

# Virtual Sip

Experience Reality, One Sip at a Time

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# VIRTUAL SIP

## VR GAMING CAFÉ

JOENSUU'S FIRST FERTAINING CADFEEL  
WITH PREMIUM COFFEE

*Virtual Sip: VR gaming café with premium coffee.*

Joensuu's first VR café—unique entertainment for tech-savvy adults.



# Founders



John Smith

**Experience:**

BSc. Computer science, 3 years VR development, has VR system

**Motivation:**

VR enthusiast, innovative entertainment, Joensuu, independent work, wealth-building



Mary Smith

**Experience:**

Hospitality Management diploma, barista/café management, customer service expertise, operational skills

**Motivation:**

Coffee craftsmanship, hospitality-tech fusion, entrepreneurship, unique social spaces

# Business model

Definition of all the main elements of the business.

# Product and Revenue streams (pricing)



- Features
  - A VR gaming café offering access to cutting-edge VR experiences alongside high-quality coffee and refreshments.
  - Customers can book VR sessions and enjoy beverages in a comfortable, social environment.
- Revenue streams (pricing)
  - Coffee and refreshments: €2 - €5 per item.
  - VR gaming sessions: €10 per 30-minute session.

# Customers and Customer Need/Problem

- Customers
  - Tech-savvy individuals aged 18-35 in Joensuu.
  - University students and young professionals seeking new social and entertainment experiences.
- Customer need/problem
  - Desire to have innovative and immersive social activities in Joensuu

# Target area

- The city of Joensuu and surrounding areas, Finland.

# Competition (competing alternatives)

- Traditional cafés (e.g., Kerubi).
- Home gaming setups.
- Other entertainment venues like cinemas or bowling alleys.



# Competitive advantage

	Traditional cafes	Home gaming	Other entertainment	Virtual Sip
Uniqueness of experience	Poor	Good	Average	Best
Social atmosphere	Good	Worst	Good	Good
Convenience of location and access	Good	Best	Average	Good
Price	Good	Worst	Average	Average

Use evaluations such as:

worst, poor, average, good, best

# Marketing and sales

	Awareness	Evaluation
Method	Social media campaigns for local audiences, launch events with VR demos, and partnerships with influencers and student groups.	First-time discounts, loyalty perks, seamless online booking, and top-notch customer service.
Resources	Active profiles on Instagram, Facebook, and TikTok.	A user-friendly website with VR content previews & testimonials, phone-based customer service
Partners	Partnerships with student unions for event promotions.	Collaboration with VR game developers for exclusive content.

# Production and delivery

	Production	Delivery
Method	Coffee: Prepared by entrepreneurs using local ingredients and professional equipment.VR Experiences: Set up VR stations with high-end gear; install and maintain licensed VR games.	On-Site Service: Customers order and enjoy drinks and VR sessions at the café; staff assist with VR equipment.
Resources	Equipment: Espresso machines, coffee grinders, VR headsets, high-performance PCs.Facilities: Leased space in Joensuu for café and VR areas.Personnel: Two entrepreneurs manage all operations.	
Partners	Suppliers: Local coffee roasters, bakeries, VR equipment vendors.Software Providers: VR game developers for content licenses.Service Providers: Equipment maintenance technicians, cleaning services, waste management.	

# Cost structure

- Fixed Costs:
  - Rent and utilities.
  - Salaries for entrepreneurs.
  - Insurance and permits.
- Variable Costs:
  - Coffee and food supplies.
  - VR equipment maintenance.
  - Marketing expenses.



# Business idea evaluation

Is the idea profitable? Is it doable? Do customers want to buy?

# Profitability analysis

## ((Will you make money?))

Step	Description	Calculation	Result
1	Profit Goal	-	€ 40,00
2	Entrepreneurs' Salary Costs	€2,500 * 24 months * 1.4	€ 84,00
3	Employees' Salary Costs	No employees	€ 0
4	Other Fixed Costs	Rent (€24,000) + Utilities (€7,200) + Accounting (€3,000) + Internet (€1,800)	€ 36,00
5	Depreciation Costs	VR Equipment (€5,000) + Café Equipment (€3,000)	€ 8,00
6	Total Fixed Costs	€84,000 (Step 2) + €0 (Step 3) + €36,000 (Step 4) + €8,000 (Step 5)	€ 128,00
7	Pricing (Per Unit)	Coffee (€3) + VR Session (€10)	€ 13
8	Variable Costs (Per Unit)	Coffee Cost (€0.35) + VR Wear & Tear (€0.50)	€0.85
9	Marketing Costs (Per Unit)	Estimated marketing cost per customer	€ 1
10	Total Variable Costs (Per Unit)	€0.85 (Step 8) + €1 (Step 9)	€1.85
11	Unit Margin	€13 (Step 7) - €1.85 (Step 10)	€11.15
12	Required Number of Units Sold	(€40,000 + €128,000) / €11.15	15,066 units

### • Break-even Point

- €128,000 (Total Fixed Costs) / €11.15 (Unit Margin) **11,478 units**

### • Realism of costs:

- Salaries for entrepreneur are low, but there is also the profit.

# Product-Market Fit analysis

## (Do customers want to buy your product?)

- Required number of customers
  - Purchase frequency is 24 (twice a month)
  - Required number of customers =  $15066/24 = 627,75$  customers
- Required market share
  - 78 000 in Joensuu → 20 000 (18-35 olds) → 30 % are tech savy → 6000 potential customers
  - Required market share =  $627,75 \text{ required customers} / 6000 = 10,5 \%$
  - This is quite high market share.
- Evidence of demand
  - VR gaming cafés in Finnish cities like Helsinki and Tampere are popular and profitable, demonstrating a successful business model applicable to Joensuu.

# Product-Market Fit analysis

## (Do customers want to buy your product?)

- Future market development:
  - VR technology becoming more mainstream and affordable.
  - Growing trend of experiential entertainment venues.
  - Potential for expanding services as technology advances.
- Sustainable competitive advantage:
  - First VR café in Joensuu, capturing early market.
  - Exclusive partnerships with VR content creators.
  - Combination of hospitality expertise and tech innovation.



# Feasibility analysis

## (Can you deliver a working product?)

- Workforce sufficiency
  - Total working hours per unit sold = 0.083 hours (coffee) + 0.083 hours (VR setup) = 0.166 hours
  - Total working hours = 15,066 units \* 0.166 hours/unit = 2,500.956 hours
  - Full-time workers needed = Total Working-hours ÷ 1,600 hours/year = 2,500.956 hours ÷ 1,600 hours/year  $\approx$  1.56 full-time workers
  - Assessment: 2 full-time workers (John and Mary), the available workforce exceeds the required man-years.
- Resource sufficiency
  - Capacity: 5 VR stations → 20 sessions/day/station → Annual capacity = 36500 sessions
  - Capacity of VR stations is more than double the required number of units sold
- Marketing budget sufficiency
  - Marketing costs per unit = 1 €
  - Total marketing budget = 1 \* 15066 = 15 066 €
  - Sufficient to attract the required number of customers through effective marketing strategies.

# Feasibility analysis

## (Can you deliver a working product?)

- Evidence of product working
  - Local Pop-up Events: Hosted VR demos with 1 VR station in Joensuu with over Positive feedback on the VR experiences and café concept.
- Regulations and permits
  - Register with PRH. Obtain food service and alcohol licenses. Comply with OSHA, fire safety, and GDPR regulations. Get a music license (Teosto) and verify zoning/building permits.
- Intellectual property rights (IPR)
  - Purchase commercial licenses for VR software and comply with EULAs. Register "Virtual Sip" name and logo with PRH. Ensure legal use of all media, avoid pirated software, and maintain updates. No patents needed

# Development plan

What is the current status of your business idea? What do you need to do before you can launch the idea?

# Current status of idea

- Current status
  - Concept finalized, business plan drafted. Preliminary discussions with suppliers and landlords. Prototype VR setup tested successfully.
- Missing resources
  - Need initial capital for equipment and setup (~€50,000).  
Permits: Finalizing necessary licenses and health inspections.
- Key uncertainties and risks
  - Will the target market embrace the concept?
  - Can the demand be spread out evenly along the week or are there some peak hours/ days?



# Starting up plan

- Resource acquisition
  - Apply for a Finnvera startup loan and Starttiraha grant; run a community crowdfunding campaign. Negotiate VR equipment leases.
- Uncertainty clearance
  - Host pop-up VR events to gauge interest.
  - Observe customer behavior in Helsinki or Tampere VR cafes.
- Business planning and starting up help
  - Contact Business Joensuu for help
  - Contact TE-toimisto for Starttiraha grant
  - Join the Joensuu Entrepreneurs Association for networking and support.

# Talent Hub Eastern Finland -hanke

Talent Hub Eastern Finland, vuosina 2023–2027 toteutettava ESR+ rahoitettu ryhmähanke pohjautuu kuuden oppilaitoksen yhteistyöhön eri koulutusasteilta Pohjois-Karjalan ja Pohjois-Savon alueella.

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