The Loft Coffee House

Megan Vasquez

February 14, 2013

MGMT 515: Managerial Accounting

Karen Walker

Southwestern College Professional Studies

The Loft Coffee House

**I. Organizational Mission**

In 2004, The Loft Coffee House was merely an idea of an outreach ministry and a way of bringing the community together. Alamo Heights United Methodist Church was seeking a way to introduce its mission and create such a community to Spring Branch, Texas prior to building a new church. So, in the fall of 2004, the church purchased an old house in the desired location and twelve primary individuals began the remodel. The concept of the non-profit was simple: be a place of gathering and a way to give back to the community. During this time of renovation, a small service was held on the back patio on Wednesday evenings to pray for new beginnings of worship and the success of The Loft Coffee House mission. Soon after opening in January 2005, the service was temporarily moved to a traditional Sunday service at a nearby elementary school. It is now at its permanent location of a renovated restaurant and called Riverside Community Church.

Eight years later, the non-profit organization known as The Loft Coffee House offers more than a cup of joe; it offers a sense of community and a helping hand to other organizations. Jenny Rudd, the manager of the coffee house, explained that The Loft is not just a place for members of the church; it’s a way for members of the community to “get plugged in” (J. Rudd, personal communication, Jan 31, 2013). As depicted in their mission, the organization also attempts to reintroduce giving and community involvement to those who may hold resentment with the church:

“Our hope with The Loft ministry is to provide a non-threatening, distraction free environment for believers and non-believers to come together. We want to love God and love each other through; rest & fellowship, learning & teaching, serving & being served. The volunteers and staff are in constant Christian fellowship with each other, are committed to sharing this experience with all who enter into the coffee house. All profit over our operating costs will be dedicated to other ministries also committed to spreading the gospel, and reaching the lost...locally and globally” (Author Unknown, n.d.)

Today The Loft serves many regulars and, through giving and receiving, has established themselves as not just the local community but the global one as well.

**II. Core Services / Products**

The Loft Coffee House is proud to serve high-quality, local coffee. Roasted in Austin, TX, the coffee is supplied by Texas Coffee Traders in whole bean form to preserve freshness. The beans are certified organic and of fair trade. Variations range from Breakfast Blend, French Roast, Mexican Decaf, and Texas Pecan. Bags of both ground and whole bean coffee can also be purchased from The Loft. Additionally, the ministry offers teas, chai, smoothies, Frappuccino, hot chocolate, homemade whip cream, and specialty creamers, syrups, and sauces. A water station is available for customers to cleanse their pallet and purchase another delicious drink.

To complement the array of drink choices, The Loft Coffee House provides a spread of homemade pastries, sandwiches, desserts, and more. Morning selections include Breakfast Tacos, Quiche, oatmeal, fresh-baked pastries (of which the sticky buns were unbelievable!), scones, yogurt and fresh fruit. For lunch, simple sandwiches with real deli mean such as a BLT, Turkey Pesto, chicken salad, and pulled pork can be purchased for a fair price. And for those with a sweet tooth any time of the day, cheesecake, brownie bites, and a variety of fresh-made cookies just may hit the spot. The Loft does not offer every option, but as Ms. Rudd put it, “we try to do a few things really well” (J. Rudd, personal communication, Jan 31, 2013).

More than amazing coffee and delicious pastries, the Loft Coffee House Ministry offers a sense of community and giving. Any profit above operating costs, get returned to the community (not the church). As a place for gathering, the building is loaned out to other community organizations when not in use. Other churches, Alcoholics Anonymous, Bible Studies, and Young Life all enjoy the space on a regular basis. Once per year, the non-profit hosts the Soul to Soul 5K in order to raise funds and support their missions. Additionally, The Loft directly provides support to children of an orphanage in Uganda. Through many mission trips to the area, the non-profit has helped provide safe buildings, fences, and worship. Lastly, The Loft has provided a starting point to two other coffee house ministries. Both The Core in Medina, Texas and Bare Bulb Coffee in Georgia share similar missions thanks to the help of those at The Loft.

**III. Sources of Funding**

The primary funding of the non-profit comes from the sales of its products: coffee and pastries. However, the purchase, renovation and monthly bills were/are provided by Riverside Community Church. Furthermore, Jenny Rudd’s salary is paid by the church and not out of the non-profit proceeds. In addition to the Coffee House manager, The Loft employs three other serving staff members with two on the clock almost every day. These employees are paid by the proceeds of the coffee house and the tips they receive. All other work and labor is provided by volunteers from the community. Lawn care, machine maintenance, other trade labor, and firewood are all donated by loyal neighbors of the ministry and members of the church. Additionally, this fall The Loft will host the 6th annual Soul to Soul 5K to provide fundraising proceeds in support of their missions.

There are many months that The Loft is unable to match their operating costs; in which case, Riverside Community Church helps with the difference. In order to cut costs, the non-profit has eliminated key items and processes that have been wasteful. For example, coffee is served in donated mugs (unless a to-go cup is requested). In fact, many regulars have their very own mug hanging on the wall.  (Rudd, 2011)

Silverware and plates are also washable and reusable. Soon after opening, the management noticed that nearly all customers were asking for water along with their other selections. The cost of the water cup, lid, and straw were costing thousands and generating no profit. So, in lieu of the to-go water option, a station was set up with reusable cups and a carafe for easy customer access. Additionally, to-go mug sleeves were a necessity. However, printing a logo on the sleeve was also costing thousands and had to be ordered in bulk. The additional cost and storage was overwhelming and unnecessary. So, the organization orders blank sleeves and volunteers and employees (during down time) print their own message to the customer. This option offers lower costs and a personal touch. Currently, the non-profit is looking in to applying for grants to help further support the organization.

**IV. Marketing / Brochures**

Even after eight years, The Loft Coffee House relies on word-of-mouth for primary advertising purposes. Since there is little to no budget for marketing, this has proven a successful option for the organization. Jenny Rudd explained that the regulars, including the couple that sold them the property, have been an invaluable source to business. And customers that are treated right will keep coming back – they’re like family. She mentioned that, “I get worried when I haven’t seen them lately. They don’t realize that. Even the woman that sold us her house to turn into a coffee shop: I hadn’t seen her in a while. I got worried because she was older and then I learned she had moved” (J. Rudd, personal communication, Jan 31, 2013). Naturally, the church has been an additional available outlet for promoting the organization and its mission. If nothing else, it has provided a source for donations and volunteered labor.

 The Loft Coffee House has also produced two online sources for information. The first of which is a Facebook page. Last Christmas, the organization ran the 25 days of Christmas with the Elf on the Shelf to advertise. Daily, the Coffee House staff would post a picture on Facebook with the Elf in a different location of the store. For example, one morning he was in the refrigerator next to the cinnamon rolls waiting patiently.

(Rudd, 2011)

Another he was praying for the orphaned children in Uganda.

 (Rudd 2011)

This is a clever way to advertise their products and yet remind those they serve of their primary mission. The second online source was the launching of their new website: [www.loftcoffee.com](http://www.loftcoffee.com). Here you can find menu items, hours of operations, contact information, and a small photo gallery.

**V. Current Issues**

Similar to that of most non-profits, costs are naturally a current issue. The rising costs of food and drink products, especially organic choices, cause concern for this coffee house. However the organization does not want to sacrifice the quality of product at this time. Thus, they continue to seek creative way to cut costs in other ways. Additionally, as previously mentioned, there are two employees and one manager on staff at any given time. Ms. Rudd expressed the need for only one employee to provide the required drink and food service. While the second employee does incur additional costs to the organization, they do play a vital role in the daily operations and culture of the business. She feels as though having one employee able to really provide customer service and concentrate on building customer loyalty as it creates a relationship that further supports their mission (J. Rudd, personal communication, Jan 31, 2013).

Other issues arise from being a small business with little demand and little storage space. When choosing small amounts of specialty items, the organization feels as though they are not a priority with suppliers. Negotiation for delivery needs is difficult so, for many of their products, they have chosen to purchase supplies at local grocery stores. This choice is an expensive one with few discounts and paid runs. However the payoff still remains to have fresh supplies, quality products, and happy customers!

**References**

Author Unknown. (n.d.) The Loft Manual. (Unpublished policy handbook). The Loft Coffee

House, Spring Branch, Texas.

Rudd, J. (2011). Facebook: Did you find me? Retrieved from

<https://www.facebook.com/ferrocia.friday/favorites#!/photo.php?fbid=10150450916148211&set=a.10150316142248211.358378.78484583210&type=1&theater>

Rudd, J.(2012). Facebook: The Loft Coffee House. Retrieved from

<http://www.loftcoffee.com/p/soul-2-sole-5k.html>

Rudd, J. (2011). Facebook: Lofty is waiting patiently. Retrieved from

<https://www.facebook.com/ferrocia.friday/favorites#!/photo.php?fbid=10150445803988211&set=a.10150316142248211.358378.78484583210&type=1&theater>

Rudd, J. (2011). Facebook: Praying for our kids in Uganda. Retrieved from

<https://www.facebook.com/ferrocia.friday/favorites#!/photo.php?fbid=10150442723213211&set=a.10150316142248211.358378.78484583210&type=1&theater>

Appendix

Interview Questions

1. Tell me about The Loft Coffee House and how it got started
2. Why a coffee house?
3. Briefly tell me about the mission of the organization.
4. What type of products and services to you offer to your customer?
5. What type of funding does the organization receive?
6. What type of events are held at the Loft?
7. Does the organization host or sponsor any events for fundraising?
   1. Tell me about the Soul to Soul
8. What other charitable organizations does The Loft Support?
9. How does the company get the word out?
10. What are the major concerns about the non-profit that you are currently facing?

Interviewee:

Ms. Jenny Rudd, Operating Manager of The Loft Coffee House

210-825-1615

Date of Interview: 1/31/13