

## Industry Overview

Coffee is a culture in the US. Nearly every person can tell you their coffee of choice and the location of their preferred coffee destination. The US coffee shop industry is represented by 65,000 locations which grows at nearly 4% per year. Half of the US coffee shops are part of eight large chains (Starbucks, Dunkin Donuts, Tim Hortons). The other half are comprised of boutique small business owners, none of which qualify for most benefits programs.

## Core Problem

Retention. The average length of employment at boutique coffee shops is less than 12 months. The cost of hiring and training new baristas is \$3,000 - \$7,000 per hire. The strain of labor loss puts tremendous compression on current staff members and management. Often, the loss of labor is a result of age. When employees turn 26 years old, they are no longer covered under their parent's medical insurance and need to seek alternative employment that offers health and wellness programs. The problem is so significant, Starbucks invests millions into their own self-funded benefits program.

Total US Businesses

**65,000**

Avg Fulltime Employees

**5-10**

Avg Part-Time Employees

**20**

### Client Testimonials

"LifeExec took our #1 problem, a problem we've been trying to solve for years, and nearly eliminated it overnight.

Hannah T. Thump Coffee

"We had no budget for benefits. We never thought benefits were even possible. Now we offer benefits. It's great!"

Sara C. Aroma Coffee Co.

### Top 3 Reasons Coffee Shop Owners Choose LifeExec

#### **Affordable Benefits**

Most coffee shop employees have no benefits. LifeExec offers +26 benefits programs starting at just \$24.95/month

#### **Budget Friendly**

LifeExec fits any business' budget. Voluntary programs cost \$0 to the employer, and still offer an employee discount.

#### **Proven Retention Tool**

Sponsoring Advantage Wellness is proven to boost retention at the equivalent cost of only \$.14 per hour.

## Case Study of Thump Coffee

Thump Coffee is an established chain of boutique coffee shops and roasters. The company has four store locations located in three states. The company is profitable and enjoys a great patronage with a loyal customer following. Their strong local brand and reputation makes finding new employees easier. They have a great number of fresh high school graduates and college students. The biggest problem they experience is universal to coffee shops ... retention staff. The company had nearly a 100% attrition rate of employees after they turned 26 years old and fell off their parent's health insurance. The constant turnover was both expensive and an exhaustive use of management time.

Thump Coffee signed up with LifeExec in March 2022 with a strategy to dramatically reduce employee attrition using benefits. They created a 100% company sponsorship program that offered Advantage Wellness to every employee that had been employed for over three months. Then, each six months following employees would receive another benefit of their choice 100% sponsored by the company. The company enrolled nearly 100% of its 80 employees to wild acclaim. Employees were excited about receiving future benefits for ongoing employment and the benefits program continues to grow.

The company expects to reduce its cost of turnover and net \$100,000 - \$200,000 a year by adding LifeExec Advantage Benefits.