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Strategies Independent Coffee Shop Owners Require to Survive Beyond Five Years

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Walden University

College of Management and Technology

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Bruce Higdon

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the review committee have been made.

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Walden University
2016

Abstract

Strategies Independent Coffee Shop Owners Require to Survive Beyond Five Years

by

Bruce Higdon

MBA, City University of Seattle, 2003

BBA, University of Central Oklahoma, 1985

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

January 2016

Abstract

Successful independent coffee shop owners in Washington struggle to compete with the larger coffee shop chains. The purpose of this qualitative multiple case study was to investigate what strategies owners of independent coffee shops in Washington use to survive beyond the first 5 years. Five independent coffee shop owners in Washington participated in the study and shared their practices and observations. Systems theory directed the study exploring the perspectives of successful independent coffee shop owners in Washington. Using communication skills and personal availability to answer questions and remain in contact throughout the research process built a rapport with participants. Data were gathered from participant interviews and from an examination of available physical artifacts such as the locations, premises, websites, and social media pages. Within-method triangulation was used to ensure the participant interview data were interpreted with credibility and transparency. Three primary themes appeared from the study: community involvement, customer loyalty, and location. Encouraging community involvement generates product awareness, which creates new business. Based on the independent coffee shop owners' descriptions, community involvement, customer loyalty, and location were important strategies to increase profits. The implications for social change include added community involvement, customer loyalty, and location. Involvement in the community generated revenue, customer loyalty, and community opportunities. Independent coffee shop owners may remain sustainable by incorporating these strategies.

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Dedication

For the coffee shop entrepreneurs who struggle daily to exist and are the cornerstones to the success of the United States of America.

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Without the help of my sons (Sean and Chad) and my friends, this Doctorate would not have been possible. I want to thank the United States Marine Corps for my tenacity and perseverance, and my parents for the value of hard work and appreciation of a job well done. My sincere thanks go to my committee members, Dr. Patsy Kasen, and Dr. Judith Blando, for their unwavering support throughout this process. Special thanks to my committee chair, Dr. Carol-Anne Faint, whose leadership and support were valuable. I want to thank the small business entrepreneurs who participated in this study. Not enough words are in the dictionary to express my appreciation. I want to thank God for His grace and blessings during this long process.

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Section 1: Foundation of the Study

Independent coffee shop owners confront competition compared to entrants in other markets (Nadiril & Gunay, 2013). The purpose of the study was to gain perspectives from successful independent coffee shop owners to understand factors leading to success within this challenging industry. By conducting interviews with successful independent coffee shop owners, I may generate information for potential or operating coffee shop owners regarding business sustainability beyond 5 years in the highly competitive industry. The results of this study may benefit entrepreneurs considering independent coffee shop ownership in Washington. Coffee shop owners who develop optimal business sustainability practices might support the longevity of the company while optimizing their profits.

Background of the Problem

Independent coffee shop owners aspire to build brand image, establish customer loyalty, and provide the ambiance found in the larger coffee shop chains (Gibbons, 2011). Successful independent coffee shop owners in Washington may shed insight into the challenges owners confront in competing against the larger coffee shop chains. Washington small business owners have built and sustain successful businesses in 38 counties (State of Washington, 2007). Small business owners in 12 of the 38 counties experience lower than 65% survival rates (State of Washington, 2007). The counties with the lowest survival rates contain the highest traffic and population rates (State of Washington Department of Community, Trade, and Economic Development, 2007). The perspectives of successful independent coffee shop owners may lead to a deeper understanding of factors leading to

long-term sustainability. The purpose of this study was to explore strategies independent coffee shop owners use to survive beyond 5 years.

Problem Statement

The market crash of 2007-2009 led to increased insolvency in small businesses throughout the United States (Folkinsteyn & Meric, 2014). In the United States, only 50% of small businesses survive the first 5 years, and only 33% survive beyond the first 10 years (U.S. Small Business Administration [SBA], 2015). The general business problem was independent coffee shop owners unable to generate rapid customer appeal may fail to survive beyond the first 5 years (Nadiril & Gunay, 2013). The specific business problem was some independent coffee shop owners in Washington lack strategies to survive beyond the first 5 years.

Purpose Statement

The purpose of this qualitative multiple case study was to explore what strategies independent coffee shop owners in Washington State use to survive beyond the first 5 years. The population for the study was independent coffee shop owners who experienced business sustainability beyond the first 5 years, within the Washington State area. Yin (2014) suggested a population of no more than 10 was appropriate for a case study. Washington State small business failure rates are third highest in the United States, which makes Washington State a suitable setting for the study (Shannon, 2012). Successful independent coffee shop owners in Washington State may provide insight on the unique nature of the competitive independent coffee shop industry to provide knowledge to others in, or considering entering, the industry.

Nature of the Study

Three research methods used are quantitative, qualitative, and mixed methods. A quantitative method would be appropriate if the intent was to examine statistical data related to how much of a phenomenon exists (Bloomberg & Volpe, 2012). The purpose of the study was to explore strategies independent coffee shop owners use to survive beyond the first 5 years and quantitative formulas did not expose strategies; I did not select the quantitative method. A mixed methods approach combined both quantitative and qualitative approaches to understand both statistical factors and broadly described factors; the inclusion of statistical data renders the mixed methods approach inappropriate (Bloomberg & Volpe, 2012). A qualitative researcher seeks to understand the phenomenon through participant experience or perspective and asks open-ended questions to understand decision-making processes (Bloomberg & Volpe, 2012). The determination of the study was to seek a deeper understanding of the phenomenon by exploring perspectives on decisions affecting business survival. I used a qualitative method to conduct the study.

A qualitative researcher chooses a design that best suits the intentions of the study. Five prominent qualitative designs I considered include narrative, ethnography, phenomenological study, single case study, and multiple case study (Bloomberg & Volpe, 2012). My intent was to explore strategies used by independent coffee shop owners to survive beyond the first 5 years.

A narrative approach suited the researcher investigating life experiences as contributing factors to life decisions and outcomes (Bloomberg & Volpe, 2012). The narrative design was inappropriate as the intent was not to identify life course contributing

factors to business success. An exploration of recent factors hold relevance; I did not select a narrative design for the study (Bloomberg & Volpe, 2012).

An ethnography was appropriate for researchers seeking to understand distinctions influencing behavior such as culture, demographics, or group dynamics (Shover, 2012). Because the investigation does not involve unique cultural attributes or exploration into traditions and norms, I did not select an ethnography design.

Mousakas (1994) explained phenomenological researchers seek a deeper understanding of lived experiences. Phenomenological researchers rely on the interview process alone, rather than broadening the investigation to include documentation and physical artifacts (Moustakas, 1994). Documentation and physical artifacts may provide valuable information related to successful business strategy; I did not choose the phenomenological design.

A singular case study was appropriate in a large setting in which different owners can contribute to understanding to phenomenon; the independent coffee shop industry may not have enough owners in one location to achieve saturation so a single case study was inappropriate for the study (Yin, 2014). A multiple case study researcher used a larger population, in this case, five independent coffee shop owners from five different businesses to gain knowledge from a broader range of participants (Yin, 2014). The intent was to use a qualitative multiple case study design to conduct the study.

Research Question

The central research question of the qualitative multiple case study was: What strategies do independent coffee shop owners in Washington State use to survive beyond the first 5 years?

Interview Questions

The following interview questions guided the interview process:

1. What strategies helped you launch your business?
2. What strategies helped to generate sales initially?
3. What strategies did you use to establish loyal customers?
4. What strategies did you use to recruit and retain employees?
5. What strategies helped you link stakeholders in the independent coffee shop industry?
6. What strategies helped you identify the best location for your business?
7. What financial management strategies did you use to sustain the business?
8. What marketing strategies did you use to sustain the business?
9. What additional information can you provide to help me understand what contributed to your business success?

Conceptual Framework

Von Bertalanffy (1950) found that the synergy of the total system holds more value than the contribution of its parts. Von Bertalanffy accentuated the importance of the interrelationship existing between parts within the system as an interdependency, suggested the outputs of the system are deliberate, and orchestrated through the interrelationship of the parts. Systems theory applies well in a business context as systems theorists suggest

stakeholders collaborate through innovation, communication, production, and performance to sustain and progress organizational growth. Business managers apply systems theory in decision-making to identify, deconstruct, optimize, and control outcomes.

The collaboration of stakeholders assists in gathering information to establish a competitive business. For the independent coffee shop owner, a reliance on information sharing between stakeholders manifests through employee relations, supply chain management, and establishing customer loyalty by identifying and satisfying customer need. An independent coffee shop owner should integrate external influences and internal decision-making to optimize the system.

Operational Definitions

Cash flow prediction: Cash flow prediction is the ability to predict the availability and surplus of cash generated in the business (Fatma & Chichti, 2011).

Casual dining: A restaurant that offers a casual ambiance and food at moderate prices where formal dressing is unnecessary. Table service usually either involves food served pre-plated or on platters with or without a buffet option (Nadiril & Gunay, 2013).

Creative cash flow reporting: Creative cash flow reporting refers to the steps taken to create an altered impression of the operating cash flow, to provide a misleading signal of a company's sustainable cash flow (Lorek & Willinger, 2011).

Dashboard report: A management tool that measures and presents critical data on the important business performance areas in a summarized manner much like a car dashboard (Fisher, 2013).

Independently owned and operated coffee shop: An independent coffee shop owned by a majority of residents free to make their decisions regarding advertising, operational, and legal decisions (Nadiril & Gunay, 2013).

Menu mix: The ratio of each item on the menu in relation to the rest of the items on the menu regarding its sales, popularity, and profit (Nadiril & Gunay, 2013).

Point of purchase (POP): Point of Purchase is marketing material placed at locations where customers make purchase decisions. For instance, a tall, menu, tent card display at a restaurant entrance or danglers hung above a food deli display counter (Niehm & Eckerson, 2013).

Assumptions, Limitations, and Delimitations

The purpose of the qualitative case study was to explore strategies independent coffee shop owners use to survive beyond the first 5 years. In the assumptions, limitations, and delimitations section, I acknowledge factors that affect the research process. Assumptions are factors assumed true but not verifiable (Yin, 2014). Limitations are potential weaknesses of the study (Yin, 2014). Delimitations identify the bounds of the study (Yin, 2014).

Assumptions

Participants were honest in their responses. The independent coffee shop owners articulated experiences related to their phenomenon. I was able to capture, analyze, and understand their responses without interfering with their business operations and customer relationships.

Limitations

Trustworthiness of research studies were limited by aspects of the design and implementation. The results of the study generalized the independent coffee shop owner experiences within the geographic parameters of the study. Successful independent coffee shop owners might limit the research breadth due to the exclusion of unsuccessful independent coffee shops. The varying degrees of experience of the participants did not limit the results of the study.

Delimitations

The business boundaries of the study to include successful, independent coffee shop owners, who remain operable beyond the first 5 years, did not affect the study. The geographic boundaries were Washington State. The study only included independent coffee shops on the west side of Washington State; the east side was not included.

Significance of the Study

The study might inform entrepreneurs interested in entering the independent coffee shop industry in Washington and the unique challenges this competitive market poses. The study may assist potential independent coffee shop start-ups to navigate toward, develop, and sustain a successful establishment by learning from the experiences of successful independent coffee shop owners. Learning from successful independent coffee shop owners may provide a unique perspective to help prospective independent coffee shop owners avoid potential pitfalls and poor decision-making practices that might lead to business failure in this industry.

Contribution to Business Practice

The results of the study may contribute to business practice by identifying factors leading to business failure. The results of the study may highlight pitfalls new independent coffee shop owners may avoid, or prevent, to support a more sustainable business. The results of the study may influence the growth for independent coffee shops.

Implications for Social Change

Systems theorists posit the whole is more important than the sum of its parts (von Bertalanffy, 1950). Successful companies strengthen the economy (Latif, Qurat-ul-ain, Gulzar, Bukhari, & Sameen, 2014). The results of the study may affect social change by identifying and avoiding factors leading to business failure. Coffee shops are an integral part of the social culture of Washington. The study may help to encourage entrepreneurs to enter the independent coffee shop industry applying the perspectives of successful independent coffee shop owners.

A Review of the Professional and Academic Literature

The purpose of this qualitative case study is to explore strategies independent coffee shop owners in Washington use to survive beyond the first 5 years. Independent coffee shop owners aspire to build brand image, establish customer loyalty, and provide the ambiance found in the larger coffee shop chains (Gibbons, 2011). Some independent coffee shop owners in Washington have failed to remain operable beyond an initial 5 years, negatively affecting the economy, and deterring potential coffee shop entrepreneurs from entering the coffee shop industry. Washington small business owners are resilient and optimistic, operating in 38 separate counties (State of Washington Department of Community, Trade,

and Economic Development, 2007). Small business owners operating in 12 of the 38 counties experience less than 65% survival rates (State of Washington Department of Community, Trade, and Economic Development, 2007).

The market crash of 2007-2009 led to increased insolvency in small businesses throughout the United States (Folkinsteyn & Meric, 2014). The general business problem is independent coffee shop owners unable to generate rapid customer appeal may fail to survive beyond the first five years (Nadiri & Gunay, 2013). The specific business problem is some independent coffee shop owners in Washington lack strategies to survive beyond the first 5 years.

The literature review includes searches for keywords: *coffee shops, small business failure, competition, culture, and cash flow prediction*, through ProQuest, EbscoHost, the University of Phoenix Library, and Walden University Library. The literature review includes discussion related to theory, cash flow, commitment, ethics, culture, change, management, competition, and relationships. The literature review contains 77 sources 69 of which are published since 2011 accounting for 90% of the articles in the review. The literature review also cites 5 books, and 3 published prior to 2011.

Systems Theory

All sciences, including physical, living, cognitive, social, and technological, operate within interconnected systems generating growing knowledge and broadening scope of understanding phenomenon. The study of business and business behavior is part of an integral system involving entrepreneurs, owners and operators, suppliers, employees,

customers, competitors, and the larger community. Each part of the system affects the others creating an interdependency (Hieronymi, 2013).

Organizations operate as systems and within larger systems, interrelated and interdependent on shared resources, mutual agreements, and the exchange of goods and services for the betterment of society. Von Bertalanffy (1950) argued conjunctions draw separate parts together to interlock strategies into ensuring the whole functions optimally. In the business context, a system is the organization and how it depends on, and functions as part of, a larger system including customers, suppliers, competitors, regulators, and the community. Independent coffee shop owners operate businesses within the spectrum of competition, the culture of coffee consumers, potential customers, suppliers, and the larger community, to survive in a competitive marketplace.

Systems theory originated in the natural sciences and developed by von Bertalanffy (1950) exploring the interdependencies between system parts and evaluating outcomes drawn from the interdependencies. The early developments of systems theory led to the founding of several groups including the Society for General Systems Research (SGSR). The SGSR is an affiliate of the American Association for the Advancement of Science, the American Psychiatric Association (von Bertalanffy, 1972). Critical systems' thinking evolved as a resource using constant critical reflection to solve societal and business problems. Critical systems' thinking includes critical awareness, social awareness, and human emancipation. Critical awareness refers to the act of analyzing expectations, strengths, and weaknesses within the system. Social awareness refers to observations of, and connection to interrelated elements within society such as family, neighborhoods, provisions, collaboration,

sustainability, and growth within the community, and beyond. Human emancipation seeks to build on the quality of life within society through explorations of how systems interact.

Karniouchina, Carson, Short, and Ketchen (2013) conducted a study involving 1,957 firms in 49 industries on the relationship between business unit life cycle and industry life cycle through a systems theory perspective. The authors contended the interrelationship and interdependency between business units, as either units of the parent organization or independent business units. The authors concluded business unit growth is dependent upon industry growth to propel a company following industry trends and finding a customer base from within the established market need. A new entrant growth is relative to the industry growth. The findings differ when examining the decline in business success and life cycle completion. Industry weakening factors into some degree in business sustainability, yet independent survival has a reliance regarding how an individual business unit performs (Karniouchina, Carson, Short, & Ketchen, 2013). The study has implications for the independent coffee shop industry as the larger coffee shop chains experience general share decline resulting from the poor, global economy. The situation may serve favorably for the independent coffee shop owner if a committed customer base continues to patronize the business. The coffee shop industry in Washington demonstrates the value in establishing a commitment from repeat customers.

Seattle's Coffee Shop Industry

Seattle's Office of Economic Development supports local businesses in a diverse economy to benefit residents and tourists across income levels. The growth of Seattle's strategic industry sectors is critical to the future of the city's economy. Seattle's Office of

Economic Development works closely with leaders from strategic industry sectors to sustain a balanced and diverse economic base (Office of Economic Development, 2013). To support the economy, the success in the independent coffee shop industry is reasonable pricing, quality, and quick service (Gurd & Thomas, 2012). Coffee shops with the most locations receive the most visits from customers and have many marketing opportunities (Ryu, Lee, & Kim, 2012). Some claimed as a coffee shop establishes an excellent brand; the presence of the company on the street markets itself (Ryu et al., 2012). Ryu et al. claimed independent coffee shop owners experience entrance deterrence when large chains flood the market. Success in the coffee shop industry fosters continued growth and successful coffee shop owners inspire entrepreneurial attention toward building and strengthening the coffee shop industry in Washington. For the dominant coffee shop chains, price does not negatively affect popularity; rather quality and location characterize important attributes (Spring, 2014). Quality and location also affect survivability of independent coffee shops. As new entrants, price may factor into survivability beyond the first 5 years.

Business Failure

The balance between generating and consuming cash is critical to the sustainable growth of a small business (Hetzel, 2012). Small business owners and managers tend to rely upon income statements (Hetzel, 2012). Small business owners and managers need to consider using the statement of financial position to find their actual cash flow, while tracking the growth in accounts receivable, accounts payable, and inventory (Hetzel, 2012). Without cautious and purposeful attention to cash flow activities, company owners risk potentially recognizing cues leading to insolvency (Hetzel, 2012). To combat the risk of

solvency, Fisher (2013) suggested the development of a strong business plan, well-managed finances, marketing strategies, and appropriate technology. The relationship between management decision-making to the performance of the business is needed. A component of decision-making in new start-ups is establishing and following a cohesive business plan (Fisher, 2013). A business plan is important in reducing the risks of negative financial spending in the company. During the beginning phases of a new company, a business owner may lack the awareness of the actual business plan problems leading to poor decision-making (Fisher, 2013). Business owners who develop and follow a business plan are apt to succeed at sustaining the business (Fisher, 2013).

Relevant business information to succeed includes relevant sources of inputs, markets, technological solutions, knowledge of government rules, regulations, and policies (Tipu & Arain, 2013). Well-planned business activities, as manifested in a business plan, will yield better business performance (Fisher, 2013). Tipu and Arain (2011) suggested many required attributes and activities for business success. Some of the attributes and activities are behavior, cognition, planning, risk, learning, networking, human resources, and finances (Tipu & Arain, 2011).

Cash Flow

Detecting problems of cash flow is difficult for most small business owners. Many small business owners make emotionally based cash flow decisions without structured policies or processes to guide them. Fitzpatrick and Ogden (2011) reported that distressed firms attempted to detect cash flow problems in relation to the capital structure of their small businesses. Managers can make financial decisions regarding pricing issues that lead to

negative cash flow (Fitzpatrick & Ogden, 2011). Cash flow activities involve the movement of money received and spent. A prediction gap is the inaccuracy between income and expenses' concerning how much money is available at a specified time. Consideration of future cash flows from business activities is essential for understanding the cash opportunities from future available cash (Lee, 2011). Independent coffee shop owners require due diligence in the local market, particularly as new entrants, to closely monitor cash flow, adjusting inputs and outputs to survive beyond 5 years (Gavin, 2013). Failure to adjust inputs and outputs may place a small coffee shop owner at risk of insolvency.

Business owners and managers should commit to the process of monitoring cash flow. Rampersad, Quester, and Troshani (2010) demonstrated that levels of organizational commitment vary among business owners, brought about by a person sharing, identifying with, or internalizing the values of the organization. The cognitive analysis is the measured value of a continued relationship. The cognitive analysis is the summations of the gains and losses, pluses, minuses, rewards, and punishments a small business owner may experience (Rapersad et al., 2010). Management skills and the ability to predict cash flow correlate (Noussa & Chichti, 2011). Improper management may result in improper cash flow prediction. Moussa and Chichti (2011) tested the competence of the ownership structure and found a relationship between management skills and the ability to appropriately predict cash flow and respond efficiently to cash flow issues. Once a small business owner experiences continual cash flow issues, the owner must conduct a review of spending. To conduct a thorough review of spending, Chen, Chen, and Wei (2011) suggested interfacing cost and

payment activities. They showed a correlation between the prediction of cost flows and past cash flows.

Current income reflects the current knowledge regarding future cash flows and growth opportunities (Jooste, 2011). Cash flow information provides the ability to generate more cash flow (Jooste, 2011). To make effective economic decisions, evaluation of overinvestment limits free cash flow. Management lowers the risk of negative or inadequate cash flow and ownership increases the risk of negative cash flow. Risk is always a factor when using models to predict the future (Camacho-Miñano, Segovia-Vargas, & Pascual-Ezama, 2013; Moussa & Chichti, 2011). Owners should not ignore the environment to control cash flow. Tozzi (2011) discussed a small business cash flow dilemma resulting from the recession. He offered solutions to assist coffee shops and restaurants with this dilemma. Cash flow projections may keep the company solvent. Gavin (2013) suggested that cash flow is the lifeblood of any company, and companies who project cash flow survive tough times. During a recession, reputable companies strengthen the balance sheet by generating cash reserves and managing debt levels (Gavin, 2013). The environment is critical for independent coffee shop owners. Strengthening long-term growth entails ensuring the location exhibits limited competition, and offering comfort, quality, and convenience to prospective customers (Gavin, 2013; Precutti, Boari, & Majocchi, 2011).

Chen et al. (2011) suggested the cost scheduling ability, timing, and certainty of generating income is through cash flow forecasting techniques. Jooste (2011) stated the development of cash flow statement ratios for analysis is an effective instrument to assist in predicting future cash flows. He suggested analysts tend to ignore cash flow statements to

provide information and seem to latch on to the familiar income statement and balance sheet. The reason may be that financial statements about cash flow were not a part of the initially adopted business practices and may have less expertise to interpret the cash flow statement (Jooste, 2011). Creative cash flow techniques may address limited prediction capabilities (Lorek & Willinger, 2011). Lorek and Willinger (2011) suggested that owners and managers have an interest in using creative accounting techniques to manipulate cash flow reporting. Creative cash flow reporting refers to the steps taken to create an altered impression of the operating cash flow to provide a misleading signal of a company's sustainable cash flow (Lorek & Willinger, 2011). Creative accounting creates an artificial image, without improving the business or cash flow, misleading the users of financial statements (Lorek & Willinger, 2011).

The control of cash in a business is difficult, and control of debt in a business is important to cash flow control. Moussa and Chichti (2011) defined the role of debt and ownership structure, and the mechanism of the manager's behavior for the companies generating free cash flows. They suggested the hypotheses that free cash flow levels will be lower with higher levels of debt. The contribution of this study is their list of the many cash flow formulas as part of their research (Moussa & Chichti, 2011). Developing cash flow based models are efficient tools for predicting cash flow (Choong & Jinhan, 2011). Cash flow prediction requires patience to determine the needs of cash, timing, and the uncertainty of future cash flow (Francis, 2011). Choong and Jinhan suggested combining cash flow prediction models and financial statements to improve the quality of business financial decisions.

Independent coffee shop owners should track sales and develop processes to control and predict cash flow. Coffee shop owners must monitor activities carefully and avoid losses because if the business owner is out of cash, the business owner is out of business (Yang, Park, & Hwang, 2014). To mitigate the prediction deficits, Ebaid (2011) provided evidence of the comparative abilities of the current period's cash flow and earnings to predict one-year-ahead cash flow from operations. Ebaid reviewed the cash flow prediction models examining the predictive abilities of earnings and cash flows for future cash flows (Ebaid, 2011). Ebaid created cash-flow predictors to solve the cash flow prediction problem (Ebaid, 2011).

Coffee shops use internal and external sources to finance investments (Teclezion, 2012). Many small business owners, who struggle with financing from external sources, rely on internal sources for funding (Teclezion, 2012). Financially strapped owners of coffee shops tend to save cash out of their cash flows (Teclezion, 2012). To mitigate, some small businesses apply for innovation research (SBIR) grants for start-ups. States with the presence of innovation and growth are less likely to receive grants than those with more sparse developments. Grants may be something coffee shop owners may pursue to gain start-up funds (Galope, 2014).

Small business owners struggle with predicting future cash flow (Lee, 2012). Incorrect cash flow prediction resulted in job loss and business failure (Ellis, Fairchild, & D'Souza, 2012). Owners of coffee shops rely on accurate predictions from their financial statements (Ahmadi & Ahmadi, 2012). Solving their cash flow problems may ensure survival and the opportunity to prosper. Small business owners should account for the uncertainty of

cash flow and be confident in their predictions (Kishore, Abraham, & Sinfield, 2011). Gavin (2013) claimed entrepreneurial experience, local market experience, and business abilities remain as important factors affecting the independent coffee shop survival. With these attributes, independent coffee shop owners prepare to manage challenges related to cash flow, to increase the potential for long-term survival.

Current earning as a better predictor. Trejo-Pech, Samaniego-Alcántar, and Weldon (2012) indicated that the current operating cash flow represents predictive capacity than aggregate profit. Desegregation of current earnings into operating cash flow and aggregate accruals indicate accruals add to the current operating cash flows predictive capacity. Current earnings separated into operating cash flow, and various accrual components have the capacity to predict future operating cash flows than the aggregate accrual models (Trejo-Pech et al., 2012). Cash flow is a good indicator in earnings forecasting as long as earning qualities are low presenting an opportunity to augment earnings with cash flow estimates. Analysts prefer not to disclose cash flow forecasts, when earnings are low, because the interdependency between the accuracy of the accrual estimates and the precision of accrual forecasts (Bilinski, 2014). Business owners may find a discrepancy between the decrease in earnings quality and the increased inaccuracies of cash flow forecasts compared to the initial estimates. Investors rely upon cash flow estimates, and analysts may not report unreliable and unstable cash flow estimates (Bilinski, 2014).

Operating accruals. When analysts provide forecasts of both earnings and operating cash flow, analysts implicitly provide a forecast of total operating accruals (McInnis & Collins, 2011). The strategy increases the transparency, and the expected costs, of accrual

manipulations, used to manage earnings (McInnis & Collins, 2011). McInnis and Collins (2011) predicted accrual quality improves, and firms' propensity to meet or beat earning benchmarks declines following the provision of cash flow forecasts. Applying this information in cash flow prediction initiatives may assist small independent coffee shop owners in establishing and maintaining a small operation for a period exceeding 5 years.

Another approach is the use of forecasting models. Forecasting models are effective, when based on timely debt collection, gross commercial margin, timely flow of stock, and timely debt payment (Telmoudi, Noubbigh, & Ziadi, 2010). Past cash flow presents a compelling predictor of future cash flow with a lower predictive power compared to the elements related to the operating cycle (Telmoudi et al., 2010). The researchers suggested that a model based on past earnings is defective regarding forecasting future cash flow (Telmoudi et al., 2010).

An independent coffee shop owner might place some confidence in past cash flow; must consider current contributing factors, and influences to determine the best approach of assessing cash flow issues. A small business owner uses models to forecast business success and failure. Models have many drawbacks and business owners question their validity. Nobody knows what the life span is. This uncertainty has a cost, and the cost of the error makes models unexpectedly invalid over time. Most financial prediction models rely on techniques as their single prediction motivation. A single model makes forecasting the fate of a company impossible (du Jardin & Séverin, 2012).

Pro forma analysis. Cash flow information has significant value over accrual information in predicting the probability of failure of a business (Arnold & North, 2011).

Arnold and North (2011) suggested pro forma analysis of a firm's cash flows is cyclical. Empirical results demonstrated the relative value of analysts' cash flow forecasts and the implied value of unexpected accruals. Cash flow forecast errors facilitate the reduction in analysts' forecast errors (Dambra, Wasley, & Wu, 2013).

Financials

The financials of the company may be the preferred resource to assist small business owners and managers to predict cash flow. Dambra et al. (2013) provided evidence that the inclusion of cash flow per share is a valid measurement for analysts when evaluating a company. The researchers list many cash flow formulas as part of the investigation. The data preparation of the formulas assists to solve the cash flow prediction problems (Dambra et al., 2013).

Wang (2010) emphasized the need for reconciliation as an indirect method of understanding cash flow statements. A conceptual framework for cash flow management demonstrated how accrual and cash-based accounting methods relate to each other. The author further illustrated the concept of reconciling both accrual and cash-based accounting methods (Wang, 2010). He provided an approach to teaching the concept of the reconciliation of accrual and cash-based accounting methods. The approach may be of particular value to potential small business owners, new operation owners, and those who may be experiencing difficulties sustaining the small business beyond the first 5 years.

Giachetti (2012) studied service diversification and how the application of diversification may assist small business financial performance. He showed a consistent inverse U-shaped relationship between service diversification and company performance

with the slope positive at low and moderate levels of service diversification. He illustrated that a company with experience in the service industry and company affiliation to a consortium, positively moderates the relationship between service diversification and performance. Giachetti provided evidence of the importance of service diversification strategies for gaining a competitive advantage. Diversification strategies may positively affect independent coffee shop owners and provide a competitive advantage.

Accounting accruals. Accounting accruals are incremental amounts of ongoing revenues or expenses (Lorek & Willinger, 2011). Findings related to accounting accruals may be of interest to analysts wanting to create future cash flow predictions. Outcomes may interest accounting researchers attempting to adopt statistical data for the expectation or prediction of quarterly cash flows (Lorek & Willinger, 2011). Accounting is a frequent problem for owners and managers of small businesses. Accounting problems include the use of accounting information, cash control, cost control, and recordkeeping (Tipu & Arain, 2011). Information gained through the analysis of accounting problems may be of benefit in reducing debt and managing cash flows.

Finances and GAAP. Financial management refers to acquiring resources and financial control (Tipu & Arain, 2011). Bootstrapping is a technique used to overcome financial constraints (Tipu & Arain, 2011). The bootstrapping technique reduces debt by aiding the business owner in managing cash flows (Tipu & Arain, 2011). Generally accepted accounting principles (GAAP), is more closely associated with future cash flows than earnings reported under International Financial Reporting Standards (IFRS) (Atwood, Drake, Myers, & Myers, 2011). The cash flow strategy is important if the purpose of reported

earnings is to assist investors in forming expectations regarding future cash flow (Ahmed & Duellman, 2014; Atwood et al., 2011).

Supply Chain. Managing the flow of information, and product, leads to small business success. Chen et al. (2011) reported cash flow performance is essential to performance management. Che, Chiang, and Che (2012) regarded the flow of information as a strategic decision-making activity for the supply chain planning enterprises under current business circumstances. The importance of finding suitable and quality partners to decide upon an appropriate production and distribution plan requires a business owner's consideration (Che et al., 2012). To illustrate, Kumar, Heide, and Wathne (2011) examined how a manufacturer's governance of an external supplier relationship affects the company's performance toward a downstream retail customer. The research on supply chain management focuses primarily on material flow and remarkably, little on the flow of money (Gupta, & Dutta, 2011). The incoming and outgoing monetary flows never stop and are sometimes unpredictable (Gupta & Dutta, 2011).

Gathering, assessing, processing, and the ability to act on information is critical to business planning (Tipu & Arain, 2011). Owners and managers' ability to learn encourages planning success (Tipu & Arain, 2011). An effective business plan creates outlines for business operations, budgets, and sales and marketing planning (Anderson, 2013; Bridge & Hegarty, 2012). A dynamic business plan will help create updates and attracting investors (Anderson, 2013; Bridge & Hegarty, 2012). Some major learning, for business owners and managers, happens during the creation and development of a small company (Tipu & Arain, 2011).

Culture

Culture affects owners and manager's decision-making processes. Swimberghe, Sharma, and Flurry (2011) claimed religion is a significant cultural and individual difference variable. Reviewing the literature demonstrates that a gap might exist in the consumer religious commitment in the buyer-seller dyad (Swimberghe et al., 2011). The influence of consumer religious commitment and a Christian consumer's conservative beliefs in the United States can affect store loyalty (Swimberghe et al., 2011). The results from the study suggest consumers evaluate a seller's actions and form ethical judgments from their cultural perspective (Swimberghe, Sharma, & Flurry, 2011). Many activities undertaken by a small business owner demonstrate the culture of the organization. For example, within the coffee shop industry, social responsibility in the coffee trade is important to the customer and coffee shop owner success (Murphy & Jenner-Lauthart, 2011).

Students of anthropology and sociology study the significance of food in culture (De Solier & Duruz, 2013). De Solier and Duruz suggested that food is a productive force that connects society with their present and future. Through meals and social games, people create their identity and sense of community (Cronin & McCarthy, 2011). Coffee shop owners offering pastries and other foods suitable for conversation and social comfort may provide an ideal setting for people to celebrate with each other (Cronin & McCarthy, 2011). Leaders in the coffee shop culture can lack effectiveness because lack of focus on people and could jeopardize the long-term sustainability of the business (Cronin & McCarthy, 2011). Some owners and managers lack training on values and their growth and development (Gavin, 2013). The coffee shop industry draws on consumer interest in enjoying a quiet place

away from home, with comfort and quality products. Comfort and quality provided; leaves room for independent coffee shop owners to capitalize on the flexibility in pricing (Gavin, 2013).

Change

Brudney (2011) noted change is a constant. He suggested achieving strategic sustainability through adaptability. Proper management of change will create sustainable results. Managers need to be vigilant to deal with the inevitable changes that occur. Change is risky and companies must be willing to adapt to change. Bloodgood and Bongsug (2010) explored why transformation efforts in businesses fail. Business owners proceed through the change process engaging in a series of steps, and proceeding through any steps too quickly may lead to undesirable results (Bloodgood & Bongsug, 2010). Critical mistakes can impede the successes of change (Bloodgood & Bongsug, 2010). Complicating the issue, elements of stress and fear prevent small business owners from making needed changes. Crowne (2013) indicated that cultural change provokes emotional stress. When people recognize the causes of stress, people are more willing to make changes (Crowne, 2013). Attitudes for or against change can promote emotional responses to the change (Crowne, 2013).

Education, training, and development may assist small business owners to deal with change. Conceição and Altman (2011) suggested the process of training and development serves to connect whom, or what, to organizational culture change. The leadership models, and skills of management produce the bridge from cultural change to training and development within the business (Conceição & Altman, 2011; Owens & Hekman, 2012). Ethical leaders create a business culture of ethical practices and responsibility. Schaubroeck

et al. (2012) findings provided limited support for simple trickle-down mechanisms of ethical leadership. Broader support for multilevel leadership models consider how leaders embed shared understandings, through the influence on the ethical culture, of units at various levels (Schaubroeck et al., 2012). Knowledge may assist owners and managers to make better assessments, judgments, and decisions about their business (Tipu & Arain, 2011).

Overconfidence in the abilities and skills of a small business owner might create an environment of overestimating success of the business (Tipu & Arain, 2011).

Decision-Making

Small business owners with severe overinvestment problems have lower levels of benefit, and the effect of the benefit of cash flow is negative (Moussa & Chichti, 2011). To mitigate overinvestment in ownership, business owners may issue debt (Moussa & Chichti, 2011). A variable for future research is whether, while accounting training hold value, decision-makers understand how other business owners predict cash flow. The strategy might assist coffee shop owners to make better decisions. The researchers demonstrated the effectiveness of proper decision-making processes (Moussa & Chichti, 2011). Moussa and Chichti explored the data presented and the implications of cash flow concerning the disciplinary role of the ownership structure and capital structure policy. They suggested small business owners make better and consistent decisions when ethics is part of the decision-making process. The alternatives induce consumers to place more weight on ethical attributes, such as management-employee labor practices and animal testing (Irwin & Naylor, 2009). The non-normative difference reflects the compatibility between exclusion and ethics, and the difference holds regardless of attribute framing or consumer emotion (Irwin &

Naylor, 2009). Irwin and Naylor (2009) found consumers judge others' behavior more negatively for excluding ethical products. The results have implications for the marketing of ethical products and businesses, including coffee shops (Irwin & Naylor, 2009). The activities and personality traits of the business owner or manager exhibit the ability to exploit potential opportunities (Tipu & Arain, 2011). The focus of the business owner or manager should be on what they know, not whom they know (Tipu & Arain, 2011).

Consumer Behavior

Papaoikonomou, Ryan, and Valverde (2011) suggested the concept of ethical consumer behavior gained significant attention among owners, managers, practitioners, and academic researchers. Consumers require ethical management practice; Neale and Fullerton (2010) assessed the ethical tendency of the marketplace in the United States by calculating a consumer ethics index. They provided the basis for developing group categorization of consumers for retailers for assessing consumer actions in a variety of restaurants, coffee shops, and retail situations. They investigated perceptions on ethics from young consumers and presented a profile of consumer behavioral norms, how ethical inclinations have evolved over time, and country differences.

Consumers have become tolerant of some questionable behaviors in customer service situations (Neale & Fullerton, 2010). Researchers might investigate consumer ethics to assist business owners in understanding what motivates customer beliefs (Neale & Fullerton, 2010). Carrington, Neville, and Whitwell (2010) suggested customer care and ethical behavior affect ethical conduct in consumer purchase behavior.

To illustrate, Frazier, Stoel, Niehm, and Eckerson, (2013) explored the development of small businesses in rural locations and stated new start-ups struggle with engaging rural communities. Rural residents become accustomed to supporting companies that serve needs, rather than wants.

A coffee shop may not thrive in a rural environment without the established support of the community based on previously established kinships (Frazier et al., 2013). In another example, Hymel (2014) conducted a study to determine the affect of parking meter requirements to patrons, and found parking meter prices do not reflect any market value on what the space value is. Meters have a profound affect on business patronage. Potential consumers add the factors in the decision-making process regarding parking and gaining products and services from a coffee shop, or not (Hymel, 2014).

The success of an independent coffee shop owner may improve in areas where parking meters are not a part of the decision-making process for customers. A potential independent coffee shop owner might determine the best location by examining traffic patterns, free parking access, and street appeal to increase the likelihood of long-term success (Hymel, 2014).

New versus existing funds. A small business owner with newly raised funds may more easily achieve performance targets (Lehner, 2014). The performance of new funds is inferior to existing funds (Lehner, 2014). The small business owners with newly raised funds have positive effects on cash flows, and promotional efforts can attract more money (Lehner, 2014). Sarvanitis and Stucki (2013) suggested managerial, and individual ownership, cash flow sensitivity, size, and debt have a negative affect on cash dividends, and operating cash

flow and profitability positively affect cash dividends. Managerial ownership, individual ownership, operating cash flow, and size, are the most significant determinants of dividend behavior. Especially if cash flow sensitivity does not contribute significantly to determine the level of corporate dividend payment (Sarvanitis & Stucki, 2013).

Forecasting

Maravas and Pantouvakis (2012) claimed companies require accurate cash flow in conducting project cost–benefits analysis. The cost of activities and their duration are issues of uncertainty to predict cash flow (Maravas & Pantouvakis, 2012). Small business owners study the cause and effect of uncertainty for forecasting to provide companies with insight into accurate cash flow prediction (Maravas & Pantouvakis, 2012).

Small business owners should be proactive to prevent undesirable outcomes (Maravas & Pantouvakis, 2012). Fullera and Goldstein (2011) argued dividends relate to cash flow uncertainty. Companies with high cash flow uncertainty are likely to pay low dividends (Fullera & Goldstein, 2011). Small business owners facing high levels of cash flow uncertainty, which are at the early stage of the financial life cycle, tend to pay low dividends (Fullera & Goldstein, 2011). Evidence suggesting dividends correlate with agency conflicts and investment opportunities is weak (Fullera & Goldstein, 2011).

Some small business owners inflate reported cash from operations in the statement of cash flows and the mechanisms through which firms manage cash flow (Lee, 2012). The unethical manipulation of accruals to manage cash flow with bias instead of predicting using classification and history effects reporting of cash (Lee, 2012). Lee (2012) suggested firms

manage cash flow by shifting items between the statement of cash flow categories, both within and outside the boundaries of GAAP, and based on the history of certain transactions.

The small business owner's access to cash is a significant basis for making decisions and judgments about the company (Lee, 2012). Forecasting of cash flow requirements necessitates the proper analysis of information about current and previous year's cash flows (Lee, 2012). He used earnings models to predict future cash flows and suggested creditors obtain information about the liquidity and debt repayment ability to anticipate the small business owner's ability to pay financial obligations at maturity.

Changes in a business owner's processes and transactions can create better cash flow. Increasing numbers of inefficient activity by management accountability results in substantive losses for shareholders (Khan, Vilanova, & Hassairi, 2011). Specialization allows the separation of management and control creating effective managerial control (Khan et al., 2011). One cash flow hypothesis is a cash rich company will be more likely to invest (Khan et al., 2011).

Bayar, Chemmanur, and Liu (2011) suggested that for company insiders to motivate employees to exert optimal effort through compensation with equity in the company is cost effective. Additional compensation for an employee is company equity with limited liability (Bayar et al., 2011). Employee optimism increases when gathering investment capital for the implementation of a project, and this will motivate the employee-entrepreneur implementing the project (Bayar et al., 2011). An employee generating an idea motivates for optimal effort other employees (Bayar et al., 2011).

Marketing

Luigi and Mihai (2011) examined the theoretical contributions to relationship marketing concepts and total relationship marketing. They claimed interaction in networks of relationships constitutes both the essence of life itself and the essence of society. They also offered an overview of the contributions to total relationship marketing from (a) traditional consumer goods marketing, (b) services marketing, (c) business marketing, (d) total quality management, (e) new organization theory, and (f) new accounting theory (Luigi & Mihai, 2011). A solid marketing plan will contribute to the small business owner's success.

An important component of the plan is relationships. Álvarez, Casielles, and Martin (2011) explained targets to contribute to relationship marketing strategy by studying the roles of complaint management in long-term relationships. The company confirms the importance of theory accords to the relationship marketing strategy and provides evidence for the importance of complaint management. Developing a valuable complaint-handling system and hiring trained, motivated staff fully committed to the small business owner's objectives are fundamental requisites for companies to build a stable customer portfolio (Álvarez et al., 2011).

The marketing activities of small business owners will drive company success. Rampersad et al (2010) proposed relationship marketing activities directed toward establishing, developing and maintaining successful relational exchanges. The need for relationship marketing stems from the changing dynamics of the global marketplace for competitive success (Rampersad et al., 2010). Marketers encourage consumers to engage in positive purchase behavior, in favor of ethical marketing (Carrington et al., 2010).

Management problems are long-range planning, inventory control, personnel selection, supervision, accounts receivable collection, and debt control; small business owners with poor abilities in long-range planning are a top reason businesses fail (Gupta & Dutta, 2011). The small business owner should set long-range goals with detailed plans on how to achieve these goals. The small business owner should have short-range objectives with the available means of accomplishing them (Spring, 2014).

Inventory control problems. Inventory control divides into accounting controls (perpetual and physical inventories) and marketing controls (purchasing and merchandising) (Ahmed & Duellman, 2014). Inventory is normally the largest dollar value item making up working capital in retail, wholesale, and manufacturing businesses. Overstocking and under stocking inventory may result in a shortage of quick assets or lost sales. Inventory control relates to other problem areas such as sales, pricing, advertising, cash control, and recordkeeping (Ahmed & Duellman, 2014).

Competition

Small business owners should engage in decision-making as their environment changes. One consideration is how small business owners respond to competition. Bloodgood and Bongsug (2010) claimed competitive survival of an organization determines organizational change. Owners who implement change as a constant find that change will become easier for the owners (Bloodgood & Bongsug, 2010). Change initiated by successful small business owner's results from collaborative intervention and managerial reflection (Bloodgood & Bongsug, 2010). Competition drives the need for commitment.

To be an effective competitor in the global marketplace requires one to be an effective cooperator in a network of organizations (Rampersad et al., 2010). If an effective cooperator in some networks is a prerequisite to becoming a successful competitor, it is also useful to know the requisites for a successful cooperator (Rampersad et al., 2010).

Qualitative outcomes contribute to network performance. Independent coffee shop owners who gain an understanding of what works by examining and observing practices, learning new approaches, and building success strategies may experience long-term success.

Commitment and trust are essential characteristics (Rampersad et al., 2010). Trust happens by maintaining high standards of corporate values (Rampersad et al., 2010).

Competition in the coffee shop industry is significant, compared to other industries. Potential new entrants to the independent coffee shop industry are typically deterred because the abundance of coffee shop chains maintaining significant market share (Gavin, 2013). Strategizing new entrance to the market requires independent coffee shop owners to consider the location; business skills, entrepreneurial experience carefully, and market knowledge to survive beyond the first 5 years (Gavin, 2013).

An important competitor in the coffee shop industry is Starbucks (Wu & Liu, 2014). Even when facing global economic downturns, Starbucks focused heavily on strengthening the customer experience. In 2009, engaged in redesigning interiors, to appeal to the local culture (Aiello & Dickinson, 2014).

Process

In workplace issues involving management and employee relations, managers should involve employees in the decision-making process (Conway, 2012). Small business owners

should create structures and processes to guide the employees. The entrepreneur makes strategic decisions meeting the challenges shaping the venture. Seeking growth and innovation, the pursuit of new business opportunities drives the entrepreneurial approach. Future growth is vital (Conway, 2012).

Relationships

The commitment-trust theory maintains those networks characterized by relationship commitment and trust engenders cooperation. Rampersad et al (2010) asserted relationship commitment and trust develop when companies attend to relationships by providing resources, opportunities, and benefits superior to the offerings of alternative partners. Zohrabi (2013) investigated the role of trust in top management as a mediator of the relationship between top management communication, employee involvement, and organizational commitment. Trust in top management mediates the relationship between top management communication and organizational commitment and partially mediates the relationship between employee involvement and organizational commitment (Zohrabi, 2013). Kask and Linton (2013) illustrated how establishing relationships within the industry, and with neighboring companies (a) fosters goodwill, (b) may establish customer loyalty, and (c) may strengthen and secure a place for the company within the neighborhood.

Jean, Sinkovics, and Kim (2010) built on the resource-based view of the company in the electronics industry. Adopting a communication culture theory to examine drivers and performance outcomes of the relationship learning are determinants of relationship education (Jean et al., 2010). Particularly in cross-border relationships, and proposing a research framework in which a company's innovativeness orientation, trust, information technology

advancement, and technological uncertainty (Jean et al., 2010). Jean et al. (2010) introduced the communication cultures of the supplier and buyer as a moderator, and empirically showed how innovative orientation, trust, and technological uncertainty, positively affects relationship learning. Good customer service is a result of well-managed companies. Mojibi, Hosseinzabeh, and Khojasteh-Gharmari, (2013) suggested an using high-quality goods and services, but noted the demand for short-term delivery of products obliges manufacturers to re-engineer their processes. Knowledge management factors based on customer knowledge, along with customer relationship management, may lead to increased customer satisfaction, decreased complaints and raised purchasing times (Mojibi et al., 2013).

Independent coffee shop customers care about product quality; service delivery, establishment management, and the relationship the employees develop with customers (Paryani, 2012). Customers want relationships with companies and knowledge of the company. Athawari (2013) suggested an investigation into the relationship between customer knowledge and customer relationship management. The relationship between customer knowledge management and customer relationship management is significant (Athawari, 2013). A successful coffee shop owner understands the needs and wants of the customers, and strives to strengthen relationships with customers by meeting customer needs and wants (Paryani, 2012).

Alvarez et al. (2011) researched relationship marketing strategy by studying the role of complaint management in long-term relationships. The researchers emphasized two types of customers, consumers and companies. The results confirm the importance of theory accords to the relationship marketing strategy and provide evidence for the importance of

complaint management (Álvarez et al., 2011). They indicated possessing a strong complaint-handling system and a trained and motivated staff fully committed to the company's objectives are fundamental requisites for small business owners to build a stable customer portfolio. Pricing strategies encourage relationships. Liozu and Hinterhuber (2013) enlightened on the role of relationship pricing.

Small business owners must investigate the variables shaping the adoption of relationship pricing and the manifestations of relationship pricing (Liozu & Hinterhuber, 2013). Small business owners who adopt relationship pricing will follow market-based export price decisions (Liozu & Hinterhuber, 2013). Hoffer Gittell and Douglas (2012) showed how role-based relationships of shared goals, shared knowledge, and mutual respect foster participants' attentiveness to the situation and to one another. These role-based relationships enable caring, timely, and knowledgeable responses. Through these role-based relationships, relational bureaucracy promotes universalistic norms for caring for others (Hoffer Gittell & Douglas, 2012). One beneficial relationships in a small business is the management-employee relationship.

Venkatesh, Vivekanandan, and Balaji (2012) suggested small business owners use performance appraisals to influence employee behavior. Venkatesh et al. reported employees with a pleasant orientation had a positive relationship with management, yet those with an abrasive orientation had a negative relationship. Pleasant mannerisms draw the best qualities from employees (Venkatesh et al., 2012). Baer (2012) examined the relationship between creativity and ideas into practice and the individual's ability to network to create strong relationships. He indicated individuals could improve or build creative ideas. Positive

outcomes associated with the implementation of strong, committed relationships the skilled networker's aid in strengthening a positive workplace culture supporting the development of strong working relationships over time.

Hiring. Small business owners must understand individual differences in curiosity and learning styles of employees, and apply the understanding in the selection process, and team building (Giambra, Camp, & Grodsky, 1992). In the hiring process, prospective employees need to be curious, eager to learn, and not afraid to question the status quo. Individuals with high levels of curiosity about people, with an active learning style, thrive in situations in which individuals can use the same skills. New hires need the opportunity to build the social networks necessary for knowledge creation and knowledge sharing (Gardner, 1983).

Human resource. The success of the business owner depends on its human capital (Tipu & Arain, 2011). Primary functions for the human resources department are the recruitment and performance assessment (Tipu & Arain, 2011). Chow and Dunkelberg (2011) indicated small business owners produce half of the private GDP, employ half the private workforce, and are the source of most job creation in the United States. Small firm importance to production and job creation makes employees fundamental to financial growth (Chow & Dunkelberg, 2011).

Expectations of future financial growth help with the decision to expand, hire, buy new equipment, and accumulate new inventories (Chow & Dunkelberg, 2011). Independent coffee shop owners may not endure risk for unclear future conditions when applying proper

decision-making practices (Chow & Dunkelberg, 2011). Successful owners and managers often take a conservative approach while making business decisions (Tipu & Arain, 2011).

Country of origin. In the contemporary marketplace, the country of origin may be a significant phenomenon influencing evaluations of foreign products, particularly in the coffee shop industry (Nadiri & Gunay, 2013). Understanding consumer behavior in relation to the perception of the country of origin provides fundamentals to strategic decisions in marketing and consumer behavior. When consumers buy a foreign-made product, the consumers consider the economic value of the product. The consumer may want information about the product, may consider to what extent the product has an affect on social status, and how the product enhances consumer personality (Kumara, 2010). Consumer expectations of foreign products indicated the potential to examine consumer expectations of domestic products (Kumara, 2010). This becomes a critical issue in an independent coffee shop industry as coffee shops become more conscious about where coffee products come from, free trade, market, and social responsibility issues. Social consciousness characterizes the growing coffee shop industry. Independent coffee shop owners who capture socially responsible trade practices may find this benefits owners, regarding increased customer loyalty, and consumer preferences regarding purchasing goods from a responsible business owner (Nadiril & Gunay, 2013).

Literature Summary

There are a number of factors in the literature review influencing the success or failure of small businesses, in particular, independently owned coffee shops. Issues considered included business financial infrastructure, management approaches, employee

relations, operational challenges, business failure risks, and pathways to success. The information gathered provides a good foundation for launching the investigation exploring successful coffee shop owners. A gap exists in the literature review in studies conducted on small independent coffee shops in Washington.

Several factors influence the success of an independent coffee shop in Washington State. An overriding issue is the level of competition as Washington houses the world's largest coffee shop company, Starbucks, as well as other contenders such as Seattle's Best. The dominant companies developed superior supply chain, marketing, and operational strategies availing global reach and recognition. The tourist industry relies on the commonness of recognized brands in purchasing behaviors, causing significant challenges for the independent coffee shop owner lacking the luxury of an established reputation before the doors open. An independent coffee shop owner confronts the unique challenge of appealing to the local tastes, while competing against market dominators. Therein lies the challenges for the small independent coffee shop owner and the reason for the investigation.

Transition

In Section 1, I described the problem and purpose statement, and the central research question guiding the study, and consider various research methods and designs. An exploration of research assumptions and limitations accompanies an overview of the significance of the study in exploring independent coffee shops in Washington. Section 1 concludes with a thorough literature review exploring previous studies and articles related to the topic. In Section 2, I continue the discussion on research design and include participant selection, ethical research, data collection, and analysis.

Section 2: The Project

In Section 1, I provided the problem, purpose, the central research question, research method and design, and a review of related literature. In Section 2, I explained the research process including data collection and analysis. I begin with a restatement of the purpose of the study; follow by a description of my role as the researcher and the participant recruitment, data collection, data analysis, and protection process.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies independent coffee shop owners in Washington might use to survive beyond the first 5 years. The population for the study was independent coffee shop owners who experienced business sustainability beyond 5 years, within the Washington area. Yin (2014) suggested a sample of no more than 10 was appropriate for a case study. Washington small business failure rates are consistent with other states making Washington a suitable setting for the study. Successful independent coffee shop owners in Washington may have knowledge on the unique nature of the competitive coffee shop industry.

Role of the Researcher

My role as a researcher was to collect and analyze data, follow an established interview protocol, protect confidential participant information, and report accurate findings (Bloomberg & Volpe, 2012). The researcher was the primary instrument throughout the study (Xu & Storr, 2012). An important responsibility as researcher was to ensure activities related to conducting research are ethically sound and in accordance with the IRB and the Belmont Report protocol. To conduct the study, I draw on my extensive interviewing skills to

recognize subtle nuances and engage probing questions to illicit participant perspectives. I have no previous relationship with anyone involved in the study and have no previous experience operating a coffee shop, reducing any potential related bias or presumptions affecting the research process. I used an interview protocol to ensure consistency in questions, and to guide the interview process (Yin, 2014).

Participants

Before conducting any interviews, I complied with the guidelines put forth by Walden University and the IRB regarding the use of human participants. The face-to-face interviews were conducted with five successful independent coffee shops in the Washington area of the United States who remain in operation beyond the first 5 years. The sample size of five participants was an appropriate sample to gain knowledge about independent coffee shop sustainability practices (Yin, 2014). The sample of successful business owners may provide insights to aid potential coffee shop owners to develop and sustaining a successful small business.

Washington was the location of the study because this area was a similar presence of small businesses comparable to other states. The criteria to participate in the study included: (a) current owner and operator of an independent coffee shop in Washington State, (b) remains operable beyond the first five years, and (c) willing to participate in the study. To identify potential participants for the study, I used the phonebook to procure five successful independent coffee shop owners within Washington. The phonebook provides public information, and no costs are associated with procuring the information. The phonebook

includes each business name, address, city, county, and phone number. I sought owners who meet the criteria to participate in the study.

Telephone Script: Hi, my name is Bruce Higdon. I am calling to invite you to take part in a research study on Independent Coffee Shop like yours. I am a Doctoral student at Walden University and my study seeks to identify a more effective means for company to stay in business after five years. Taking part in this study is voluntary. Do you have a few minutes to discuss the study? If yes, set a day and time to meet. If no, thank them for their time.

Once I had a candidate pool of individuals meeting the criteria to participate, I used random sampling to recruit participants from five coffee shops. Yin (2014) indicated a case study protocol was to ensure repeatability and transferability of research. The protocol was a systematic plan to ensure I conduct interviews consistently. The protocol includes: (a) gaining IRB approval to conduct research; (b) randomly contacting at five successful coffee shop owners to explain the research and assess if the owner meets the established criteria to participate, and (c) invite candidates to participate in the study explaining participant rights, information protection, and the interview process. Candidates agreeing to participate in the study received informed consent forms before the interview began (see Appendix A).

Each study participant who indicated interest to participate in the study must reply by e-mail with the words *I consent*. The signed consent form include: (a) a description of the study, (b) my role as an interviewer, (c) the time commitment needed to complete the interview, and (d) the rights of participants to answer some, or none of the questions, and details on information confidentiality and protection of data for 5 years. I built rapport with

participants through my communication skills and by personal availability to answer questions and remain in contact throughout the research process. Participants may stop the interview process at any time and I removed participant contributions from the data collected if requested, otherwise, I used that data collected for the study. The interviews continue with the five owners until the data collection process reaches saturation, at this point the interviews cease. In the event I am unable to reach saturation with the initial five interviews, I asked the original five owners for referrals of known owners that may participate or I used member checking to potential identify any missed information and identify opportunities to gain detail. I continued member checking until the process achieves saturation. The process reaches saturation when the addition of more data adds no new information causing the interviews to stop (Yin, 2014). The stored data from the responses is on a personal, password-protected, external hard drive. After 5 years, from the time of publication of the study, I removed the traces of correspondence by reformatting the external hard drive. Only I have access to the external hard drive. The interviews may foster a deeper understanding of strategies used by successful independent coffee shop owners (Cronin-Gilmore, 2012). Participants may choose not to be honest if information was not confidential (Yin, 2014). To mitigate this risk, participants consented to a confidentiality agreement outlining the ability to withdraw at any time, and I stored the personal information in a locked cabinet.

Participant names remain concealed and receive codes to protect identity (P1, P2). The codes assist to distinguish participants, and to apply a unique identifier throughout the research (Sadler, Lee, Lim, & Fullerton, 2010). Only I have sole access to data related to participant contributions, and I will destroy data after 5 years. My intent was to establish a

supportive relationship with participants by pay attention to the indicators of voice and body language to gain sufficient information and ensure participant comfort (Bloomberg & Volpe, 2012; Yin, 2014). I invited participants to ask any questions, followed by carefully established semi structured open-ended interview questions.

Research Method and Design

Researchers use a qualitative case study to gain a deeper understanding of an event or situation (Yin, 2014). A qualitative case study was appropriate for the study to explore strategies independent coffee shop owners in Washington use to survive beyond the first 5 years. In the following paragraphs, I describe the process leading to the choice of a qualitative multiple case study approach for the study.

Research Method

The three methods of research analysis are qualitative, quantitative, and mixed method. A researcher uses a quantitative approach to identifying *how much* of a problem exists. I did not use the quantitative approach because the information on the presence or absence of business management problems does not inform the reader about how the problem evolves (Bloomberg & Volpe, 2012). The mixed methods approach combines both quantitative and qualitative methods to reduce the affect of weaknesses in either approach (Muskat et al., 2012). The mixed methods approach was also inappropriate because the inclusion of quantitative inquiry. Researchers choose a qualitative approach to capture explanations in the decision-making process (Yin, 2014). The investigation entails exploring perspectives of successful independent coffee shop owners on strategies that may lead to

business success. For the study, perspectives provide the basis of understanding; I chose a qualitative method to conduct the study.

Research Design

A researcher spends considerable time identifying an appropriate method and design for a study, considering what approach may lead to answers for the central research question. In a qualitative study, a researcher chooses from a wide range of potential designs, seeking one that reflected the intentions of the study. The five qualitative research designs I considered include (a) phenomenology, (b) ethnography, (c) narrative, (d) singular case study, and (e) multiple case study.

Researchers choose a phenomenological design when exploring lived experiences of participants. Moustakas (1994) suggested a phenomenological approach provides flexibility for the researcher to ask open-ended questions to gain a deeper understanding of a phenomenon. I did not select a phenomenological design because the process of saturation required for a phenomenological study, a case study limits saturation to the bounds of the population investigated, and case studies define the population within a smaller scope (Yin, 2014). Ethnographic studies provide insights on unique groups or cultures and how culture affects decision-making (Bloomberg & Volpe, 2012). Failed independent coffee shop owners in the study do not necessarily base decisions on cultural factors, and the participants are not purposefully linked through cultural attributes rendering the ethnography an inappropriate choice for the study.

A narrative researcher seeks to understand events through personal stories and anecdotes of a single or small group of participants (Jorgensen et al., 2012). Life stories may

not illicit information on business decision-making; I did not select a narrative approach for the study. A singular case study was appropriate in a large setting in which different owners can contribute to understanding to phenomenon; the independent coffee shop industry may not have enough owners in one location to achieve saturation so a single case study was inappropriate for the study (Yin, 2014). A multiple case study researcher used a larger population, in this case, five independent coffee shop owners from five different businesses to gain knowledge from a broader range of participants (Yin, 2014). The intent was to use a qualitative multiple case study design to conduct the study.

Population and Sampling

The population selected for the study was successful independent coffee shop owners from Washington State. To identify potential participants for the study, I used the phonebook to identify independent coffee shops within Washington and make direct contact with owners who operate the business. I did not require a Letter of Cooperation to engage in interviews with the participants as each owns and operates an independent coffee shop. I interviewed five participants for the study with participants meeting basic criteria of having owned a successful independent coffee shop in Washington beyond 5 years and willingness to participate in the study (Cronin-Gilmore, 2012). The criteria description was available in the informed consent form (see Appendix A). The interview contributions, available documentation such as financial statements and business plans, and physical artifacts including signage, websites, and menus may provide sufficient data to gain a deeper understanding of successful independent coffee shop owners in Washington (Yin, 2014).

I conducted face-to-face interviews using semi structured open-ended interview questions, in a location of the participant's choice, and recorded interviews with participant permission. Random sampling to identify five participants meeting the criteria of the study was most appropriate to establish a broader range of perspectives on the topic. The interviews continue with the five owners until the data collection process reaches saturation, at this point the interviews cease. In the event I am unable to reach saturation with the initial five interviews, I used member checking to potential identify any missed information and identify opportunities to gain information. I continued member checking until the process achieves saturation. The process reaches saturation when the addition of more data adds no new information, at this point; interviews stop (Yin, 2014).

Ethical Research

As the primary instrument in the study, I ensured the highest level of ethical practice in conducting the study complying with the guidelines put forth by Walden University regarding the use of human participants and IRB and Walden University approval to conduct the study (Xu & Storr, 2012). Approval from the IRB preempts the first contact with participants. Participants meeting the criteria, receive an informed consent form by email explaining participation requirements, participant expectations, participant rights, interview process, information storage and destruction processes, and participant confidentiality (see Appendix A). I remained accessible to participants throughout the research period and beyond, and stored related research information on a password-protected database accessible only to me. I contacted participants directly, introducing the study, and myself invite them to participate, send a consent requiring participants to sign and

return the form through email, arrange an interview, and remain sensitive to participant time constraints.

I kept unique identifying characteristics of participants confidential by using codes to identify participants. Incentives may influence participant responses; I offer no incentives for participating in the study (Moustakas, 1994). The collected data remains on a password-protected database accessible only by me and I will destroy the raw data after 5 years (Yin, 2014).

Data Collection Instruments

The primary instruments used in qualitative inquiry include: (a) the researcher, (b) the interview questions, (c) a recording device, and (d) pencil and paper to capture physical nuances. Schatz (2012) indicated semi structured open-ended questions as appropriate for soliciting information regarding a phenomenon. Open-ended questions provide an opportunity to express perspectives freely offering the researcher access to information, compared to surveys or other restrictive methods (Schatz, 2012).

I asked nine interview questions (see Appendix B), face-to-face, in a location reflecting the preference and comfort of participants, and, with their permission, recorded interviews for accuracy of transcribing and understanding. Prior to conducting interviews the personal identifiers were removed, using only codes to link interview responses to participants. The interviews sought additional supporting information such as documents and physical artifacts to triangulate the investigation (Yin, 2014). Within-method triangulation was a technique to increase the reliability of research by exploring events or situations using various techniques (Yin, 2014).

Following the interviews, I used member checking to ensure appropriate interpretation of the data collected from each participant. To do this, each participant was emailed, provided with my interpretation of their contribution, asked each to review and report on the accuracy of the information within 5 days (Marshall & Rossman, 2011). Once participants verified the interpretations of their contributions, I began the data analysis phase.

Data Collection Technique

I began collecting data once the Walden University Institutional Review Board (IRB) approves my proposal. The creation of a case study interview protocol ensured consistency in participant recruitment, communication, and interviewing. Past coffee shop owners were identified using a public database. I collected data for the study through face-to-face, semi structured interviews, documentation, and physical financial artifacts. The intent was to conduct face-to-face interviews asking nine open-ended questions (see Appendix B). Instruments used to conduct the interviews include interview questions, notepad, pencil, and paper observing for indicators of voice and body language to gain information. I scheduled interviews with participants in accordance with their availability, and contacted each a day in advance to confirm interview appointment and to reaffirm participant rights, study intent, and interview process. The following day, participants are expected to engage in the interview process. To triangulate the study, available documentation from owners needed to be accessed related to financial details and business plan, and physical artifacts including company websites, signage, menus, and other visible resources used by the owner (Guion, Diehl, & McDonald, 2011).

Participants have the opportunity to seek clarity throughout the interview process; I did not conduct a pilot study prior to interviewing participants. At the beginning of the interview process, I reminded participants of the purpose of the investigation, the right to answer, some or all or no questions without consequence, and the confidentiality protocols of the study. My intent was to interview at least five to ensure saturation, I continued to interview participants until adding more data produces no new information and reaches saturation, I concluded interviewing participants.

Following the interviews, I engaged in member checking to ensure the accuracy of the recorded and interpreted data (Marshall & Rossman, 2012). I recruited the services of a transcriptionist and ensured the individual signed a confidentiality agreement before transcribing (see Appendix C). I reviewed various financial documents and physical artifacts to triangulate the study (Yin, 2014). I stored collected information on a password-protected database accessible only by me, and in a fireproof safe, and destroy data after 5 years. I provided participants with a summary of findings following the study.

Data Organization Technique

Data organization was fundamental to ensure (a) proper order of materials, (b) efficient recall, and (c) participant confidentiality (Kemparaj & Chavan, 2013). In accordance with Guion (2011) and Yin (2014), I collected data through (a) interviews, (b) notes taken during interviews capturing physical nuances, and (c) documentation and physical artifacts gathered from participants (Guion, 2011; Yin, 2014). A code system (P1, P2) protects participant identities. I stored collected information on a password-protected database accessible only by me, and in a fireproof safe, and destroy data after 5 years.

Data Analysis

The principle of qualitative analysis of casual relationships and theoretical statements develops from the phenomena studied (Qu & Dumay, 2011). This study was a reflection of the central research question and was guided by the conceptual framework. Systems theory guides the study exploring the perspectives of successful independent coffee shop owners in Washington. Systems theory was appropriate as independent coffee shop owners operate within a managerial system and are reliant upon external and internal factors to remain operable (von Bertalanffy, 1950). The interview questions reflect the central research question (Longhofer, Floersch, & Hoy, 2012). The questions might answer the central research question. In addition to interview questions, business documentation and physical artifacts provide within-method triangulation. The documentation may include financial records and business plans; physical artifacts may include websites, signage, and menus.

I analyzed each responses to the nine semi structured interview questions, with additional source materials from the investigative process, such as documents and physical artifacts. I used Atlas.ti analyze the research data. This tool was useful for qualitative analysis of large bodies of text (Van De Ven, 2011). Atlas.ti offers a variety of tools for systematic analysis of the data (Van De Ven, 2011).

The analysis of the data was a four-step process (Bloomberg & Volpe, 2012) which included: (a) retrieving transcribed data from the transcriptionist along with the secondary information gathered from the study site, (b) drawing repeated words together and linking to any adjoining words into clusters, (c) drawing clusters together to form themes, and (d) drawing meaning from the established themes to understand both common and unique

patterns of information. The (a) coding, (b) instrument, (c) interpretation, and (d) explanations might support the central research question of this study. Atlas.ti was a useful aid to manage similar-themed documents or complex tasks. Atlas.ti can help find connections within data. The process was mining themes, similarities, and differences. To protect the identity of participants, each was assigned a code (P1, P2).

Reliability and Validity

Zohrabi (2013) claimed a well-constructed qualitative study addresses reliability by assisting others to understand a perplexing situation. The first step toward providing reliable data includes surveying knowledgeable participants and remaining open to new ideas free of biases incorporating their story into the results to give readers the necessary context from which to interpret the results (Longhofer et al., 2012).

Reliability

Qualitative studies pose difficulties regarding ensuring reliability and validity; qualitative researchers use other strategies to ensure the design's reliability. In a qualitative study, researchers seek to ensure results are repeatable to ensure consistent results, to accomplish this, I provide an interview protocol to identify steps in the interview process to repeat for consistency (Thomas & Magilvy, 2011). A study was dependable when researchers can follow an audit trail to repeat procedures of a study. To create an audit trail, researchers describe (a) the purpose of the study, (b) how they selected participants, (c) how data was collected, (d) data interpretation and analysis, (e) research findings, and (f) the credibility of the study (Thomas & Magilvy, 2011). I used an interview protocol to ensure reliability (see Appendix C). The interview protocol outlines repeatable steps involved in recruiting,

interviewing, and protecting participants through the research process. To ensure reliability, I ensured alignment between the problems investigated, the purpose of the intended study, and the central research question. I ensured the related data was secured on a password-protected database and stored securely in a fireproof safe in my home for at least 5 years. I applied standard analytical approaches consistent with a case study (Yin, 2014).

Validity

Validity was equally as difficult to ensure in qualitative inquiry. To address validity in qualitative research a researcher ensures credibility, transferability, and confirmability in the design and implementation of research (Thomas & Magilvry, 2011). To enhance a study's credibility, a research views the phenomenon from the participant perspective understanding that only participants can truly report on the phenomenon accurately. A researcher achieves transferability when the results of the study may be used to aid or guide another agency.

Transferability was an important component of the research as the purpose was to identify strategies that may assist others in establishing a successful independent coffee shop. Transferability supersedes generalizability in case studies, as information derived may not reflect on perspectives on a given phenomenon; the perspectives may provide insight. Confirmability refers to other researchers' abilities to confirm results by following the audit trail (Thomas & Magilvry, 2011). Additional strategies to ensure validity include within-method triangulation and member checking (Marshall & Rossman, 2011). I apply within-method triangulation in the study by incorporating interviews, documentation, and physical

artifacts as sources of data. I use member checking to ensure I have interpreted participant interview data correctly (Marshall & Rossman, 2011).

Transition and Summary

In Section 2, I provided the details involved in conducting the study. Through a series of interview questions, I plan to secure new information to add to the knowledge sustaining independent coffee shops beyond the first 5 years. Section 2 included the role of the researcher, the method and design used, description of participants, data collection, analysis strategies, and methods to ensure the validity and reliability of the study. The study results, implications for business practice, and recommendations for future research are in Section 3.

Section 3: Application to Professional Practice and Implications for Change

Introduction

Section 3 contains a summary of the results of a qualitative case study to explore what strategies independent coffee shop owners in Washington State use to survive beyond the first 5 years. To this end, I examined in detail the strategies of the owners of independent coffee shops to their successful operations. I discussed the responses from face-to-face in-depth interviews from participants, provided themes from their responses, and provided conclusions from all data collected. Including signage, company websites, and menus, and other visible resources may provide sufficient data to gain a deeper understanding of successful independent coffee shop owners in Washington (Guion et al., 2011; Yin, 2014).

Within the results of this study, I confirm the connection between established themes in the data and the conceptual framework used. Section 3 includes the study overview, presentation of findings, application of professional practice, implications for social change, recommendations for action, recommendations for further study, reflections on the research process, and study's summary and conclusions.

I developed the research questions to understand the different strategies five successful independent coffee shop owners use to survive. The data collection tools comprised through face-to-face, semi structured interviews, documentation, and financial documents. The targeted population for this study was five successful independent coffee shop owners in Washington State operating independent coffee shops for 5 years and validating community involvement as a resource of creating customer loyalty.

Presentation of the Findings

The purpose of this qualitative multiple case study was to explore what strategies independent coffee shop owners in Washington State use to survive beyond the first 5 years. In this study, I addressed the research questions, reasons, and influences about understanding the factors leading to success within the independent coffee shop industry. I organized the collected data into themes. The developed themes from participant interviews, documentation, and artifacts are community involvement, customer loyalty, and location. Three primary themes developed from the study leading to a better understanding of independent coffee shop owner strategies. The three themes developed from the study included Community involvement, Customer loyalty, and Location.

The findings identified the independent coffee shop owners strategies the owners can apply to survive. The purpose of this qualitative multiple case study was to investigate what strategies independent coffee shop owners in Washington use to survive beyond the first 5 years. Exploring the strategies to survive for independent coffee shop owners was a conspicuous characteristic of the research study.

The emerged themes from the participant interviews, documentation, and artifacts may be factors in business strategy for independent coffee shop owners to survive. In the following subsections, I describe the participants, the three themes, how the participants answered the nine interview questions, how the data aided in tackling the central research question, the support of existing research, and how I supported the selection of systems theory as the conceptual framework for this research.

Descriptive Data of Participants

Participants consisted of independent coffee shop owners having survived beyond the first 5 years of operation; specifically, five experienced independent coffee shop owners in Washington State. The themes of community involvement, customer loyalty, and location presented as the primary solution to the survival of the independent coffee shops.

Independent coffee shop owners may remain sustainable by incorporating these themes.

Themes

Through semi structured participant interviews, documentation, and artifacts, I was able to gain a comprehensive appreciation of issues related to independent coffee shop survivability. After thorough and thoughtful research and thorough analysis, I uncovered several themes related to the experience. The following is a description of the themes.

Theme 1: Community Involvement

One hundred percent of participants identified the need for community involvement. Employing community involvement generates product awareness creating new business. With community involvement initiatives, independent coffee shop owners gain customer loyalty and customer demand (Chia & Peters, 2010).

In the first theme, One hundred percent of participants emphasized the importance of community involvement. Independent coffee shop owners can participate in local associations. Examples of local associations are the Chamber of Commerce, local school functions, various civic meetings, and downtown groups. In addition, the coffee shop owners may participate in local community events or charities.

Table 1

Theme 1 - Community involvement

Participant	Comment
P1	Our greatest strategies always are community, quality, and reinvesting in our employees.
P2	Community - the connection has been very important. There is a need for communal experience. The 3rd place - neighborhood interaction.
P3	Relationship building - look for ways to connect to the community. Willing to get feedback. A lot of face-to-face feedback. Quality product. Staff training to imitate owner's attitude. Train to the difference of customer service and serving people. The emphasis in serving others.
P4	Community immersion - part of bigger picture. Heart for ministry. How can I better your life? Going to schools - donate coffees - gift baskets - etc. Local artists (painters) in store.
P5	We have made punch cards with the baristas pictures on them. We make a yearly calendar and use social media to promote the stand. We have also done ring girl work for many local fight venues including the Emerald Queen Casino. We have done some charity work, and one year we created an event called Bikini Bowling to raise money for a local man battling his third round of cancer.

In this community involvement theme, 4/5 participants (80%) accentuated the significance of community relations for independent coffee shops. Only 1/5 (20%) independent coffee shop owner collaborates with charities establishing partnerships to raise money and product awareness. For independent coffee shops in Washington State to survive beyond the first 5 years, Proietti (2012) suggested independent coffee shop owners might build community involvement through ethical decisions and service to the community.

Theme 2: Customer Loyalty

One hundred percent of participants highlighted the significance of community involvement for independent coffee shop owners for creating customer loyalty. Independent coffee shop owners collaborate with community organizations forming partnerships establishing product awareness. Parallels exist concerning the theme and concepts proposed by Proietti (2012), and independent coffee shop, whereas business owners while serving the community may create relationships on ethical decisions to create profit.

Table 2

Theme 2 - Customer loyalty

Participant	Comment
P1	Keeping customers is easy. We treat them like valuable people, regardless of what occupation they came from. If they are unhappy, we do our best to fix the issue.
P2	The goal is to get people to stay. Good product, good customer service, good environment.
P3	Relationship building - look for a way to connect to the community. Willing to get feedback - a lot of face-to-face feedback. Quality product. Staff training to imitate owner's attitude. Train to the difference of customer service and serving people. The emphasis is serving others.
P4	Hire the right employees. Punch cards. Consistency of drink and quality of food. Pricing strategy competes with Starbucks across the street.
P5	We use a rewards program for free drinks via a punch card as well as competitive pricing within the industry, and of course, serving outstanding coffee.

In this theme of Customer Loyalty, all participants stressed the need for customer loyalty. Repeat business comes from loyal customers for independent coffee shops. The business owner relies on a certain percentage of repeat business for budgeting and forecasting. For independent coffee shops in Washington State to survive beyond the first

five years, Kask and Linton (2013) suggested that establishing relationships within the industry and neighboring companies fosters goodwill and may establish customer loyalty to strengthen and secure a place for the company within the neighborhood.

Theme 3: Location

The location of their independent coffee houses indicated a direct influence of customer awareness and increased profits by one hundred percent of participants. The location is an important factor in the business development and has a moderating effect on relationship building and customer loyalty. I observed that all participants were in neighborhoods with a high volume of traffic and pedestrians. Location of the independent coffee house can influence the success of the business. Selecting the right location determined failure and success provides a retailer with strategic advantages that is difficult for competitors to imitate (Roslin & Rosnan, 2012)

Table 3

Theme 3 – Location

Participant	Comment
P1	A street that was a thoroughfare between the homeless mission housing and the bus terminal.
P2	Felt right. No initial plan.
P3	High traffic locations, business area, no residential, near hospitals and schools, good traffic count during peak hours and slow hours.
P4	Great street with great traffic. Affluent neighborhood and limited competition.
P5	High traffic volume, easily accessible for the customers to drive through and get back on the road. Something easily visible for the passing by traffic to see.

In this theme, all participants indicated the location of their business was a factor of them enhancing profits. The Location is important to business development and effects the relationship of external factors, firm characteristics, and individual determinants of the business. For independent coffee shops in Washington State to survive beyond the first 5 years, Hymel (2014) suggested that the best location might be determined by examining traffic patterns, free parking access, and street appeal.

Research Questions

Question 1: What strategies helped you launch your business?

Responses from 4/5 participants (80%) identified building relationships in the community were essential in the startup process of the new business. Participant P2 shared “Good product, good customer service, and good environment drives success.” Participant P5 understood, “. . . goals and executed the plan systematically.” Participant P1 held, (Strategies) “are community, quality, and reinvesting in their employees.”

Building relationships in the community. Answers to Question 1 revealed a major strategy of launching independent coffee shops was community immersion. The owners did this by building relationships with intense customer service, gift certificates to schools and charities, rewards cards, and aggressive pricing strategies.

The collaboration of stakeholders for the independent coffee shop owner who needs a reliance on information sharing and establishing customer loyalty by identifying and satisfying customer’s needs to survive beyond the first five years. Customers want relationships with companies and knowledge of the company. The relationship between customer knowledge management and customer relationship management is significant (Athawari, 2013). A successful coffee shop owner understands the needs and wants of the customers, and strives to strengthen relationships with customers by meeting customer needs and wants (Paryani, 2012).

Question 2: What strategies helped to generate sales initially?

All participants revealed a strong Internet presence combined with word of mouth was essential for creating new sales. As Participant P3 shared, “Word of mouth and good customer service will generate sales short and long term.” Participant P1 said, “We had picnics in the parks to help people meet in real life. We made friends with people.”

Participant P5 believed, “The number one goal was always to serve a good product, so we trained our staff extensively on how to make delicious coffee.”

Internet presence and word of mouth. Answers to Question 2 revealed the participants’ Internet presence through their website and Facebook initially brought customers to the coffee shop. Once in the store, the strategy was to use great service and quality product to encourage word-of-mouth advertising. Internet presence worked in all cases.

The integration of external influences and internal decision-making for the independent coffee shop owner to assist in establishing customer loyalty by identifying and satisfying customer’s needs to survive beyond the first 5 years. The environment is critical for independent coffee shop owners. Strengthening long-term growth entails ensuring the location exhibits limited competition, and offering comfort, quality, and convenience to prospective customers (Gavin, 2013; Precutti et al., 2011).

Question 3: What strategies did you use to establish loyal customers?

The strategies emerging to establish loyal customers from all participants were to treat them as valuable assets regardless of background practicing great customer service while connecting with the community through service and reward cards. Participant P1 shared “Keeping customers is easy. Treat them like valuable people, regardless of what occupation the people come from. If the customer is unhappy, the employees do their best to fix the issue.” Participant P2 said, “Post cards - still are getting them 13 years later.” Participant P4 said, “Hire the right employees. Punch cards. Consistency of drink and quality

of food.” Participant P5 said, “We used a rewards program for free drinks via a punch card as well as competitive pricing within the industry, and serving outstanding coffee.”

Loyal customers. Answers to Question 3 revealed keeping customers was easy. When treated as valued people regardless of their station create life loyal customers and friends. Hiring the right people and training them to mimic the owner’s passion was an essential part of the loyal customer strategy. Competitive pricing and rewards card encourage repeat customers.

The independent coffee shop owner has a reliance on information sharing between stakeholders manifesting through establishing customer loyalty by identifying and satisfying customer need to survive beyond the first 5 years. Alvarez et al. (2011) researched relationship marketing strategy by studying the role of complaint management in long-term relationships. The results confirm the importance of theory accords to the relationship marketing strategy and provide evidence for the importance of complaint management (Álvarez et al., 2011). They indicated possessing a trained and motivated staff fully committed to the company’s objectives to grow unwavering customer associations.

Question 4: What strategies did you use to recruit and retain employees?

The study revealed 5/5 participants (100%) initially hiring the right people was essential for developing great relationships with customers. Retaining employees involved treating them like family and paying them as much as the business can afford. Participant P5 shared “I want long term employees who are independent thinkers and problem solvers. Someone who does not have to be micro-managed once trained.” Participant P1 said, “Looked for a spark of passion . . . in anything. Passion is like a flame, easily transferred

from one area to another, but if someone does not have that flame or spark for digging into a subject and getting into the nitty gritty of it, I don't hire them." Participant P2 said, "Pay them as much as you can." Participant P3 said, "Never have to recruit. People are always dropping off resumes. Retention - family operating – a safe place to be - work as a team. All are approachable, and all have a voice."

Family and wages. Answers to Question 4 revealed it was essential to hire the right people in the beginning. One strategy was to hire regular customers who had the right personalities and skills for the job. A key trait of the employee was independent thinkers and problem solvers. For retaining employees, the common strategy was to treat the employees as family and pay them as much as possible for their new position.

The independent coffee shop owner has a reliance on information sharing from stakeholders through employee relations and identifying and satisfying customer's needs to survive beyond the first 5 years. Independent coffee shop customers care about product quality; service delivery, establishment management, and the relationship the employees develop with customers (Paryani, 2012). Customers want relationships with companies and knowledge of the company.

Question 5: What strategies helped you link stakeholders in the independent coffee shop industry?

Responses from 3/5 participants (60%) identified connecting with their vendors and neighbors showed these connections strengthened all aspects of their business relationships. Participant P3 shared "For vendors it is to pay bills on time. Always work to build

relationships with vendors.” Participant P4 said, “Donate time and product to local schools to help raise money for charity. The main vendor is treated as part of the family“.

Connecting. Answers to Question 5 revealed the independent coffee shop owners believed working with the community and vendors is essential to the success of the business. For the community, the owners donated time and product to support local schools and charities. The vendor strategy is to keep all the accounts current.

The collaboration of stakeholders assisting the independent coffee shop owner through information sharing between stakeholders manifesting from employee relations, supply chain management, and establishing customer loyalty to survive beyond the first 5 years. Hoffer Gittell and Douglas (2012) showed how role-based relationships of shared goals, shared knowledge, and mutual respect foster participants’ attentiveness to the situation and one another. These role-based relationships enable caring, timely, and knowledgeable responses. Through these role-based relationships, relational bureaucracy promotes universalistic norms for caring for others (Hoffer Gittell & Douglas, 2012).

Question 6: What strategies helped you identify the best location for your business?

For 5/5 participants (100%), high volume traffic areas proved to be ideal business locations. Participant P3 shared “Location strategy was to look for high traffic locations, business area, no residential, near hospitals and schools, good traffic count, and some door-to-door investigation.” Participant P1 said, “We picked the cheapest part of town. The street was a thoroughfare between the homeless mission housing and the bus terminal. It was dirt cheap.” Participant P4 said, “...great street with great traffic. Affluent neighborhood - limited competition.” Participant P5 said, “We wanted a location where there was a high traffic

volume, easily accessible for them to drive through and get back on the road. Something easily visible for the passing by traffic to see.”

Location, location, location. Answers to Question 6 revealed two strategies. One strategy was to choose high traffic locations in affluent neighborhoods. The other strategy was to pick the best location the owners could afford. Both strategies seemed to work.

The independent coffee shop owner should integrate external influences and internal decision-making to optimize the system to survive beyond the first 5 years. Competition in the coffee shop industry is significant, compared to other industries. Potential new entrants to the independent coffee shop industry are typically deterred because the abundance of coffee shop chains is maintaining significant market share (Gavin, 2013). Strategizing new entrance to the market requires independent coffee shop owners to consider the location; business skills, entrepreneurial experience carefully, and market knowledge to survive beyond the first 5 years (Gavin, 2013).

Question 7: What financial management strategies did you use to sustain the business?

It was essential for the business for 5/5 participants (100%) to create a budget, control expenses, and monitor pricing for sustainability. Participant P1 shared “We never spend more than we make and we watch payroll and cost of goods sold. We price everything. We have several bank accounts to include payroll, taxes, operating expenses, rainy day (emergency account), and a few others.” Participant P2 said, “How far out can the check be written before it is cashed? Just make it happen. Take care of employees first. Strong relations with vendors. Sometimes credit cards get full. Good CPA needed who is accountable.” Participant

P3 said, “Budget - maintain certain percentage for payroll.” Participant P4 said, “Ensuring consistent, competent staff. Pricing strategies very consistent.” Participant P5 said, “The industry in this state offers many options for products and services. I did my research to find the best pricing on products. I have traded out certain services for cheaper ones. I try to retain employees by offering a competitive wage, and that saves me money on not constantly training new staff, and losing customers in the process.”

Controls. Answers to Question 7 revealed multiple strategies. For paying vendors, the policy of paying the bills at the last possible moment was the common strategy. One hundred percent of participants used having a pricing strategy to ensure competitive and profitable pricing. Above all, all one hundred percent of owners said having a budget and maintaining it is essential to control the money.

The independent coffee shop owner has a reliance on keeping expenses as low as possible. The owners should integrate external demand and internal decision-making to optimize the controls to survive beyond the first 5 years. Controlling the cash flow strategy is important for the purpose creating guidelines to report earnings and monitor all expenses for independent coffee shop owners (Ahmed & Duellman, 2014; Atwood et al., 2011).

Question 8: What marketing strategies did you use to sustain the business?

To sustain the business, one hundred percent of participants maintained and improved customer relations through reward cards, coupons, and events. Participant P4 shared “We use punch cards, gift certificates, drink coupons, outdoor signage, outdoor seating, Facebook, Yelp, our website, having the right employees, monthly art shows (artist of the month), a customer bulletin board, logos on everything, and relationships and friendships with all

customers.” Participant P1 said, “We used the guerrilla approach. Advertising was nonexistent for us. We had food eating contests and pushed their knowledge and news out through the Internet and word of mouth.” Participant P3 said, “Heart for ministry. How can I better your life? Going to schools - donate coffees - gift baskets - etc. Local artists (painters) in store.” Participant P5 said, “We made punch cards with the baristas pictures on them. We make a yearly calendar and use social media to promote the stand.”

Customer relations. Answers to Question 8 revealed sustainability of the business came from a couple factors. One hundred percent of participant businesses used reward cards to encourage repeat business. Of course, pursuing great customer service brought customers back and created positive word-of-mouth advertising. Most of the stores displayed art for the local artists and had art shows in the coffee shop, too. One hundred percent of participants participated in multiple local charities with donations of coffee and gift certificates.

The independent coffee shop owner has a reliance to establishing customer loyalty by identifying and satisfying customer need to survive beyond the first 5 years. Without cautious and purposeful attention to cash flow activities, company owners risk potentially recognizing cues leading to insolvency (Hetzl, 2012). To combat the risk of solvency, Fisher (2013) suggested the development of a strong business plan, well-managed finances, marketing strategies, and appropriate technology. Needed is the relationship between management decision-making to the performance of the business.

Question 9: What additional information can you provide to help me understand what contributed to your business success?

The business owners (100%) suggested a passion for success was essential to sustainable profit and preventing burn out. Participant P4 shared “Considering beer and wine at night. Also, homemade everything and pastry fresh daily. All drink mixers are made from scratch.” Participant P1 said, “I feel like we just worked harder and had luck on our side. By the time, we started our shop everyone else in the local coffee biz had gotten lazy and dirty. We established high standards and never let them drop.” Participant P2 said, “Keep redefining what success is. Scrapping in the beginning. Be smart and savvy in the future.” Participant P3 said, “Passion - a must have to success. Passion best way to avoid burnout.” Participant P5 said, “We have remained successful in a now saturated market by always putting out a good product, and hiring loyal and honest staff.”

Passion. Answers to Question 9 revealed having a passion to have great service and a great product is essential to the success of the business. In addition, creating an environment and an atmosphere that is welcoming and familiar is key. Four owners (80%) considered adding beer and wine to the evening menu to increase sales.

The independent coffee shop owner relies on decision-making information to established customer loyalty by identifying and satisfying customer need to survive beyond the first 5 years. Pricing strategies encourage relationships. Liozu and Hinterhuber (2013) enlightened on the role of relationship pricing. Relevant business information to succeed includes relevant sources of inputs, markets, technological solutions, knowledge of government rules, regulations, and policies (Tipu & Arain, 2013). Well-planned business activities, as manifested in a business plan, will yield better business performance (Fisher, 2013). Tipu and Arain (2011) suggested many required attributes and activities for business

success (Tipu & Arain, 2011). Some of the attributes and activities are behavior, cognition, planning, risk, learning, networking, human resources, and finances (Tipu & Arain, 2011).

Applications to Professional Practice

The findings of this study may assist independent coffee shop owners in Washington State area. These businesses may benefit from the strategies identified and by the study participants in Washington State. Entrepreneurs considering starting an independent coffee shop in Washington State can use the outcomes in this study to assist with their decision. Companies in Washington State can use this study to assist in creating strategies for success.

Ascertaining the best strategies was critical to the success of the independent coffee shop. Participants indicated their business strategies to remain in business were through community involvement needed to include customer loyalty and location (Jones & Rowley, 2012). The common factor I identified that contributed to customer loyalty through community involvement. Participants received a summary of these findings as a resource for these independent coffee shop owners to use to develop better business strategies.

The findings of the current study apply to independent coffee shop in several ways including promoting community involvement, creating customer loyalty, and choosing a location. By conducting this research, I add to the existing literature and provide to the body of knowledge regarding independent coffee shop strategies. An emerging theme of the study was the role community involvement plays in the sustainability of independent coffee shops (Fang & Liwen, 2014).

Community involvement provides for customer loyalty and customer demand (Pérez & el Bosque, 2015). The research may fill a gap in knowledge regarding independent coffee

shop strategies to survive beyond the first 5 years. The findings of the study may be useful to all independent coffee shops.

Implications for Social Change

Strategies to increase business profits may influence society and lead to changes. A strong community relationship, a strong economy, employment opportunities, goodwill in the community, and profitability fosters business sustainability (Wagner, 2012). Internal and external stakeholders pressure businesses to use appropriate business practices. The needs of internal and external stakeholders, if not met, could prove fatal to these business owners.

The knowledge expanded from this study may direct independent coffee shop owners to work in partnership with communities, local associations, and charities to grow profits. Participant strategies may assist independent coffee shop owners considering collaboration with communities, local associations, and charities. The strategies of these businesses strengthen communities through their ability to bring people a place to commune.

Systems theorists posit the whole was more important than the sum of its parts (von Bertalanffy, 1950). Successful companies strengthen the economy (Latif et al., 2014). The results of the study may affect social change by identifying and avoiding factors leading to business failure. Coffee shops are an integral part of the social culture of Washington. The study may help to encourage entrepreneurs to enter the independent coffee shop industry applying the perspectives of successful independent coffee shop owners.

Recommendations for Action

The blend of strategies resulting from the interviews supports the recommended actions needed for independent coffee shop owners to consider for creating, maintaining, and

increasing their business existence. The lack of business strategies may influence the results of profit and community involvement (Gibbons, 2015). The following recommendations may assist independent coffee shop owners.

The first recommendation was that independent coffee shop owners should participate, communicate, and promote to sustain the business. Community involvement was critical to business sustainability for independent coffee shops. Independent coffee shop owners should collaborate with community organizations to develop relationships. The business owner must develop a plan and communicate its purpose to the community to benefit economically (Maas & Liket, 2010).

The second recommendation for future research would be to conduct a qualitative case study to regard customer loyalty and location to gain perspectives on working with independent coffee shops. Research study on customer loyalty and location may provide a different perspective on strategies to survive beyond the first 5 years.

Customer loyalty should be a primary strategy to sustain the coffee shop. Long-term relationships ensure a steady flow of customers and business revenue. From a business's participation and social involvement produces customer loyalty and commitment (Eikenberry, 2013). Social interaction outside the business operation by the staff of the business forms a community connection bringing new and increased spending at the business (Eikenberry, 2013).

Location of the independent coffee shop was important but not essential to success. Initially, location was pertinent but over time, relationships with the customers and community become the essentials to success (Dahl, Lawrence, & Pierce, 2011). The

participants maintain the recommendation above of the themes of community involvement, customer loyalty, and location.

Also recommended was the need for effective communication between the stakeholders and the business. Having a shared vision can greatly enhance success (Boyatzis & Soler, 2012). The audience for this doctoral study should include owners of independent coffee shops, community leaders, coffee shop stakeholders, business experts, academic specialists, and researchers who may build upon the findings to add to the body of knowledge on strategies for long-term sustainability.

Recommendations for Further Research

I conducted a qualitative case study to explore what strategies independent coffee shop owners in Washington State use to survive beyond the first 5 years. I identified common themes among participant experiences and perceptions. A qualitative case study was preferred for this research because I was investigating independent coffee shop owner's perceptions and experiences. The limitations affecting this case study are the generalization of the independent coffee shop owner's experiences, limiting the research to successful independent coffee shop owners might constrict the research, and the range of experience of the participants.

The first recommendation for future study was the challenge of staying current in the marketplace. Because profit margins are small, it was essential the coffee houses are selling what the customer wants. As the customer develops their palate, their demand for variety and quality may increase. The marketing activities of small business owners drive company

success. Marketers encourage consumers to engage in positive purchase behavior, in favor of ethical marketing (Carrington et al., 2010).

The second recommendation for further study was the challenge of people management. The employees of an independent coffee house usually work at a little more than minimum wage. The employees are usually an assortment of people willing to work for a low wage. A challenge was hiring the right people and keeping your best people. Small business owners must understand individual differences in curiosity and learning styles of employees, and apply the understanding in the selection process, and team building (Giambra et al., 1992). New hires need the opportunity to build the social networks necessary for knowledge creation and knowledge sharing (Gardner, 1983).

The third recommendation for further study was the challenge of maintaining the customer experience. The small stuff of an enjoyable and engaging experience was what the customer desires. To sustain the business the small stuff must be maintained and when possible improved.

Independent coffee shop customers care about product quality; service delivery, establishment management, and the relationship the employees develop with customers (Paryani, 2012). Customers want relationships with companies and knowledge of the company. A successful coffee shop owner understands the needs and wants of the customers, and strives to strengthen relationships with customers by meeting customer needs and wants (Paryani, 2012).

Von Bertalanffy (1950) exemplified the collaboration of the whole maintaining more value than the impact of its parts. Von Bertalanffy emphasized the importance of the

relationship between parts of the system. Systems theory applies well in a business context as systems theorists suggested stakeholders collaborate through innovation, communication, production, and performance to sustain and progress organizational growth. Business managers and owners apply systems theory in decision-making to identify, deconstruct, optimize, and control outcomes.

For the independent coffee shop owner, a reliance on information sharing between stakeholders manifests through employee relations, supply chain management, and establishing customer loyalty by identifying and satisfying customer need. An independent coffee shop owner should integrate external influences and internal decision-making to optimize the system.

The conceptual framework guides the study through the reflection of the central research question. Systems theory guides the study exploring the perspectives of successful independent coffee shop owners in Washington. Systems theory was appropriate as independent coffee shop owners operate within a managerial system and are reliant upon external and internal factors to remain operable (von Bertalanffy, 1950).

The findings from this doctoral study could assist independent coffee shop owners in their efforts to develop a survival plan. Some areas of future study through quantitative research may expand the understanding of survival beyond the first 5 years through other studies of other industries, or independent coffee shop in different geographic areas or perhaps a comparative study between Starbucks to explore practice differences.

Reflections

This doctoral study process exceeded my expectations. When the process began, I knew it would be educational and rewarding. At first, it was more challenging than my expectation but I soon was comfortably moving through the class schedule. The Walden DBA program supports my commitment and passion towards education.

The problem of independent coffee shops failure addressed in this study was an important reason to pursue possible solutions. The desire to gain new and more knowledge was a key factor in researching successful companies. I chose the qualitative method of study to understand the issues. The opportunity to discuss face-to-face with the participants to receive visual information with the interview questions established a connection with learning the results of their answers.

Using open-ended questions allowed the participants to express their experiences and for me to get a better sense of what was their success. It was important for me to know I may be contributing to social change by bringing new knowledge to what makes an independent coffee shop a successful small business. I am excited for the aspect this research may help an entrepreneur be successful.

Conclusion

The purpose of this qualitative case study was to investigate what strategies independent coffee shop owners in Washington State use to survive beyond the first 5 years. Independent coffee shops are vulnerable to market changes and sustainability. Independent coffee shop owners may be unsure as to what strategies survived through community involvement. Community involvement was critical to business sustainability for independent

coffee shops. Capturing customer loyalty to generate enough profits to sustain the business was a challenge facing independent coffee shops. The business owner must develop a plan and communicate its purpose to the community to benefit economically (Maas & Liket, 2010).

The participants maintained the recommendation above of the themes of community involvement, customer loyalty, and location. Independent coffee shop owners and communities, local associations, and charities to survive need partnerships. The implications for social change from the findings of this doctoral study include added community involvement, customer loyalty, and location. Involvement in the community generated revenue, customer loyalty, and community opportunities. Independent coffee shop owners may remain sustainable by incorporating these strategies.

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Appendix A: Title of Appendix

Consent Form

You are invited to take part in a research study of strategies Independent Coffee Shop owners use to survive beyond the first five years. The researcher is inviting owners of Independent Coffee Shops, to be in the study. This form is part of a process called “informed consent” to allow you to understand this study before deciding whether to take part.

This study is conducted by, Bruce Higdon, who is a doctoral student at Walden University.

Background Information

The purpose of this qualitative multiple case study is to explore what strategies independent coffee shop owners in Washington use to survive beyond the first 5 years.

Procedures

If you agree to be in this study, you will be asked to:

- reply to this email with the words ‘I Consent’
- agree to an audio recording of the interview for transcription purposes where participants are identified on the audio by P1, P2, and so forth
- answer questions regarding experiences with strategies
- share any artifacts illustrating the use of management systems that may include organizational charts, financial reports, or records
- participate in the interview within 5 calendar days of replying with the words ‘I Consent’, and
- allow approximately 60 minutes to complete the interview process.

Here are some sample questions:

1. What strategies helped you launch your business?
2. What strategies helped to generate sales initially?
3. What strategies did you use to establish loyal customers?

Voluntary Nature of the Study

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one at this agency or Walden University will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits in the Study

This type of study involves some risk of the minor discomforts that can be encountered in daily life, such as fatigue, stress, or becoming upset. This study would not pose risk to your safety or wellbeing.

Payment

No compensation is available for participating in the study.

Privacy

Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. Also, the researcher will not include your name or anything else that could identify you in the study reports. Data will be kept secure on an external drive locked in a locked cabinet accessible only by me, and destroy data after 5 years, as required by the university. If a participant reports criminal activity, the researcher must report the activity to the study organization, according to the organization's policy.

Contacts and Questions

You may ask any questions you have now. Or, if you have questions later, you may contact the researcher via phone 253-347-5664 or e-mail bruce.higdon@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is 612-312-1210. Walden University's approval number for this study is **IRB will enter approval number here** and it expires on **IRB will enter expiration date**. The researcher will give you a copy of this form to keep.

Statement of Consent

I have read the above information and I feel I understand my legal rights and the study well enough to make a decision about my involvement. By replying to this email with the words 'I Consent', I understand that I am agreeing to the terms described above.

Appendix B: Interview Questions

The following interview questions guide the interview process:

1. What strategies helped you launch your business?
2. What strategies helped to generate sales initially?
3. What strategies did you use to establish loyal customers?
4. What strategies did you use to recruit and retain employees?
5. What strategies helped you link stakeholders in the independent coffee shop industry?
6. What strategies helped you identify the best location for your business?
7. What financial management strategies did you use to sustain the business?
8. What marketing strategies did you use to sustain the business?
9. What additional information can you provide to help me understand what contributed to your business success?

Appendix C: Interview Protocol

Interview:

Strategies Independent Coffee Shop Owners Require to Survive Beyond Five Years

- A. The face-to-face interview will begin with introductions and an overview of the research topic.
- B. I will advise the participant I am sensitive of their time and thank them for agreeing to participate in the study.
- C. I will remind the participant of the recorded interview and the conversation we are about to have will remain strictly confidential.
- D. I will turn on the recorder, announce the participant's identifying code, as well as the date and time of the interview.
- E. The interview will last approximately 60 minutes to obtain responses to nine interview questions and follow up questions.
- F. I will explain the concept of member checking, ensure each question is thoroughly explained, and confirm the answer provided by the participant is recorded as intended by contacting participants by e-mail with transcribed data, and request verification the accuracy of collected information within 5 business days.
- G. After confirming answers are recorded to the satisfaction of the participant, the interview will conclude with a sincere thank you for participating in the study.