

Table 8: Risk Analysis & Mitigation				
Risk Category	Specific Risk Identified	Likelihood (L/M/H)	Impact (L/M/H)	Mitigation Strategy
Market Risks:	New competitor opens nearby	M	M	Enhance loyalty program, host unique events, focus on superior customer service & differentiating factors (homemade goods).
	Negative online reviews trend	M	M	Actively monitor review sites (Google, Yelp), respond professionally & promptly, address issues raised, solicit positive reviews.
	Shift in consumer preference away from coffee	L	H	Diversify menu (e.g., premium teas, seasonal drinks, expanded food options), monitor industry trends closely.
Operational Risks:	Key staff departure (Head Barista/Baker)	M	H	Cross-train staff on essential functions, maintain competitive wages/benefits, foster positive work environment, document recipes/procedures.
	Supply chain disruption (e.g., coffee beans)	L	M	Identify and vet backup suppliers, maintain reasonable safety stock of non-perishables, build strong supplier relationships.
	Major equipment failure (Espresso machine)	L	H	Implement regular preventative maintenance schedule, secure service contract, potentially hold emergency funds specifically for critical equipment.
Financial Risks:	Sales significantly lower than projected	M	H	Review/adjust marketing spend & tactics, implement targeted promotions (e.g., weekday lunch specials), analyze pricing, control variable costs.

	Unexpected increase in key costs (Rent, COGS)	M	M	Build cost increases into projections, maintain strong cash reserve, regularly review supplier pricing, explore energy efficiency measures.
	Cash flow shortage during slow season	M	M	Utilize cash reserve, secure line of credit if necessary, plan promotions/events for traditionally slow periods, manage inventory tightly.