



The Ultimate Mobile Coffee Business Plan: On a Budget

Premierline

BUSINESS INSURANCE BROKER

By [Premierline](#)

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Introduction

If you have an interest in coffee and enjoy working with the public, a mobile coffee business could be a great way to earn a living. You can choose your own hours and, as mobile coffee businesses can operate from a coffee cart, van or bike/trike, they are extremely adaptable, enabling you to trade from a variety of locations, including festivals, outdoor events, functions, weddings and more.

Work through our simple guide for building your mobile coffee business plan, and you could start trading for as little as £5,000.

Advantages and Disadvantages of running a mobile coffee business

Advantages	Disadvantages
Low start-up costs	Potential for long working hours
On trend	Competitive industry
Flexible working hours e.g. mornings, weekend work and late nights if you choose	Finding a suitable location to set up shop
A year-round product	





Deciding how to trade

One common question asked by prospective coffee cart owners is which business status is most suitable for a mobile coffee business, i.e. whether to trade as a company or an individual. The truth is there is no straightforward answer. Both have advantages and disadvantages, as well as tax, legal and financial implications.

The documentation provided by the [Central Government website](#) is particularly useful if you are unsure about how to structure your mobile coffee business.

Options include:

- Limited Company
- Limited Liability Partnership
- Partnership
- Sole Trader

Many mobile coffee businesses operate as [sole traders](#) because this allows them to keep 100 per cent of their profits (after tax). The downside of this structure is that they are personally responsible for any losses the business may incur. In contrast, a [private limited company](#) separates the individual from the company. This also means the coffee company's finances are separated from the individual. If you choose to form a limited company, you will need to nominate at least one company director and register the mobile coffee business via [Companies House](#). Once you have chosen the structure most relevant to your business, you must [register with HM Revenue and Customs' \(HMRC\)](#).

Luke Tomlinson, Grindsmith (Independent coffee chain)

"If at all possible, work alongside a larger business, as you share the cost in rents/utilities in a partnership set up, and it can mean you can offer something more rounded in terms of concept".

How to obtain a licence to trade

Obtaining the correct licence(s) for your mobile coffee business will depend on where you want to trade, and what you want to sell. For example, if you want to sell small snacks alongside your coffee, you will need to provide your local council with information about where your food is prepared. If you plan on serving hot drinks at unlicensed premises, you may need to contact your council for a [Temporary Event Notice \(TEN\)](#).

Trading in public places

For clarity, let us assume that you just want to sell coffee from a coffee cart, and you trade in a city centre. You will need to:

- Apply for a [Street Trading Licence](#). This is required if you plan on running your coffee cart in a city centre, as opposed to a suburb or town (these areas will require a separate licence). If you have a specific location in mind, this is worth mentioning in your application. Declaring this in the beginning will save you lots of time, as general licences are usually much harder to come by.
- Your local council should be able to provide you with a list of street names or areas where trading with your coffee cart is prohibited. Whether or not an application is granted depends if any objections are made during the consultation period, for example, by residents, businesses, other street traders, local police, transport companies, or the City Council's neighbourhood teams.
- In your application, you will likely be asked to provide a passport-sized image of yourself, as well as the street names/ areas you plan on trading at. If you plan on operating a mobile coffee cart or bike, it is worth asking whether a Pedlar's Certificate will suffice. This costs £12.25 a year and does not require a Street Trading Licence. A Pedlar's Certificate can be requested from your local police station, however, you should check with your local authority before pursuing this. [Citizen's Advice](#) also provide lots of information about trade licences.
- It is a legal requirement to register your coffee business with the Environmental Health Department at least 28 days before you begin trading. For more information about best practices, take a look at the [Food Standard Agency's website](#).





Trading on private land

Luke Tomlinson, Grindsmith (Independent coffee chain)

“Finding a pitch via a private landlord can prove beneficial in terms of removing the additional legwork of obtaining permits.”

Street Trading Licences are not required if you operate your coffee cart or bike solely on private land, such as an office car park, or at events or shows. They are legal as long as the organiser is in possession of a valid licence.

To operate a mobile coffee business at events and festivals, you will need to submit a Risk Assessment, Method Statement and other safety documentation. For more information on what you need before you start trading, take a look at the [NCASS legal checklist](#).

Obtaining a licence from an agency

If you are finding getting a licence from your council difficult, there is sometimes an alternative, depending on the area you live in.

Luke Tomlinson, Grindsmith (Independent coffee chain)

“It can be far easier to secure licences and permissions through agents who also work on behalf of the councils. Councils will often lean on them for advice anyway - for example there are two agencies in our area (Salford); ‘Crowd’ and ‘Urban Vision’ who work on behalf of Salford council”.

Buying stock

Sourcing stock from wholesalers

To operate a successful mobile coffee business, you will need to consistently source stock and sell it for a profit. To do this, you should seek support from a wholesaler.

Wholesalers sell goods in bulk, specifically for resale, and can end up costing less than retail. If you wish to turn stock over quickly, you may benefit from finding a trusted company with a reputable website.

Helen Ostle, Beyond the Bean
(Coffee & coffee supplies wholesalers)

“Choosing the right beans, espresso machine and grinder are the key decisions to be made, but what about all those little extras you cannot function without? For starters: cups. It may seem straightforward, but there are many different options to choose from, in all different sizes. Double or single walled? Double are more expensive, but would save the cost of a sleeve every time. But then sleeves can be used not only to promote your business by stamping your logo on, but also as a quick and easy loyalty card. Perhaps offer customers a stamp every time they re-use it, then a free coffee on the 8th or 10th cup.

As for sizes, these days an 8oz cup is necessary for shorter drinks, such as flat whites and cappuccinos. A 12oz is then for teas, and longer drinks such as lattes. Whilst the 8oz can be used for espresso and macchiato, customers often prefer a tiny 4oz cup. If you are going to be offering cold drinks you will need clear cups, with a choice of either flat or domed lids. Then, straws, stirrers, sugar sticks, and carry trays.

Don't forget to add some syrups to your menu - start off with classics like Caramel or Vanilla and then consider things like Iced Tea or Lemonade Syrups, which produce over 30 12oz drinks per 1 litre bottle, but take up much less space than ready-to-drink options, perfect for when you are limited on space.”

Many wholesalers offer an extensive range of products, and delivery is usually included in the sale. Here are a few specialist coffee wholesalers who are often used by small coffee businesses:

- [Beyond The Bean](#)
- [Small Batch Coffee Roasters](#)
- [Allpress Espresso](#)



Buying stock



Nick Barlow, Small Batch Coffee Roasters
(independent coffee roaster)

“There are so many places to get an average cup of coffee, so to stand out, you need to make sure that you’re supplying the highest grade of decent, speciality coffee you can buy. Then you need to know how to make it properly and also, in an outdoor takeaway environment, how to make it quickly! Then it’s a case of making sure you’ve got all the rest of your stock: takeaway cups and lids (we have 8oz & 12oz), sugar sticks, sweetener, hot chocolate powder, stirrers, tea bags, loyalty cards, jay cloths, tea-towels, bin bags, espresso machine cleaner, etc.”

How much stock to buy

If you are just starting out with a mobile coffee business, it is a good idea to ask your wholesaler how much you should purchase at first – but this will of course depend on how busy you expect to be, and how much you are willing to outlay. It will certainly be more cost-effective to buy a month or two’s supply at first, but you can always adjust your order once you know what your sales are like.

If you are planning to operate at an event, it is a good idea to ask the event organisers for their predicted footfall, so you know how much stock to buy in. This will help you keep to a tight budget and avoid overspending. While coffee beans don’t have a short expiration date, fresh produce like milk will need to be bought regularly. This means you need to be careful with how much stock you buy at once.

Equipment

Things to consider...

While high-end coffee machines can run into the tens of thousands, it is possible to bag a bargain. You could save cash by finding a good second-hand coffee machine: websites like [eBay](#) and [Gumtree](#) offer thousands of listings. But be careful - if the machine hasn't got the CE label, don't buy it! If it doesn't have a [CE label](#), you will not get a [Gas Safe certificate](#) or [PAT Test certificate](#), and therefore will be operating illegally. If you plan on working at events or festivals, you will need to present these documents.

The coffee machine you choose should be tailored to your mobile coffee unit, whether this is a coffee van, cart, trailer, bike or catering unit. You should choose a model that can operate in limited space, and which also has reduced power capabilities.

How to power your equipment

If you plan on running your mobile coffee business from a bike, trailer or van, you will need a power source. Below, we cover the two most commonly used options:

1. Use an inverter generator

A popular option is an 'inverter generator': these produce smooth power output, are very quiet, and are often small enough to carry or wheel around.

The inverter generator will likely need to support more than just a coffee machine, with a coffee grinder and drinks chiller also guzzling electrical current. Therefore, before buying your generator, you should calculate the total power consumption of your set-up so that it can support all of your coffee cart's paraphernalia. Something else to consider when researching your generator, is that they are not all intended for continuous, regular use. Using ones like these for a mobile coffee business can void their warranty, so make sure you purchase a generator that is designed for the job.

Although inverter generators can be expensive (£500+), you can get them on a pay-monthly basis - some from £35/month - or alternatively you can rent them.

2. Use a leisure battery

Another option for your mobile coffee business is to use a leisure battery (as used in caravans), which can be purchased online or from a range of high street retailers. To run any equipment from a leisure battery, you will need to use a 'pure sinewave inverter', which should have at least a 2000w power rating, but may need more for regular use.





The inverter converts 12v up to 240v, so you can safely power multiple standard devices such as espresso machines, grinders and fridges. Do not use a 'modified sinewave inverter' as these do not provide a smooth power output and can damage sensitive equipment.

Nick Barlow, Small Batch Coffee Roasters
(independent coffee roaster)

Make sure that the location you're setting up at has the right sort of electrical power. If you're going for a gas-powered coffee machine, are you sure that this is allowed at the premises? I would recommend leasing higher quality equipment and building that in to your weekly overheads. Do you know how to adjust your grinder properly? Are you going to have a second grinder for decaf, or will you get that in pre-ground? Have you thought about having a filter coffee machine alongside to speed up that queue?

Coffee machine hire

One cost-effective way of starting out in the mobile coffee business is by renting your coffee making equipment. Almost everything you need can be rented or hired – espresso machine rental is surprisingly cost effective, and often grinders and small fridges can be included as a package. Generators, inverters and batteries can also be hired, which can enormously cut the costs of your initial outlay.

Van, bike or coffee cart hire

Some companies will rent you the entire set-up: coffee van (such as a 50cc Piaggio Ape), bike/cart, coffee machinery, and even your power source. Some example of these companies are listed below:

- [Wheelys](#)
- [The Little Coffee Van](#)
- [Café Santiago](#)

Taking payments

Consider card payments

As a mobile coffee business, you need to make sure your customers can pay for your service quickly and securely. Most people pay by card these days, so getting yourself a portable card machine will certainly come in handy.

Accepting contactless payments for your coffee will allow you to turnover customers quickly, by reducing transaction times and speeding up queues. Having a card machine will also mean customers can pay with technology like Apple Pay and Android Pay. Of course, accepting traditional payment methods such as cash is fine, but it means you could miss out on potential customers who only have card. The following services offer pay as you go and fixed monthly payment machines:

- [iZettle](#)
- [Worldpay](#)
- [Chip & Pin Solutions](#)

Alternatively, speak to your bank about the options available. It may also be a good opportunity to discuss setting up a separate account for your business.





Generate word-of-mouth

Unlike other businesses, mobile coffee companies rely heavily on word-of-mouth, as well as the repeat business they naturally build up over time. One way to entice new customers is to hand out free tasters. Not only is this a cost-effective strategy, it allows the public to try your product first-hand. You just need to make sure what you're offering leaves a lasting impression on the customer; after all, your first priority should be making a first-class product.

Luke Tomlinson, Grindsmith (Independent coffee chain)

A 30-day pop-up is a great way of getting your foot in the door, as you can flip between addresses and locations

Social media

Another way of marketing your mobile coffee business on a shoestring budget is to utilise social media. Platforms like [Instagram](#) allow you to capture images of your product, and prompt dialogue with potential customers. Responding to customer's comments and questions could also help to build a business centred on the consumer.

Getting a website

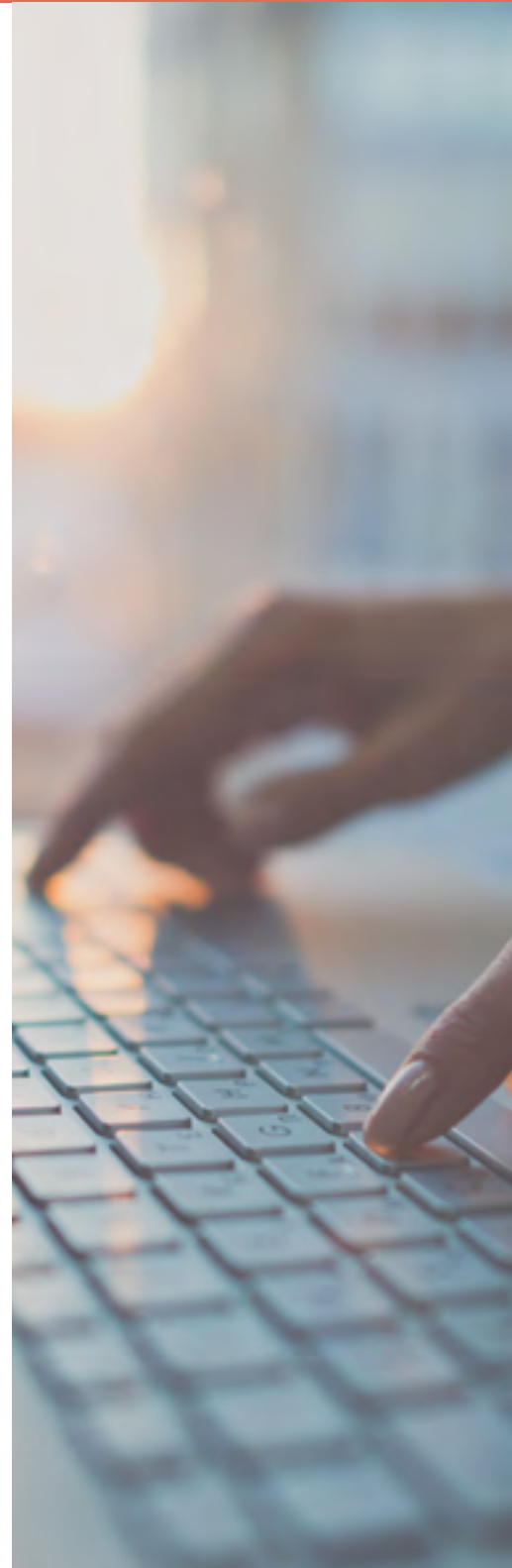
A virtual shop window

Most small businesses require a professional-looking website, as this is a shop window into what you can offer the customer. If you are starting a mobile coffee business and need to build a website from scratch, you could benefit by doing the following things:

- Ensure your website looks professional, simple and stylish: too much information might discourage the customer. Coffee is very on-trend and closely linked with design and fashion – so your site design should probably bear this in mind.
- Only include the most important information, i.e. about the company, contact details, coffee menu, events you are attending, and any images of your coffee cart or van.
- Integrate a picture feed from a social media channel. Coffee is one of the most photographed subjects on Instagram, and this also enables you to promote special offers, as well as your location and any events you are working at.

Some platforms to build a simple but professional-looking website are:

- [Wix](#)
This is a free website builder, ideal if your mobile coffee business has a limited budget and you need to use an efficient platform.
- [WordPress](#)
WordPress is a popular, fuss-free platform: you can add plugins, themes and images easily, which is beneficial if you wish to add a personal style to your website.
- [SquareSpace](#)
This platform allows individuals and businesses to share their stories, mainly through imagery. If your mobile coffee business mainly features at events, SquareSpace could be a good option.





Protect your business against the unexpected

Taking out the right insurance for your mobile coffee business is crucial. If the worst happens, insurance could help to protect your greatest assets. Mobile coffee business insurance could cover accidents on the road, employee injuries, interruptions and food poisoning, among other things.

Covers to consider

Here are some insurance covers you will need to consider:

- [Public liability insurance](#) for instance could cover against accidental food poisoning.
- [Contents and equipment insurance](#) can protect your mobile coffee business against fire, flood, theft and malicious damage (note: if this is a vehicle rather than a trailer or coffee bike then specific customised vehicle insurance may be needed).
- [Employers' liability insurance](#) is a legal requirement if you plan on hiring staff.
- [Business interruption](#) could cover any loss of profit, as well as fixed expenses, should damage to your mobile unit leave you unable to trade.
- If you are setting up a permanent coffee business in rented premises, you may be more interested in specific [coffee shop insurance](#) cover.

For advice on insurance, speak to the [business insurance](#) experts at Premierline today on **0333 320 6009**.

Thank you to our contributors:

We would like to thank our contributors for providing us with their advice and comments:

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This guide has been compiled by Premierline who specialise in arranging personalised business insurance for businesses in the UK.
If you have any feedback on this guide, or would like to contribute to one of our business articles, please contact us at questions@premierline.co.uk