furthermore, the cafe's failure to indicate levels of safety stock or utilize stock management systems like First in First Out (FIFO) can lead to inefficient use of ingredients. Without safety stock guidelines, the cafe is susceptible to sudden shortages that impact its ability to serve customers consistently. Meanwhile, the absence of FIFO practices can result in older ingredients going unused and potentially expiring, leading to increased wastage and financial losses.

An additional complication arises from the lack of a breakdown of ingredient requirements shared with Dan Dan. This lack of specificity makes it challenging for Cafe Comadre to understand how much of each ingredient is needed for its own operations versus those shared with the other business. This lack of clarity can lead to mismanagement of

inventory, improper allocation of resources, and inconsistencies in menu offerings.

To address these inventory-related challenges, Cafe Comadre should consider implementing a comprehensive inventory tracking system. This system should accurately monitor ingredient levels, allowing the cafe to maintain optimal stock levels and avoid wastage or shortages. Establishing guidelines for safety stock and implementing stock management practices like First In – First Out, further used as FIFO, can also enhance operational efficiency, and reduce wastage.

In terms of collaboration with DanDan, creating a more detailed breakdown of ingredient requirements for both businesses is essential. This breakdown should provide a clear understanding of the specific quantities needed by each business, preventing confusion, improper allocation, and inconsistencies in menu items.

By addressing these inventory-related challenges and implementing effective tracking and management practices, Cafe Comadre can optimize its resource allocation, reduce waste, ensure consistent customer service, and improve its overall operational efficiency.

In conclusion, the lack of inventory tracking at Cafe Comadre poses significant operational challenges. By adopting comprehensive tracking systems, setting safety stock levels, implementing FIFO practices, and improving collaboration with other businesses, the cafe can enhance its inventory management, streamline operations, and provide a more consistent and satisfying experience for its customers.

5.1.5 Communication

The challenge of communication represents a significant obstacle for Cafe Comadre, particularly in conveying its commitment to sustainability. Ineffectual communication can lead to missed opportunities for engaging customers, showcasing the cafe's values, and ultimately influencing purchasing decisions.

One notable issue is the cafe's struggle to effectively communicate its sustainability efforts. Despite having a commitment to sustainability and fair compensation for farmers,

Cafe Comadre is not effectively transmitting this message to its customer base. This lack of clear communication might stem from inadequate marketing strategies or insufficient efforts to highlight the cafe's sustainable practices. This issue was underscored by the results of a customer survey. The survey revealed that a substantial number of participants (64 out of 115) were unaware of Cafe Comadre's commitment to sustainability and its practice of paying farmers more. This indicates that the cafe's message is not effectively reaching its target audience. In comparison, only 51 participants were aware of these practices before participating in the survey, suggesting that the cafe's communication efforts had limited impact.

To address these communication challenges and capitalize on its commitment to sustainability, Cafe Comadre needs to adopt a more strategic and comprehensive approach to communication. By implementing these strategies, Cafe Comadre can bridge the communication gap, effectively convey its commitment to sustainability, and strengthen its connection with customers. This, in turn, can positively impact customer loyalty, engagement, and overall business success.

5.2 Main Causes of the Problem

The central issue that arises from the comprehensive analysis of Cafe Comadre's challenges is the overarching lack of knowledge. This foundational deficiency serves as a linchpin, connecting the various identified causes and contributing to their manifestation.

Cafe Comadre's ambitious vision of cultivating a sustainable coffee culture throughout Peru hinges on establishing a well-functioning interface with its customers, allowing the cafe's uniqueness to truly shine. Challenges related to inadequate skilled workforce and the absence of established protocols for training and evaluating employee performance indicate this knowledge gap concerning optimal human resource management practices. These challenges manifest as symptoms of the cafe's unfamiliarity with industry-leading approaches to personnel management.

Internally, the knowledge deficit extends to formulating a clear organizational roadmap. The absence of a comprehensive understanding of best practices permeates the internal dynamics as well, hindering the team's ability to navigate the company's trajectory due to this lack of direction. Effective communication, both internally and externally, presents a significant challenge due to this deficiency in knowledge. Without a grasp of well-established communication methodologies, the cafe finds itself struggling with the practical implementation of necessary changes and expressing a coherent organizational trajectory.

Structuring work tasks within the cafe's operations has also emerged as a pressing issue. Similar to other identified obstacles, this challenge can be seen as a result of uncertainty stemming from the scarcity of informed decision-making. The lack of clarity regarding optimal task structuring exemplifies the broader trend of uncertainty originating from the cafe's limited grasp of industry best practices.

5.3 Conclusions

Hence, the salient theme that surfaces from the intricate analysis of Café Comadre's multifaceted challenges is the pervasive lack of knowledge. The exploration of these challenges has unveiled a complex web of interconnections, revealing a narrative centered around the fundamental deficiency in knowledge. Therefore, the lack of knowledge, coupled with human resources issues, internal management inefficiencies, communication breakdowns, and financial constraints, collectively underscores the interconnected nature of these challenges, highlighting the pivotal role of knowledge in shaping Café Comadre's trajectory. Addressing this core issue becomes the key to unlocking solutions across all domains. It necessitates a holistic approach encompassing continuous learning, the adoption of industry best practices, and the fostering of a culture of innovation and improvement.

In conclusion, the root cause analysis journey of Café Comadre has illuminated a complex narrative in which the deficiency of knowledge serves as the thread that binds the

challenges together. Each identified cause and subsequent symptom underscore the need for the cafe to bridge its knowledge gaps, thus embarking on a transformational journey toward sustainable growth, an enhanced customer experience, and organizational excellence.



Chapter VI: Assessed Solution Alternatives

This chapter delves into an assessment of potential solutions for Café Comadre, aiming to address the challenges identified in earlier sections. In collaboration with Café Comadre and following a thorough evaluation of their needs and preferences, seven alternative solutions have emerged: Building a Corporate identity, Personnel workshops/training, implement weekly Jour Fix, find partnerships within the sustainable market, implement Enterprise Resource Planning (ERP) System, restructure Financials and Resource Statements, participate in Leadership & Management Workshop.

The assessment of these solutions is guided by a set of predefined criteria, which are: financial cost, feasibility, effectiveness, reliability, and ease of follow-up, ensuring that the chosen approach aligns with Café Comadre's operational needs and goals. By utilizing these criteria, the evaluation process will streamline the identification of viable solutions while eliminating impractical options.

6.1 Alternatives to Solve the Problem

In the following, the seven alternatives will be described more profoundly, explaining the characteristics of each in detail.

6.1.1. Alternative 1: Building a corporate identity

The first alternative solution for Café Comadre involves the creation of a distinctive brand narrative and the establishment of a comprehensive corporate identity. Beyond merely serving high-quality coffee, the company should aspire to deliver a complete and immersive experience that resonates with customers' senses and emotions. This could encompass factors such as the ambiance, customer service, a captivating tale about the origins of the coffee, and a steadfast commitment to sustainability.

Corporate identity extends far beyond visual elements; it encompasses design, culture, values, and effective communication. It reaches beyond logos and graphics to encapsulate the very essence of the company's identity. Importantly, it's distinct from brand identity, delving

into a company's internal and external culture, values, and communication strategies. The process of developing a corporate identity brings about consistency, differentiation, and successful engagement. Thus, corporate identity involves a range of factors including culture, vision, purpose, values, behavior, design (including logo, website, social media), packaging, communication materials, and tangible aspects like interior decor and uniforms. Building upon Café Comadre's established logo and Instagram presence, the company could further refine its atmosphere to align with its corporate identity. Redesigned uniforms could also contribute to seamlessly integrating this identity into daily operations (Lundberg, 2018).

Thus, José Euchí must reevaluate the company's motivations and plans, assess its current standing, analyze competitors, and eventually construct a comprehensive brand strategy, identity, and style guide. This could begin with the collaborative creation of a manual or online handbook, an endeavor that José could undertake with Astrid, the Marketing Manager.

It's imperative to recognize that corporate identity transcends visual aesthetics, incorporating elements of culture, values, and communication. A robust corporate identity is indispensable for differentiation, consistency, and successful engagement with customers, employees, and investors. This approach aligns seamlessly with another proposed solution in the subsequent subchapter: personnel training.

By adopting this strategic path and concurrently emphasizing sustainable and responsible practices, Café Comadre positions itself to emerge as a highly desirable and sought-after brand within the thriving Peruvian cafe market.

6.1.2. Alternative 2: Personnel Workshops/ Training

To elevate customer satisfaction and enhance service quality, Café Comadre must adopt a comprehensive approach encompassing various aspects of its operations. Workplace training plays a pivotal role in enabling employees to acquire essential knowledge, effectively execute their responsibilities, and contribute to the organization's overall success. These

meticulously designed training initiatives equip employees with diverse skill sets, enhancing their efficiency in daily tasks, boosting overall performance, fostering job effectiveness, and ensuring compliance with legal regulations.

Organizations that prioritize comprehensive training and robust support for their workforce reap a multitude of benefits. The value of training extends beyond individual development; it underpins the growth and prosperity of an organization. The formulation of training programs empowers employees to enhance productivity, adaptability, and proficiency in areas like communication, critical thinking, and problem-solving. This holistic approach uplifts employee morale, reduces the likelihood of errors, increases productivity, reinforces employee retention rates, addresses weaknesses, and bridges skill gaps. Another avenue of training to explore is Soft-Skills Training, focusing on personal attributes such as communication, conflict resolution, and problem-solving. These skills are invaluable across roles and business units, facilitating the acquisition of new clients, enhancing existing customer relationships, elevating service metrics, and cultivating stronger team dynamics (Gupta, 2023).

Café Comadre stands to benefit from incorporating quality assurance training into its work environment strategy. Implementing such training on a quarterly basis imparts a deeper understanding of quality assurance procedures, enhancing processes to ensure products or services align with stringent quality standards. This commitment fosters customer satisfaction, loyalty, and the establishment of trust and integrity. A deliberate focus on employee development, a defined vision, and an exceptional coffee experience positions Café Comadre for success in the competitive market landscape. A motivated and well-trained team, aligned with a shared vision, fosters an engaging and memorable customer experience, supporting sustained growth and longevity.

6.1.3. Alternative 3: Implement weekly Jour Fixe

Jour Fixe meetings, whether one-on-one or team-based, play a pivotal role in fostering effective communication and collaboration within a business. They facilitate discussions on ongoing projects, progress updates, and challenges, ultimately driving towards shared goals. The essence of Jour Fixe lies in enhancing communication and teamwork among members. By establishing a fixed schedule for these meetings, participants can plan ahead, improved relationships, productivity, team loyalty, personalized feedback, and enhanced progress tracking. To ensure successful Jour Fixe meetings, it's important to: Clearly define objectives and goals, create a structured agenda with allocated time, share the agenda in advance for preparation, start and end meetings punctually, encourage active participation and a supportive atmosphere for idea sharing, foster solution-oriented discussions, assign action items with clear responsibilities and deadlines, and follow up to track progress on tasks (Editorial, 2023).

In the context of Café Comadre's human resources, incorporating weekly Jour Fixe meetings can clarify roles, set targets, and align with the company's vision and mission. Integrating physical interactions, beyond WhatsApp communication, can address skill gaps to enhance operational efficiency. By leveraging the benefits of Jour Fixe meetings and addressing these HR challenges, Café Comadre can position itself for growth, success, and a strong brand identity.

6.1.4. Alternative 4: Find partnerships within the sustainable market

In today's business landscape, adopting green principles and ethical values is as important as recycling and sustainability efforts promoted by environmentalists. Many organizations have overlooked values and ethics, but incorporating these principles can build trust with employees, customers, and stakeholders.

Café Comadre's commitment to sustainable development is evident through its practice of paying farmers more than 40% above the average, showcasing its dedication to

fair practices. Collaborating with sustainability-focused companies like sinba, an environmentally conscious waste management company, offers new growth opportunities and differentiation.

To enhance its commitment to sustainability, Café Comadre can take the following steps: Leverage fair trade certifications to highlight the ethical practices embedded in Café Comadre's supply chain. This will showcase the café's dedication to responsible sourcing and transparent business practices. Partner with startups that share a focus on responsibility. By forming alliances with like-minded ventures such as sinba, a waste management company focused on environmental responsibility and recycling., Café Comadre can extend its influence and amplify the promotion of sustainable practices. This partnership will emphasize responsible waste disposal and recycling practices. In the context of Peru, sinba serves as a prime example of a sustainability-focused company. Established in 2016, the company is a socio-environmental company and a certified B Corporation. Their mission is to help businesses, households, and organizations manage their waste sustainably. Through sinba's efforts, 100% of organic waste is repurposed into animal feed and organic fertilizers. Additionally, they collaborate with recycler circ to recover recyclable inorganic materials, reducing waste and pollution by up to 90%. This not only addresses environmental concerns but also strengthens local economies, making a positive impact on society and the planet (Youtube, 2020).

Café Comadre can utilize this approach not only to build trust but also to create a prosperous future. Incorporating green principles and ethical values into its operations allows Café Comadre to respond to the rising demand for sustainable products. This strategic move aligns with consumer preferences and provides a competitive edge in a market that increasingly values sustainability.

6.1.5. Alternative 5: Implement Enterprise Resource Planning (ERP) System

Drawing insights from the waste source categorization and monitoring approach proposed by Silvennoinen et al. (2015), Café Comadre can gain valuable guidance for

refining its waste management strategy and reducing operational inefficiencies. In the bustling kitchen environment, a lack of defined standards and protocols results in the wastage of energy, water, and food resources, leading to unnecessary expenses and diminished overall efficiency. To address this challenge, it's crucial for Café Comadre to establish clear operational guidelines, implement a robust resource tracking system, and ensure strict adherence by its staff. To tackle these inefficiencies and promote sustainable practices, the cafe can take several actionable steps. Firstly, the implementation of cold chain management and precise inventory control can effectively mitigate overstocking and wastage of food materials. Secondly, streamlining the menu and enhancing tracking of ingredient usage can optimize resource efficiency and minimize avoidable waste.

Moreover, addressing the challenge of incomplete inventory management can be achieved by adopting an Enterprise Resource Planning (ERP) system and integrating safety stock guidelines, adopting a First In – First Out management approach. This comprehensive approach ensures efficient resource utilization and mitigates unnecessary costs.

Effective communication holds paramount importance, impacting customer engagement, the cafe's values representation, and ultimately influencing customer purchasing decisions. Presently, Café Comadre is not effectively transmitting its message to its customer base. A potential remedy lies in the adoption of a customized ERP software solution tailored for the food industry. This software integrates inventory management, recipe formulation, production planning, and fulfillment systems, optimizing various business aspects. By embracing this digital solution, the cafe can streamline operations, enhance financial transparency, and present a compelling narrative to customers about its commitment to sustainability and quality.

6.1.6. Alternative 6: Restructure Financials and Resource Statements

Café Comadre, while radiating passion and dedication in its offerings, is grappling with significant financial management challenges. The revenue generated from its operations

has proven insufficient to cover essential expenses, thereby exerting pressure on the café's overall financial stability. Despite a strong desire to secure investments, the absence of a well-structured and comprehensive business plan has impeded progress in attaining the much-needed financial support.

Considering these challenges, prompt and strategic action is imperative for the management team. Crafting a comprehensive business plan should be a top priority, as this will not only provide a clear roadmap for the café's future endeavors but also facilitate effective communication with potential investors. Simultaneously, it is crucial to undertake a meticulous analysis of major expenses to identify opportunities for cost reduction and optimization. A crucial aspect of financial management revolves around achieving a balanced cost structure. Particularly, reducing food costs to an optimal percentage of overall sales will be pivotal in ensuring the café's long-term financial sustainability. Collaborative efforts with suppliers, including negotiation strategies and the adoption of electronic payment methods, can streamline procurement processes and positively impact the bottom line.

Establishing cash reserves and implementing robust income-expense management practices will provide a buffer against financial uncertainties and enhance the café's financial resilience. Creating and adhering to a realistic budgeting framework will further aid in resource allocation, expenditure control, and financial goal attainment.

To fortify competitiveness and secure a sustainable future, Café Comadre must also direct attention towards strategic technology investments. Leveraging technological solutions will enhance financial record-keeping, streamline reporting processes, and facilitate informed decision-making.

Additionally, the café's commitment to environmental sustainability can be manifested through the adoption of eco-friendly practices aimed at reducing energy consumption. Investing in upgraded infrastructure and equipment holds the dual advantage of optimizing energy use and reducing operational costs. This initiative aligns with the café's commitment

to environmental responsibility and resonates strongly with environmentally conscious customers, reinforcing Café Comadre's brand image.

Resetting and updating financial records in comprehensive tools like Excel will provide the management with a clearer overview of financial inflows and outflows. This approach will enable better monitoring of costs associated with ingredients and other operational expenses, fostering informed financial decision-making and resource allocation.

6.1.7 Alternative 7: Participate in Leadership & Management Workshop

One of the notable challenges facing Café Comadre's leadership is a lack of comprehensive knowledge in effectively leading a team. Currently overseen by José Euchí, who handles multiple facets of the company, including finances, supply chain, and operations, there is an opportunity to enhance leadership skills to optimize operational efficiency.

To bridge this knowledge gap, José Euchí could benefit from participating in online management and leadership courses. These courses can provide essential insights and strategies for effective team leadership, communication, and delegation. Exploring online courses could equip José with the necessary skills to lead the team more adeptly and inspire growth within the company.

For instance, the USAID-funded Peru Mission Coaching Activity offers a range of leadership and professional development initiatives. These initiatives encompass both individual and team-oriented approaches, fostering improved staff morale and effectiveness. Exploring such workshops, whether online or in-person, can contribute significantly to enhancing leadership skills and knowledge (MSI, 2023).

Building on the previous alternative solution, Café Comadre can take steps to establish a more qualified and specialized team. Delegating responsibilities across skilled team members would allow José Euchí to concentrate on core management tasks and strategic decision-making. Ensuring a unified and focused approach becomes paramount,

demanding clear trajectory definition and effective communication throughout the entire team. By addressing knowledge gaps through continuous learning and targeted development initiatives, Café Comadre can position itself for sustainable growth and success.

6.2 Assessment of Alternatives

The assessment of the seven proposed solutions for Café Comadre is based on the following criteria: financial cost, feasibility, effectiveness, reliability, and ease of follow-up. Collaboratively with José Euchí, the significance of each criterion was assessed, resulting in effectiveness being most critical (30% weighting), followed by feasibility (25%), reliability (20%), financial cost (15%), and easy of follow-up (10%).

Regarding the evaluation of specific solutions:

- **Effectiveness:** Evaluates how well solutions address the lack of roles and responsibilities in the Finance and Accounting department. Solutions targeting specific components or providing comprehensive problem-solving are considered. This criterion examines solution scope, strategic direction, risk impact, and time commitment.
- **Feasibility** This criterion assesses solution feasibility, accounting for technical constraints and robustness of solutions. Factors include economic, technological, and legal considerations. The deeply ingrained club culture and existing processes influence feasibility.
- **Reliability:** Focuses on solution durability and long-term usability. Reliability is considered, ensuring solutions are not short-term fixes but contribute to long-term operational stability.
- **Financial Cost:** This criterion examines the cost-benefit analysis of each solution to ensure benefits outweigh costs. A solution's economic viability and price ratio are considered.

- **Ease of Follow-Up:** This criterion evaluates the practical implementation and monitoring of proposed solutions by internal or external parties. It assesses reliance on specialized knowledge, feasibility of short- and long-term implementation, and the overall ease of scalability.

The scoring process used to reach the final decision is shown in Table 10.



Table 2*Evaluation of Solution Alternatives*

	Effectiveness 30%	Feasibility 25%	Reliability 20%	Financial Cost 15%	Ease of Follow-up 10%	Total
Building a Corporate identity	8	6	9	5	6	7.05
Personnel workshops/ Training	9	9	8	8	8	8.55
Implement weekly Jour Fix	7	9	8	9	10	8.3
Find partnerships within the sustainable market	9	7	10	7	7	8.2
Implement Enterprise Resource Planning (ERP) System	6	5	10	5	6	6.4
Restructure Financials and Resource Statements	5	5	9	6	6	6.05
Participate in Leadership & Management Workshop	8	7	9	7	7	7.7

Note. The weighting of the evaluation criteria was set in collaboration with the company and goes from 1 to 10 in which 10 is the best rate. The total weighted score is the sum of the weighting of each of the assumed average score and is used to make a final decision.

The final solutions were selected through a collaborative process involving Café Comadre's team and the consulting team, who assessed each solution based on predetermined criteria and weightings. As there is not only solution embeddable for the company's purpose to establish sustainable growth, the following four main alternative solutions got chosen from the ranking:

- Personnel Workshops/ Training
- Implement weekly Jour Fix
- Find partnerships within the sustainable market
- Participate in Online Leadership & Management Workshop

6.3 Conclusions

In summary, this chapter has explored potential solutions for the challenges identified earlier. Collaboratively with Café Comadre, seven alternatives were crafted: Corporate

Identity, Personnel Training, Weekly Jour Fix, Sustainable Partnerships, ERP System, Financial Restructuring, and Leadership Workshops. These solutions were evaluated based on criteria like effectiveness, feasibility, reliability, cost, and ease of implementation.

Figure 17

Seven Solutions Alternatives



Among them, four standout solutions were chosen: Leadership Workshops, Sustainable Partnerships, Weekly Jour Fix, and Personnel Training. These choices were made due to their alignment with challenges and growth potential. These selected solutions offer a comprehensive strategy. Leadership workshops enhance José Euchí's skills. Partnerships promote Café Comadre's ethical image. Weekly Jour Fix improves teamwork, and personnel training enhances service quality.

By embracing these solutions, Café Comadre can create a cohesive strategy that drives growth, aligns with its vision, and establishes a strong position in the competitive coffee market.

Chapter VII: Proposed Solution

This chapter provides detailed information about the alternative solutions evaluated in the previous chapter. It also explains how the alternative solutions were eliminated based on different criteria explained in Chapter VI and how the final solution was determined. After

careful evaluation in Table 10, four primary solutions based on the highest scores were chosen as the most promising, aligning with the identified challenges and demonstrating potential for Café Comadre's sustainable growth and operational excellence.

The proposed solution with the highest score places a strong emphasis on comprehensive workplace training aimed at enhancing customer satisfaction and service quality. Achieving at least an 8 or 9 score in all assessment criteria areas, this solution emerges as the most straightforward, efficient, cost-effective, and effective approach to address Café Comadre's key challenge. By implementing well-structured training initiatives, employees can acquire vital skills, enhance task efficiency, and significantly contribute to the café's overall prosperity. These training efforts not only foster individual growth but also provide a solid foundation for organizational advancement. Through these training programs, employees are equipped with essential competencies that boost productivity, adaptability, and proficiency in crucial areas such as communication and problem-solving. Consequently, the solution received a score of 8.55 and will proceed with implementation.

Café Comadre aims to foster improved communication and collaboration among its team by introducing a well-organized schedule of weekly "Jour Fixe" meetings. This proposed solution has achieved a score of 10 for its ease of implementation and follow-up. This is due to its consistent weekly occurrence and its applicability as both a short-term and long-term measure. These meetings will serve as a platform for discussing ongoing projects, monitoring progress, and addressing any prevailing challenges. The establishment of a regular meeting schedule is expected to enhance communication effectiveness, bolster team cohesion, and facilitate personalized feedback exchanges. The success of these "Jour Fixe" meetings hinges on well-defined objectives, efficient time management, and a conducive environment for sharing ideas. Following the evaluation outlined in Table 6, this solution has received a score of 8.3 and will be put into action.

Enhancing the café's commitment to sustainability can be achieved by forging strategic partnerships within the sustainable market. Collaborating with aligned enterprises,

such as sinba, can significantly contribute to Café Comadre's distinctiveness while fostering trust among its employees, customers, and stakeholders. Furthermore, this strategy entails capitalizing on fair trade certifications and forming alliances with startups that prioritize sustainability. As a result, the proposed solution has garnered a notable score of 9 for effectiveness and a perfect score of 10 for reliability. This solution comprehensively addresses Café Comadre's aspiration to establish a more responsible and sustainable coffee shop. By embracing ethical principles and environmentally conscious practices, Café Comadre can effectively meet the growing demand for sustainable products and establish a competitive advantage. This approach, earning a commendable score of 8.2, ranks as the third highest and is therefore set to be implemented.

Finally, the last proposed solution to be implemented, with a total score of 7.7, involves participation in leadership and management workshops. Café Comadre recognizes the challenge of leadership effectiveness, particularly in light of José Euchí's diverse responsibilities. To address this issue, the solution entails having José take part in online leadership and management courses aimed at refining his leadership, communication, and delegation skills. Through the utilization of these courses, José can more adeptly guide the team, fostering growth within the company. This approach has the potential to enhance staff morale and effectiveness. The company needs to make an initial investment to realize the long-term reliability of this solution. Therefore, the solution has received a score of 7, as it is still more cost-effective than implementing a new ERP System, which would require a higher investment. By investing in leadership workshops, Café Comadre can not only augment

José's leadership capabilities but also create a framework for task delegation within a skilled team. This strategic decision ensures focused management and clear communication, positioning Café Comadre for sustainable growth and success.

Chapter VIII: Implementation Plan & Key Success Factors

Chapter VIII delves into the practical implementation plan, its activities, budget, and key success factors of the project. The primary aim of this implementation plan is to enhance awareness and participation in educational programs under Café Comadre. Building upon the four alternatives evaluated and described in Chapter VII, these options are now integrated into a phased implementation strategy featuring five core phases, key milestones, and an accompanying budget. These five phases will be executed over the next six months, with the possibility of reaching all milestones during 2023 and early 2024. These phases are visually represented in a Gantt chart. In addition, this chapter assesses the key factors contributing to the success of the project, including the enablers and associated risks.

8.1 Activities

The Implementation Plan activities are tailored to the solutions chosen in Chapter 6.2. Each solution varies in the number of activities required. While there is some flexibility to reschedule and adapt activities within the weeks, it's essential to recognize that these steps are interdependent, with each phase building upon the previous one. Successful project management often involves revisiting and adjusting plans as needed. Therefore, it's advisable for José Euchí to regularly re-evaluate his priorities and allocate time effectively based on emerging opportunities on a rolling weekly basis to contribute to the overall success of the company's objectives.

8.1.1 Assumptions

However, the success of this implementation plan hinges on several critical assumptions. Firstly, it assumes a guaranteed commitment of four to six hours per week, calculated based on 5 workdays, dedicated to the plan, totaling a maximum of 156 hours over 26 weeks. Secondly, it presupposes a total budget requirement of approximately \$17,980.00 Soles, which will be further explained in Chapter 8.3. Café Comadre must ensure it possesses the necessary financial resources to support the selected solutions.

As part of these assumptions, it's important to note that the proposed budget does not allocate any costs for José's time. This omission is deliberate, as José's consistent and dedicated involvement, exceeding the 4-6 hours per week, is deemed essential for the project's successful outcome. Similarly, employee salaries and the time they allocate to the solutions are not completely factored into the budget, as these activities are expected to occur also during their regular working hours. Additionally, operational-related expenses have already been incorporated into the budget, utilizing existing available resources.

Furthermore, the implementation plan does not currently account for the costs associated with the final collaboration with the potential partner, sinba. This omission is due to the absence of a finalized offer from sinba at this stage. Nevertheless, it's important to highlight that the calculated consulting fees encompass variables related to the establishment of sustainable partnerships, which may apply to such collaborations in the future.

8.1.2. Key Milestones

Within the 26-week implementation period for each identified solution, six key milestones have been established to assess the success of the transition and track progress. These milestones serve as vital markers to measure the effectiveness and accomplishments of each solution. Here are the specified milestones along with the approximate weeks when they could be achieved:

- Weeks 7: Key Milestone - Establish a regular meeting schedule
- Weeks 9: Key Milestone - Gather feedback from customers
- Weeks 12 Key Milestone - Create a framework.
- Weeks 13: Key Milestone - Enhance José's skills
- Weeks 17: Key Milestone - Achieve effectiveness and reliability
- Weeks 22: Key Milestone -Adapt framework.

These milestones represent pivotal moments in the implementation process, highlighting significant advancements and progress toward achieving the desired outcomes.

8.1.3. Phased Approach

A phased approach is well-suited for Café Comadre, ensuring steady weekly progress towards achieving milestones and goals. The plan is fully prepared for implementation, commencing beginning of October 2023, following its readiness at the end of March 2024.

Phase 1: Pre-Implementation Planning (Weeks 1-6). In the initial two weeks, Café Comadre identifies specialists for essential training, setting the foundation for skill development. Concurrently, employees are informed about upcoming weekly meetings in Week 1. Weeks 3-4 initiate training, focusing on customer service and brand communication, while Weeks 5-6 introduce simulations for operators to practice real-life customer interactions. The phase concludes with constant follow-up on customer satisfaction and the design of materials for future meetings, streamlining operations for the long term.

Phase 2: Establishing a Sense of Urgency (Weeks 7-11). During the subsequent five weeks, Café Comadre focuses on creating a sense of urgency among its employees and stakeholders. Week 7 marks a significant milestone with the establishment of a regular meeting schedule. During Weeks 7-8, changes in customer service are put into effect, and this practice continues throughout the following phases. Weekly customer surveys in Week 9 facilitate continuous feedback collection and data analysis, driving improvements. The last week of Phase 2 hosts a team meeting to adjust actions based on customer feedback. Additionally, brief weekly meetings and personalized feedback exchanges are held consistently, fostering employee collaboration and growth.

Phase 3: Forming a Powerful Coalition (Weeks 12-16). The subsequent phase spanning weeks 12 to 16 focuses on forming a robust coalition within Café Comadre. Phase 3 concentrates on forming a robust coalition. Weeks 12 and 13 create a framework for effective collaboration, while partnerships with sustainable enterprises evolve during Weeks 12-16. Customer surveys continue in Week 14, guiding decision-making. Week 16 hosts another team meeting to fine-tune strategies based on feedback, further enhancing team cohesion.

Weekly meetings and personalized feedback exchanges are sustained.

Phase 4: Training and Skill Development (Weeks 27-21) The next five weeks prioritize training and skill development among Café Comadre's workforce. Week 17 marks a key milestone with the achievement of effectiveness and reliability through José's participation in additional management courses. Weeks 17-18 maintain the practice of implementing customer service changes, ensuring consistency. In Week 19, another customer survey is conducted to refine service quality. By Week 21, a team meeting provides a platform for open discussions, operational improvements, and personal feedback sessions. Weekly meetings and personalized exchanges endure.

Phase 5: Brand Image Enhancement (Weeks 22-26). In the final phase spanning weeks 22 to 26, Café Comadre concentrates on enhancing its brand image to reflect sustainability. The final phase places emphasis on enhancing Café Comadre's brand image and sustainability efforts. Week 22 highlights an adaptable framework to facilitate ongoing improvements. Customer service enhancements continue in Weeks 22-23. Consistent customer surveys in Week 24 contribute to standardizing service quality assessment. In Week 26, a monthly team meeting format is introduced for long-term success. Café Comadre maintains weekly meetings and personalized exchanges while continually researching fair trade certifications and search further alliances with startups prioritizing sustainability.

8.2 Implementation Gantt Chart

The Gantt chart serves as a visual schedule and a pathway to success for Café Comadre. Within this Gantt chart one can discern the upcoming stages of Café Comadre's implementation and the corresponding timeline. This Gantt chart, along with the activity implementation plan, functions as a guiding framework for achieving the critical milestones outlined jointly by the consulting team and José Euchi.

This chart lays out the progressive steps necessary to realize Café Comadre's goal of attaining additional educational group milestones within the allocated four to six hours per

week designated by José for this strategic roadmap. As elaborated in previous subsections, the Gantt Chart represents an implementation plan structured into five phases and associated milestones. It is further dissected into weekly tasks that are essential to align with the growth strategy of Café Comadre. It's worth noting that during the time slots, more than one task may be completed, as indicated by the presence of multiple tasks in each week. Additionally, some tasks are inherently sequential, contingent on the successful execution of preceding steps in the plan.



Table 3

Implementation Plan



Solution	Phases	Phase 1					Phase 2					Phase 3					Phase 4					Phase 5					
		W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20	W21	W22	W23	W24	W25	W26
Personnel Workshops/ Training	Identify specialists to conduct training																										
	Initiate training on customer service and brand communication																										
	Conduct simulations for operators to practice customer service and mission and vision communication in real situations																										
	Implement changes in customer service by employees																										
	Conduct customer surveys																										
	Hold a team meeting to adjust actions based on customer feedback																										
Implement Weekly Jour Fixe Meetings	Communicate to employees about the upcoming weekly meetings																										
	Design specific materials that include information about the content (for example mission and vision) of weekly jour fixe																										
	Conduct the weekly meetings																										
	Facilitate personalized feedback exchanges																										
Forge Strategic Partnerships in the Sustainable Market	Identify potential partners and enterprises aligned with sustainability																										
	Contact partners to enhance sustainability																										
	Research on fair trade certifications																										
	Meetings with different partnership opportunities																										
	Recreation/Redesigning coffee shop																										
	Collaborate with selected partners																										
	Search further alliances with startups prioritizing sustainability																										
Participate in Online Leadership & Management Workshops	Identify suitable online leadership and management courses																										
	Enroll José Euchí in online leadership and management courses																										
	Create a framework for task delegation within a skilled team.																										
	Enhance José's leadership, communication, and delegation skills.																										
	Improve staff moral within the company through José's improved leadership.																										
	Make further initial investment in leadership workshops																										
	Provide constant follow up on customer satisfaction																										
	Prepare weekly Jour Fixe Meetings and Plan Personnel Trainings																										

Note.

8.3. Budget

The budget required for the implementation of the plan amounts to a total of 17,980.00 soles. Table 12 presents the costs associated with the solution that will be implemented and consists of: salaries of the analysts who will provide the training, didactic materials as well as motivation to carry out the training, changes in the infrastructure of the premises that consists of showing more images and photos about the activities based on sustainability of the company, as well as showing the strategic allies who are the coffee growers. Also, operating expenses are identified, consisting of working hours paused to conduct workshops.

Table 4

Budget

1. Total Consultant Fees:		
Management Team Overtime :	S/	6,750.00
Sustainability Analyst:	S/	6,000.00
2. Training Materials:		
Training Presentations:	S/	240.00
Informative Documents	S/	100.00
Café Comadre Uniform (for training staff):	S/	750.00
3. Infrastructure Costs:		
Images of Coffee Farmers.	S/	300.00
4. Operational Costs:		
Meetings:	S/	240.00
5. Labor Hours Associated with Training:		
Cost of employee labor hours dedicated to training.	S/	3,600.00
Total Cost	S/	17,980.00

The values specified in the proposal budget were meticulously derived through thorough research and estimation. To determine the cost of Café Comadre's uniforms, we conducted interviews with suppliers who quoted an approximate price of 150 soles for each of the 5 leather aprons, each customized with the company's logo.

For calculating the overtime expenses for the administrative team, we assumed there would be at least 20 meetings, each requiring 1.5 hours of overtime over a 5-month period. This calculation factored in an operational team consisting of 11 employees, each with an average overtime rate of 20.5 soles per hour.

In determining the cost of the sustainability analyst, we referred to previous projects as a reference point and established an hourly rate of 200 soles. This rate accounted for a total of 20 follow-up meetings during the project, each lasting 1.5 hours.

Regarding the cost of informative documents, we based it on the number of meetings (20) and a cost of 5 soles for printing the illustrative materials, which was obtained through consultations with the supplier.

The expense associated with presentations was estimated at 2.4 times the cost of the briefing papers. This includes expenses related to preparing computer materials and providing small refreshments to encourage active participation during the meetings.

The cost for displaying images of the farmers on the walls to highlight Café Comadre's strategic alliances was determined through consultation with the supplier of the glass frames.

As for the meetings, we included the cost of providing team lunches at the end of each stage of the implemented plan. These lunches, which are relatively low-cost, are provided by Café Comadre and were included in our calculations.

Finally, for the cost of employees' working hours dedicated to training, we considered an average hourly cost of 11 soles per hour for all operational and kitchen personnel (totaling

11 people). This cost was then multiplied by 1.5 hours per meeting, taking into account a total of 20 meetings.

8.4 Key Success Factors

To attain the objectives outlined above, it is essential to consider specific factors. Firstly, the company must acknowledge the enablers crucial for achieving successful outcomes. Secondly, there are inherent risk factors that the company may encounter during the execution of various activities. These two sets of factors are interconnected, and their careful consideration is pivotal for the successful implementation of the proposed solution.

8.4.1. Enablers

Face to face meetings with staff. Face to face meetings with staff play an integral role in nurturing a harmonious work environment. These personal interactions provide an open space for staff to express their concerns, share ideas, and feel valued. Employees might not feel comfortable asking questions or providing feedback when exposed to the whole group so one on one meetings give them the opportunity to express themselves without pressure. Meetings should be structured to make them more effective use of time. Starting by asking if there are any questions before beginning. Then telling about changes that are going to happen and why they are being implemented, also clarifying what is expected from the person in question.

Clear instructions. Clear instructions on what to do and why are pivotal in achieving seamless execution. The practice of explaining changes comprehensively to both the team collectively and individually minimizes confusion. It ensures that everyone understands the purpose behind alterations, promoting a sense of ownership and commitment among staff members. Café Comadre has a quite a large team of 11 people, so it is crucial avoid misunderstandings because they can be amplified when going through multiple people. The face-to-face meetings would be essential in aiding with communication, as a concise meeting avoids wasting time down the line.

Feedback channels for staff. Clear feedback channels would be very beneficial for Café Comadre to keep them adaptable to problems or changes the staff sees. By maintaining low barriers for feedback, the cafe establishes an atmosphere where employees feel heard and understood. This open communication allows for quick adjustments and ensures that staff remains motivated and engaged. To balance both, José would benefit from the insights gained from staff members who maintain constant contact with the customer base, enabling him to make prompt adjustments if the targets are not being met.

Utilization of data. To maintain competitive edge Café Comadre should pay close attention to all data it collects from sales, customers, and staff. Café Comadre has information from their cash register software about everything they have sold, but this data isn't really utilized. Proper utilization of collected information allows Café Comadre to be more intune with its environment. By making data easily accessible the café is able make decisions based on good insight. By taking time to go through which products are the best sellers Café Comadre can focus their efforts on the few items that produce most of the revenue.

Customer feedback. Soliciting ongoing customer feedback is a fundamental element of Café Comadre's success strategy. Instead of relying only on surveys, the café should actively seek input during customer interactions, creating frequent opportunities for patrons to express their opinions. This approach is particularly important as highlighted in the qualitative analysis, where it was discovered that most of Café Comadre's customers were unaware of the café's support for farmers. By continuously gathering customer feedback, the café can closely monitor the effects of branding changes as soon as they are implemented. This iterative feedback-gathering process ensures that the café remains responsive to evolving customer preferences, delivering a consistently exceptional dining experience.

Table 5

Enablers

Enablers	How to ensure it
Face-to-Face meeting	Individual meetings with staff members to go over changes and to hear questions and feedback.
Clear instructions	Explain each step carefully and be open to questions, as it is crucial that everyone is on the same page from the beginning
Feedback Channels	Ways for staff to leave feedback easily and safely
Utilization of data	Paying close attention to data gathered from sales, customers and staff
Customer Feedback	Continuous monitoring of customer feedback to see effects on changes and general feelings of customers

8.4.2. Risks

Lack of buy-in. The lack of commitment from either staff or management emerges as a significant concern. If the management fails to set a positive example or if staff perceive the efforts as unworthy, it can jeopardize the entire strategy. A deficiency of buy-in from those responsible for execution can undermine even the most meticulously laid plans. To mitigate this risk, Café Comadre should cultivate a culture characterized by a shared vision and purpose. Management should lead by example, demonstrating their unwavering commitment to the strategy. Additionally, regular communication and engagement with staff, wherein the importance and benefits of the strategy are explained, can be instrumental in fostering commitment and enthusiasm among the team.

Unclear communication. Misunderstandings and unclear communication represent another substantial risk. If instructions and objectives are not conveyed clearly, staff may inadvertently head in the wrong direction. Miscommunication can lead to wasted time and resources, impeding progress. Clear and effective communication is the key to overcoming this risk. Café Comadre should establish robust communication channels, ensure that instructions are written clearly, and encourage staff to ask questions and seek clarification when needed. Regular check-ins and feedback loops can help ensure that everyone is on the same page.

Loss of productivity. Loss of productivity during changes affecting business is a noticeable concern. Any significant changes made to the cafe's operations can disrupt the flow

of business and affect overall productivity. Balancing the need for change with minimal disruption is a delicate challenge. To minimize disruptions during changes, Café Comadre should follow the changes carefully in phases. They can also consider conducting pilot tests before full-scale implementation to identify and address potential issues. Communication with customers about changes and any temporary inconveniences is also crucial to manage expectations.

External competition. Intense competition is a perpetual threat within the food industry. The emergence of new competitors and improvements by existing ones can rapidly diminish market share. During periods of change, local market dynamics may shift, offering competitors a stronger foothold. To remain competitive, Café Comadre must continually monitor the market and its competitors. Investing in research and development to drive innovation and maintain a unique selling proposition is imperative. Moreover, fostering customer loyalty through exceptional service and experiences can serve as a protective barrier against competitive pressures. In the branding phase, Café Comadre can enhance its visibility among customers, thereby increasing its market share.

Involving staff in the process. Exclusion from the decision-making process can lead to feelings of resentment among employees and stakeholders. This resentment may manifest as resistance, making the implementation of strategic plans more challenging. To mitigate this risk, Café Comadre should involve a diverse group of staff in the strategic planning process to ensure broader buy-in. Regular communication about the strategy's goals, progress, and the rationale behind decisions can help address feelings of exclusion.

Improper execution. Improper execution can lead to sub-par results, which can be disheartening. If the the strategy doesn't yield immediate results, there is risk of prematurely abandoning it. Café Comadre must maintain patience and trust in the process. It's important for Café Comadre to set realistic expectations regarding the time it takes to

see results. They should maintain a long-term perspective and regularly review progress against predefined milestones. Continuous training and support for staff can help maintain their motivation during this period.

Improper resource allocation. Incorrect budgeting, whether overestimating or underestimating resources that are available can lead to financial trouble in later phases. If the budget is too small, it can make the result not as effective leading to discouragement. Striking the right balance is essential. Careful financial planning and budgeting are essential. Café Comadre should take time to reorganize the bookkeeping to accurately estimate costs and available funding. Regular financial reviews and adjustments can help ensure that the budget remains aligned with the strategy's requirements.

Table 6

Risks

Risks	How to avoid it
Lack of buy-in	Management can lead by example to increase the commitment of staff
Unclear communication	By taking time right at the beginning to make sure everyone understands what is happening and why
Loss of productivity	To minimize losses on productivity the plan is divided into phases, that should make implementation smoother
External competition	Paying close attention to data gathered from sales, customers and staff
Involving staff in the process	Continuous monitoring of customer feedback to see effects on changes and general feelings of customers
Improper execution	Maintain long-term view and review milestones regularly to stay on track
Improper resource allocation	Track expenditures closely to see which items contribute the most

8.5. Conclusion

In conclusion, this chapter has presented a comprehensive strategic implementation plan for Café Comadre's sustainability project, which aims to enhance awareness and participation in educational programs. The plan is rooted in the careful evaluation of alternative solutions, leading to a well-structured, phased implementation strategy. This

approach allows for a systematic progression over six months, with the potential to achieve key milestones within 2023 and early 2024.

The activities outlined in the plan are intricately tailored to align with the selected solutions and are designed to be adaptable within weeks while emphasizing their interdependence. A commitment of four to six hours per week and a budget of approximately \$17,980.00 Soles are critical assumptions underpinning this plan. Throughout the 26-week implementation period for each solution, six key milestones have been strategically positioned to assess the effectiveness of the transition and track progress. These milestones serve as critical markers, signifying significant advancements in the journey towards achieving the desired outcomes.

The phased approach, spanning from October 2023 to March 2024, is divided into five key phases: Pre-Implementation Planning, Establishing a Sense of Urgency, Forming a Powerful Coalition, Training and Skill Development, and Brand Image Enhancement. Each phase has specific objectives, activities, and milestones, which are strategically designed to create a coherent and effective sustainability strategy.

In addition to the plan itself, this chapter has highlighted key success factors and potential risks. Enablers such as face-to-face meetings, clear communication, data utilization, customer feedback, and effective resource allocation are critical for the project's success. However, risks such as a lack of buy-in, unclear communication, loss of productivity, external competition, staff involvement, improper execution, and resource allocation challenges must be carefully managed to ensure the successful implementation of the proposed solutions.

Chapter IX: Expected Outcomes

This chapter presents the realistic short-term and long-term outcomes achievable for Café Comadre. With the analysis of the implementation plan it is assumed that these outcomes can be realized during or immediately after its completion. Talking about shortterm

outcomes, typically within 1-3 months, the most important ones are: (1) Immediate employee skill enhancement and team building, (2) Improved leadership abilities and team coordination, (3) Strengthened reputation for ethical practices and sustainability, (4) Enhanced team communication and productivity. Long-term outcomes, which extend from longer than 3 months to up to 3 years, are the following: (1) High customer satisfaction, (2) Engaging a memorable customer experience, (3) Increased employee retention, (4) Attract a broader customer base, (5) Strong brand identity. These outcomes are related to each phase of Gantt's Implementation plan (see Table 11).

Table 7

Short-term and long-term outcomes per phase of implementation

Phase of Implementation	Short-term outcomes	Long-term outcomes
Phase I: Pre-Implementation Planning		
Phase II: Establishing a Sense of Urgency	Improved Leadership Abilities and Team Coordination	High Customer Satisfaction Engaging and Memorable Customer Experience
Phase III: Forming a Powerful Coalition	Immediate employee skill enhancement and team building	Increased Employee Retention
Phase IV: Training and Skill Development	Strengthened Reputation for Ethical Practices and Sustainability	Attract a broader customer base Strong Brand Identity
Phase V: Brand Image Enhancement	Enhanced Team Communication and Productivity	

9.1. Short-term outcomes

Immediate employee skill enhancement and team building. Café Comadre will strategically invest in a range of personnel workshops and training programs to enhance the capabilities and effectiveness of its workforce. Quantitatively, there is an anticipation of a substantial increase in employees' performance scores within three months following the implementation of these training programs. This numerical evaluation will provide a clear and measurable indication of progress. Additionally, attention will be directed towards assessing the "Time-to-Competence" of employees. This metric will help understand how rapidly the workforce can become proficient in the newly acquired skills, directly impacting

their contributions to the team. Further „Skill Proficiency Scores” will be implemented to measure improvements in skill assessments taken before and after training, "Task Completion Time" to signal skill enhancement through 10% reductions in task completion time, and

"Error Reduction" to track decreases in errors or mistakes related to the newly acquired skills.

In parallel, Team Satisfaction Surveys will be held, providing insights into team members' satisfaction levels regarding team dynamics and cooperation, aiming to identify any noticeable increases in satisfaction scores, thus gauging the effectiveness of the training programs in promoting better teamwork and collaboration.

Café Comadre strives for a minimum 10% increase in employees' performance scores. Each member of the team is expected to achieve a minimum score of 8.5 in performance appraisals, reinforcing the organization's dedication to nurturing the growth and development of its invaluable workforce.

Improved Leadership Abilities and Team Coordination. Enhancing leadership abilities and fostering better team coordination is a critical element of Café Comadre's strategic endeavors, with the aim of improving overall operational efficiency and synergy across the organization. To assess the effectiveness of these efforts, specific indicators, their relevance, and proposed goals have been outlined. The goal is to achieve a substantial decrease in operational errors, targeting at least a 15% reduction within the initial two months of implementing the leadership workshops. This reduction should become noticeable within two months following the completion of leadership workshops. The decrease in operational errors and the improved coordination among team members directly mirror the positive impact of the leadership development initiatives. As operational errors diminish and communication becomes smoother, it signifies that José Euchí is becoming more adept at guiding the organization and promoting enhanced team dynamics.

Strengthened Reputation for Ethical Practices and Sustainability. A crucial indicator for the sustainability initiative involves observing a noticeable upswing in positive customer feedback and online reviews that commend Café Comadre's ethical practices and sustainability efforts. Additionally, there is an aim for a 20% increase in awareness that Café Comadre is a sustainable brand. These trends are expected to manifest within four to six months of establishing sustainable partnerships. This feedback and awareness serve as direct reflections of the cafe's reputation and alignment with ethical and sustainable values. In summary, the overarching goal is a 20% increase in positive customer feedback related to ethics and sustainability within four to six months, signifying an enhancement in the cafe's reputation. Furthermore, a commitment exists to measure and reduce the carbon footprint annually by 5%, supporting the broader sustainability strategy.

Enhanced Team Communication and Productivity. An essential performance indicator for Café Comadre involves reducing the time needed to complete key tasks or projects. This improvement should be visible within three months of implementing weekly Jour Fixe meetings aimed at enhancing team collaboration. To assess the effectiveness of these meetings, Café Comadre is implementing Feedback Loops, Quality of Deliverables evaluations, and monitoring Conflict Resolution Rates. Feedback mechanisms within the team will encourage continuous improvement, involving monitoring the frequency and quality of feedback exchanged among team members. Reducing task completion time reflects improved communication and productivity resulting from these meetings. The goal for this indicator is to reduce task completion times by at least 10% within the initial three months of implementing the weekly Jour Fixe meetings. Achieving this goal signifies a substantial enhancement in operational efficiency and productivity, demonstrating the positive impact of collaboration efforts. Additionally, employee engagement and satisfaction will be assessed using Likert scale surveys. This qualitative assessment provides insights into employee

engagement and contentment, complementing efforts to cultivate a more cohesive and productive team.

9.2. Long-term outcomes

High Customer Satisfaction. In its pursuit of a long-term goal focused on sustaining exceptional customer satisfaction. A pivotal metric in this strategy involves regular customer satisfaction surveys with questions rated on a scale, enabling accurate assessment of overall satisfaction. The ambitious target is to consistently maintain customer satisfaction scores above an impressive 90%, reflecting customers' contentment and their experience quality.

Equally significant in the quest for long-term success is the measurement of the customer retention rate, committed to maintaining it at a minimum of 85% for at least one year. This measurement underscores dedication to acquiring and retaining customers through consistently exceptional service and experiences. These measurements hold a central place in the strategic approach, recognizing that high customer satisfaction is fundamental to ensuring loyalty and positive word-of-mouth. The unwavering commitment to maintaining satisfaction scores above 90% and a customer retention rate of at least 85% signifies a relentless focus on providing outstanding products and services.

Engaging and Memorable Customer Experience. To measure the attainment of an immersive and lasting customer experience, the key metric involves tracking a 20% surge in customer referrals and a 15% expansion in repeat business within a one-year timeframe. An engaging and memorable customer experience acts as the catalyst for heightened customer loyalty, word-of-mouth referrals, and the sustainable growth vital for long-term prosperity.

Increased Employee Retention. A key measure of success for the cafe is the decrease in turnover rates among its employees. This decrease not only signifies improved job satisfaction but also the retention of valuable talent. Both these elements are essential for fostering a stable and experienced workforce, which, in turn, plays a pivotal role in the cafe's long-term

organizational success. To gauge the impact of team-building activities, employee turnover rates are actively measured before and after these activities. Higher retention rates observed after such activities can suggest improved team cohesion and job satisfaction among employees. The overarching objective is to achieve a substantial decrease of at least 20% in annual employee turnover rates over the course of two years.

Attract a Broader Customer Base. To measure the success of attracting a broader customer base, the indicator is a noticeable increase in the diversity of customer demographics and a 10% growth in the customer base over two years. Attracting a broader customer base ensures long-term market sustainability and growth by reaching new segments of potential target group.

Strong Brand Identity. Its core objective is a strong and enduring brand identity, supported by key indicators emphasizing consistency and recognition across marketing channels for at least two years. Prioritizing the analysis of long-term trends in ethical practices and sustainability reflects its dedication. Evaluating partnership opportunities resulting from these efforts showcases its commitment. Annual sustainability reports and CSR reports provide transparency, tracked for impact. Its strategic goal involves fostering partnerships with one new partner annually for three years to enhance its ethical and sustainable practices and community impact. A consistent brand identity ensures recognition, trust, and market distinction, contributing to long-term brand equity and emphasizing its commitment to ethics and sustainability.

9.2. Conclusion

These comprehensive indicators and goals provide a roadmap for Café Comadre to assess and track the success of its strategic initiatives in both the short-term and long-term, ensuring that the organization remains aligned with its objectives and continues to thrive in a competitive market.

Chapter X: Conclusion and Recommendations

In conclusion, the consulting team has drawn valuable insights from their collaboration with Café Comadre, resulting in key recommendations. Additionally, recommendations have been provided to guide future developments in the coming years.

8.1 Conclusions

In this conclusion, the thesis offers a comprehensive overview of the project's implications for Café Comadre, building upon the insights gained in each individual chapter.

Throughout the analysis, various models were employed, such as the Fishbone Analysis, the Gantt Chart, and a thorough qualitative examination, which played a pivotal role in structuring the project and shedding light on Café Comadre's current standing.

Café Comadre exhibits several strengths, including a decentralized supply network that ensures a consistent supply of high-quality ingredients, bolstering operational resilience. Additionally, the café is strategically positioned to tap into the growing demand for sustainable offerings in the coffee industry, aligning seamlessly with both its mission and customer preferences. However, there are areas that warrant attention, such as the need to amplify the promotion of sustainability initiatives, attract customers throughout the day, create a more inviting ambiance, and address financial and staffing challenges. The café's advantageous location in Pueblo Libre certainly offers a competitive edge. Still, it's imperative to remain vigilant in mitigating potential threats, including increased competition, low brand loyalty, currency fluctuations, and emerging coffee crop pests.

Through the Fishbone analysis, lack of knowledge came out to be the most influential root cause for many of the problems in the company. Other significant factors included internal processes like inventory management and staff training. Through the analysis, proposed solutions were developed.

Café Comadre's core mission revolves around empowering Peruvian coffee farmers and promoting sustainability, with a vision of gaining recognition for its commitment to these values. These values are inextricably linked to the implementation plan, visually represented in the Gantt Chart. Moreover, the implementation plan's enduring relevance is a noteworthy aspect. It isn't confined to the immediate future but can also be adapted for future phases and individual steps in the years ahead. It should serve as a base to improve the business and as a guide on what areas of the company should be shown extra attention.

From the consulting team's perspective, this project has been a transformative learning experience across all facets, providing valuable insights that can be applied effectively in future work settings. Getting to tackle problems faced by local businesses gave opportunities to apply the theoretical teachings in practical situations.

8.2 Recommendations

Through a comprehensive root cause analysis, it has been identified that a lack of knowledge serves as the primary factor contributing to the challenges faced by Café Comadre. The deficiency in knowledge, encompassing both the staff and leadership, has hindered the cafe's capacity to adapt promptly to evolving customer expectations and the dynamic landscape of the food industry.

As a solution to this fundamental issue, it is recommended that Café Comadre implement an extensive training program that encompasses both staff and leadership. This training initiative should encompass a range of essential areas, including data utilization for decision-making, enhancement of customer service quality, and optimization of inventory management through data-driven insights. Acknowledging the potential resistance to change, particularly in the form of training programs, it is advisable for Café Comadre to initiate regular face-to-face meetings with staff members. These meetings should serve as a platform for open communication, addressing concerns, and articulating the tangible benefits that the training program will bring, not only for the cafe but also for personal and professional development.

In pursuit of continuous improvement, it is strongly recommended that Café Comadre establish a robust system for monitoring customer feedback. This will provide invaluable insights into customer preferences and areas that require attention from the service staff. By harnessing this feedback, the cafe can tailor its services to exceed customer expectations, further enhancing its reputation and customer loyalty. The initial phase of implementation should focus on staff training to augment their knowledge and skill set. Going over useful practices like First In – First Out inventory management, selling techniques to increase the average bill and effective conveying of their sustainability. By prioritizing areas such as data-driven decision-making in actions like menu optimization based on item popularity and elevating customer service standards. Implementing lean inventory practices could be accomplished after analyzing the number of sales for each item to identify the products that are contributing the most. The products found to be least popular may be excluded from the menu to limit resource waste on unproductive options. These changes would set the foundation for the cafe's transformation. To expedite progress and bolster team morale, Café Comadre should consider quick wins. For instance, analyzing and prioritizing its most sold products can optimize its offerings and minimize inefficiencies. Furthermore, developing a performance evaluation framework for staff that incorporates incentives for exceptional performance and contributions to the cafe's success can motivate and align the team towards shared goals.

As a goal Café Comadre should strive to increase customer awareness about its sustainability initiatives to 70% of its customer base, representing a 25% increase within a six-month timeframe. With the continuous feedback surveys Café Comadre can quickly see if they are moving in the correct direction and adjust if results seem contradictory. This goal not only aligns with the cafe's mission but also serves as a measurable indicator of its progress towards a more sustainable and customer-centric approach.

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Appendix

Appendix A: Survey made for Café Comadre



Encuesta Comadre Café & Dan Dan Burger

¡Hola! Gracias por acceder a llenar esta breve encuesta. Tu feedback nos será de gran ayuda.

La duración estimada es de menos de 1 min y por tu participación te llevas un café o unas papas fritas GRATIS en tu próxima visita.*

Si deseas acceder a este premio no olvides dejarnos tus datos en la pregunta final.

**Incluye sólo café americano o cappuccino*

[Iniciar sesión en Google para guardar lo que llevas hecho. Más información](#)

**Indica que la pregunta es obligatoria*

Género *

- Femenino
- Masculino
- Otro: _____

Rango de edad *

- Menos de 25 años
- 25 a 36 años
- 37 a 47 años
- 48 a 58 años
- Más de 59 años

Distrito en el que reside *

- Pueblo Libre
- Magdalena del Mar
- Jesús María
- San Miguel
- Otro: _____

¿Cuántas veces nos has visitado? *

- 1 vez
- 2 veces
- 3 veces
- Más de 3 veces

¿Cómo te enteraste de nosotros? *

- Por Carolina Uechi
- Por Café Compadre
- Por amigos o familiares
- Por redes sociales
- Por un influencer
- Pasé o vivo cerca al local

¿Cuáles de nuestros productos fueron tus favoritos? *

Tu respuesta _____

¿Qué valoras más de nuestra propuesta? *

- Espacio (me gusta el ambiente)
- Sabor de los productos
- Atención del personal
- Precio de los productos
- Enfoque sostenible del café que utilizan
- Promociones
- Otro: _____

¿Cómo calificarías nuestro servicio el día de hoy? *

- 1 2 3 4 5
- Muy mala Muy buena

¿Sabías que Comadre Café se abastece de café más responsable y sostenible * que el promedio de cafeterías , reconociendo a los caficultores pagándoles 40% más que el promedio?

- Si
- No

¿Qué tan dispuesto está usted de pagar extra por un café sustentable? *

- 1 2 3 4 5
- Nada dispuesto Muy dispuesto

¿Qué tan importante es para usted, que sea Comadre Café, una cafetería sustentable y trabaje con proveedores que empoderen a los caficultores? *

1 2 3 4 5

Nada importante Muy importante

¿Recomendaría Comadre Café a sus familias, amistades o conocidos? *

Sí

No

¿En qué crees que debemos mejorar con respecto a otras cafeterías? *

- Espacio (Ambiente)
- Sabor de los productos
- Atención del personal
- Precio de los productos
- Enfoque sostenible del café que utilizan
- Promociones
- Otro: _____

¿Por qué medio te gustaría enterarte de Comadre Café? *

- Instagram
- Facebook
- Tiktok
- Twitter
- Diarios
- Noticias
- Otro: _____

Si tienes algún mensaje, comentario adicional, duda o sugerencia, por favor déjala aquí

Tu respuesta

Déjanos tu nombre y apellido si deseas acceder al café o papas GRATIS. ✦
*Reclámalo en caja en tu próxima visita indicando tus datos. Síguenos en Instagram <https://www.instagram.com/comadrecefe.pe/>

Tu respuesta

Enviar Borrar formulario



Appendix B: Sum of amount per category

Figure 18A

Sum of quantity per category

