

## **Sustainable Evolution: Investigating the Factors Contributing to the Transformation of Coffee Businesses from Unplanned to Well-Planned, Sustainable Enterprises in Padang**

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**Abstract:** This research aims to identify the factors contributing to the sustainable evolution of coffee businesses in Padang, West Sumatra. The research is an exploratory qualitative study. Each coffee shop, while differing in focus and approach, prioritizes quality, utilizes technology, and implements strategies for long-term sustainability in its operations. Each coffee shop demonstrates unique strategies in outbound logistics, whether through distribution methods, technology integration, strategic cooperation, or customer engagement, tailored to its specific business model and target audience. Each coffee shop employs unique marketing and sales strategies tailored to its business model and target audience, emphasizing customer engagement, promotional diversity, and long-term relationship building. Each coffee shop offers unique services, focusing on customer experience, atmosphere, personalized interactions, and proactive issue resolution to build strong customer relationships and foster loyalty. Each coffee shop employs distinct procurement strategies tailored to its business model and goals, focusing on supplier relationships, diversification, and preparedness for uncertainties to ensure smooth operations and long-term sustainability. Each coffee shop employs structured mentoring, technology integration, and maintenance practices tailored to support long-term sustainability and business growth, ensuring efficient operations and a positive environmental and community impact. Each coffee shop employs structured recruitment, training, and development programs tailored to their business needs, emphasizing employee skill enhancement, performance improvement, and continuous learning to provide excellent service. Each coffee shop employs technology as a tool to enhance sustainability, efficiency, and productivity, utilizing strategies tailored to their specific needs and challenges, whether it's overcoming network interference, ensuring reliable technology selection, or managing repair costs efficiently.

**Keywords:** Coffee Businesses, Sustainable Evolution, Transformation

### **A. Introduction**

The coffee industry has undergone significant transformation in recent years, with a growing focus on sustainability and high-quality coffee. As a result, many coffee

businesses have shifted from unplanned to well-planned, sustainable enterprises. This transformation involves a range of factors, including sourcing sustainable coffee beans, implementing eco-friendly practices, and creating a welcoming atmosphere for customers. However, there is limited research on the factors contributing to the transformation of coffee businesses from unplanned to well-planned.

Coffee shops have become increasingly popular in urban areas, including Padang City, as consumers seek convenient and cozy spaces to enjoy their favorite coffee beverages. However, the coffee shop industry is highly competitive, with new entrants constantly emerging and customer preferences evolving. To survive and thrive in this dynamic environment, coffee shop owners need to strategically plan and manage their businesses. In recent years, there has been growing interest in the transition from unplanned to well-planned business models, as businesses recognize the need for structured approaches to achieve sustainable growth and innovation (Johnson, M. W. Christensen, 2018). This transition involves moving away from ad-hoc operations and towards formalized strategic planning, standardized processes, and performance measurement (Van Burg & Romme, 2019). Understanding the characteristics of coffee shops in Padang City that are undergoing this transition can provide valuable insights for business owners, researchers, and policymakers alike, as they seek to better understand the dynamics of the coffee shop industry and support the growth and development of these businesses.

The process of transitioning from unplanned to well-planned business models for coffee shops in Padang City involves several key stages. Initially, coffee shops may operate in an ad-hoc manner, without a clear strategic direction or formalized processes (Johnson, M. W. Christensen, 2018). However, as the coffee shop grows and matures, it may undergo a transformation characterized by a shift towards a more structured and strategic approach. This transition often involves the development of formalized business plans, strategic goals, and performance metrics, as well as the adoption of standardized processes and procedures to streamline operations (Van Burg & Romme, 2019). Coffee shops in this stage may also invest in innovation, leveraging dynamic (Klimovskikh et al., 2023) capabilities and improvisation to adapt to changing market conditions and drive sustainable growth (Akgün et al., 2019).

Coffee shops in Padang City that are undergoing the transition from unplanned to well-planned business models exhibit certain characteristics. One notable characteristic is Human resource development to sustain the coffee shop business according to implementation of the concept of sustainable development in the operation of an enterprise requires creating specific conditions that will promote economic growth, efficient allocation of resources, and higher levels of staff loyalty. It is important to identify and develop the HR skills of employees that can be useful for them and the future development of an enterprise and provide flexibility and efficiency for the business (Klimovskikh et al., 2023) On the other hand, too little inventory often disrupts business operations and increases the likelihood of poor

customer service. There is an increased need for business organizations to embrace effective inventory management practices as a strategy to improve their competitiveness (Ondari & Muturi, 2016). They also tend to have strong customer loyalty enhanced by providing better service quality. In addition, coffee shop chains have become a major trend for entrepreneurship in Taiwan (Yu & Kwan, 2008). The business model of a coffee shop chain is to copy the successful environment of the first store. If we understand the key role of service quality in coffee shop chains, then new tart-up firms will have the criteria to improve customer loyalty.

Another characteristic of coffee shops in Padang City that are transitioning from unplanned to well-planned models is a focus on the parameters of the industry that have been affected by the external environment. Equally essential elements are related to the capacity of the enterprise itself such as strategic planning and implementation, supply chain and logistics management, infrastructure or human resources, and application of new technology development (Bharadwaj, 2016; Gonzalez-perez & Gutierrez-Viana, 2012; Nguyen & Sarker, 2018). For example, in coffee shops in Vietnam, in terms of supply chain and logistics management of the Vietnamese coffee industry, the coffee supply chain management (SCM) is a lengthy and complicated process from upstream coffee production farmers to downstream as final consumers. Throughout the coffee supply chain, many factors impact in both positive and negative way of SCM process (Krishnan, 2017). Recent studies are focused on how to ensure sustainable goals in the coffee supply chain in Vietnam. In the logistics field from which the SC originates, the flow of materials involves three successive processes, namely inbound logistics (activities with suppliers), internal operations, and outbound logistics (activities with customers) (Mentzer et al., 2011). Therefore, achieving sustainability means improving the sustainable performance of all three processes (Gimenez & Tachizawa, 2012). Leveraging tools and technologies such as business intelligence and analytics to gain insights and inform their strategic choices (Akgün et al., 2019). Furthermore, these coffee shops tend to be agile and adaptive, capable of responding to changing market conditions and adjusting their strategies and operations accordingly (Koller et al., 2021).

To sustain their competitive advantage in the market coffee shops, need to emerge from the growing evidence base that how infrastructure is implemented is fundamental to the sustainability outcomes. In the most challenging situations, a single infrastructure intervention will seldom be sufficient to robustly achieve sustainable development outcomes, which need to be achieved through sets of complementary policies (Banister & Berechman, 2001). To maintain the process of the business coffee shop needs to have a good marketing strategy. The marketing mix is to design a combination of marketing ingredients based upon long-range planning to ensure business owners successfully meet the demands of the changing marketplace. (Mutandwa & Taremwa, N. K. Tubanambazi, 2015) asserted one of the factors that determine the performance of small and medium enterprises is marketing. Therefore,

a small business owner must employ marketing skills to ensure the sustenance of business operations.

The coffee shop scene in Padang City is characterized by its diverse offerings, including traditional Indonesian coffee, specialty coffee, entertain coffee, co-working coffee, and creative coffee-based beverages. These coffee shops often cater to different customer segments, from coffee connoisseurs to casual coffee drinkers, with varying preferences for taste, ambiance, and pricing. Moreover, the coffee shop owners in Padang City exhibit distinct entrepreneurial characteristics, such as their ability to adapt to changing market trends, develop creative marketing strategies, and foster a sense of community among coffee enthusiasts. Understanding these unique characteristics of coffee shops in Padang City is essential for researchers and practitioners alike, as it provides valuable insights into the dynamics of the coffee shop industry in this specific context and can inform future research and strategic business decisions in the region.

The coffee shop business also needs a good sustainable procurement. Sustainable procurement can be defined as the pursuit of sustainable development objectives through the purchasing and supply process (Walker et al., 2010)). It then can be understood as the efforts of an organization to achieve or simply improve the performance of buying activities in three ways: environmentally, socially, and economically. Also, to process all the activities of the coffee shop to have massive production, technology is one of parts to boost the performance. There has been a rapid growth of works in the literature investigating the nexus between sustainable development and digitalization, and then how business sustainability can be improved through the support of technology (Carmela Annosi, M. Brunetta et al., 2020).

In coffee shop business there are several characteristics. first, entertain coffee shop: One study by Seo & Kim (2019) examined the relationship between the atmosphere of coffee shops and customer satisfaction in South Korea. The study found that a comfortable atmosphere, good service, and a variety of menu items were important factors that contributed to customer satisfaction. Another study by Suhartanto et al., (2018) investigated the relationship between the physical environment and customer satisfaction in coffee shops in Indonesia. The study found that factors such as cleanliness, comfortable seating, and good lighting were important in creating a positive customer experience.

Specialty coffee shop: Research on specialty coffee shops has primarily focused on consumer behavior and preferences. For example, one study by Ge et al. (2021) examined the impact of environmental concerns and perceived quality on consumer behavior in specialty coffee shops in China. The study found that environmental concern and perceived quality had a positive impact on customer loyalty. Another study by Kim et al. (2019) explored the influence of coffee shop attributes on customer

satisfaction and loyalty in South Korea. The study found that attributes such as quality, convenience, and price had a significant impact on customer satisfaction and loyalty.

**Co-working coffee shop:** Co-working coffee shops have become increasingly popular in recent years, but there is limited research on this specific type of coffee shop. One study by Gauger et al. (2022) examined the relationship between co-working spaces and job satisfaction in South Korea. The study found that co-working spaces had a positive impact on job satisfaction, with factors such as social interaction and flexibility contributing to the positive effect. Another survey by Luo & Chan (2020) explored the factors that influence the success of co-working spaces in China. The study found that factors such as location, community building, and networking opportunities were important in creating a successful co-working space.

Based on initial observation, some coffee shops in Padang have been adapt and do the concept above, the table below shows list of existing coffee shop in Padang based on the proposed classification above

**Table 1. Proposed Classification of Coffee Shop in Padang**

Coffee Shop Characteristic	Entertain coffee shop	Specialty Coffee Shop	Co-working Coffee Shop
	Tara Kopi	Dua pintu	House of musi
	Show kopi	Rimbun coffee	salejourn
	Situ coffee	Dapue coffee	merjer

Source: Initial Observation 2023

Despite the growing interest in sustainable coffee businesses. There is lack of attention on the specific factors that contribute to the transformation of coffee businesses from unplanned to well-planned and sustainability of the business, especially in Padang, West Sumatra.

The coffee shop industry is characterized by a diverse range of options, and entrepreneurs seeking to establish their businesses face the challenge of keeping up with the ever-changing trends and meeting customer demands. However, amidst the pursuit of market trends, there is a tendency to overlook critical aspects such as business competitiveness and a unique selling point. This research aims to find the factors carried out by coffee shops in Padang in achieving a sustainable business and how these factors support their achievement of having a sustainable business in Padang.

The coffee shop industry in Padang, West Sumatra, is a dynamic and competitive landscape. Coffee shop owners are constantly challenged to keep up with evolving trends and meet diverse customer demands. In this context, the practices of business

model creation and transformation - visioning, strategizing, performing, and assessing - are crucial for success and sustainability (Ahokangas & Myllykoski, 2014).

## **B. Methods**

The research design contains a plan for collecting, measuring, and analyzing data based on research questions (Bougie & Sekaran, 2019). At this stage, it will be explained about collecting the required data and analyzing it to solve to answer the research problem. The quality of research depends on the researcher's ability to choose appropriate design alternatives that can answer the research objectives by considering the resources available. Based on this, this research was conducted in an exploratory qualitative manner with a research strategy in the form of a case study. Where data is collected through interviews, filling out surveys and analyzing secondary data. The type of research carried out in this research is an exploratory qualitative study, namely a study used to dig deeper and gain an understanding of the phenomenon that is occurring (Bougie & Sekaran, 2019). The research strategy used is a case study by collecting information both qualitatively and descriptively about the coffee shop business in the city of Padang. This method was chosen in order to get a clear picture of a problem, facts, conditions and relationships between the aspects studied.

## **C. Results and Discussion**

1. Inbound logistics for the three coffee shops:

### ***Co-Working Coffee Shop***

Procurement Process (Q1): PCS procures raw materials, particularly green beans, directly from suppliers and employs in-house roasting machines for processing. The emphasis lies on meticulous green bean selection and regular maintenance of roasting machines to ensure product quality.

Supplier Collaboration (Q2): PCS adopts a structured approach in dealing with suppliers, emphasizing joint agreements for stable raw material availability and production regulation. Coordination on prices before purchase aids budget management, while regular communication fosters ongoing relationships.

Long-term Agreements (Q3): PCS implements a mature strategy by establishing long-term agreements with suppliers, ensuring stable raw material availability and fixed prices. Performance monitoring and open communication foster strong, mutually beneficial relationships.

### ***Specialty Coffee Shop***

Procurement Process (Q1): Similar to the Co-Working Coffee Shop, PCS procures raw materials directly from suppliers and utilizes in-house roasting machines for

processing, ensuring product quality through meticulous green bean selection and machine maintenance.

Supplier Collaboration (Q2): PCS emphasizes a structured and mutually beneficial approach in dealing with suppliers, focusing on joint agreements for stable raw material availability and production regulation, with coordination on prices and regular communication.

Long-Term Agreements (Q3): PCS also implements a mature strategy by establishing long-term agreements with suppliers, ensuring stable raw material availability, fixed prices, and efficient production planning.

### ***Entertain Coffee Shop***

Procurement Process (Q1): PCS maintains direct cooperation with suppliers through clear contracts to stabilize raw material prices, ensure consistent availability, and maintain product quality and cost efficiency, aligning with their coffee entertainment concept.

Supplier Collaboration (Q2): Emphasizing strong cooperation, PCS focuses on mutual commitments, price coordination, and open communication to ensure smooth operations and stable raw material availability, fostering sustainable relationships.

Long-term Agreements (Q3): PCS establishes long-term agreements with suppliers to ensure consistent raw material availability, pricing, and quality, mitigating market risks and addressing supply chain challenges for smooth business operations and high product quality.

Overall, PCS demonstrates a strategic approach to inbound logistics across its various coffee shop concepts, emphasizing structured processes, supplier collaboration, and long-term agreements to ensure product quality, availability, and business continuity.

## **2. Operation for the three coffee shops:**

Here are the operational summaries for the three coffee shops:

### ***Co-Working Coffee Shop***

Quality-Focused Processing (Q4): PCS meticulously sources raw beans and employs precise roasting techniques, complemented by regular quality assessments and staff training to ensure consistent product quality.

Technology Integration (Q5): Advanced technology, such as temperature-sensing roasting machines and inventory management software, enhances operational efficiency and product quality, reflecting PCS's commitment to technological integration.

Sustainability Emphasis (Q6): PCS prioritizes long-term sustainability through efficient organizational structures, skilled workforce, and technology-driven management, focusing on economic, social, and environmental aspects to ensure business resilience.

### ***Specialty Coffee Shop***

Quality-Oriented Processing (Q4): PCS emphasizes quality control, barista training, and customer feedback to ensure high-quality products and a satisfactory customer experience.

Modern Technology Integration (Q5): Utilization of modern technology in raw material processing ensures consistent high-quality coffee products, with control over processing and serving for consistent product quality.

Sustainability Strategies (Q6): PCS implements standardized operating procedures, incentive programs, and organized work structures to achieve long-term sustainability through efficiency and performance management.

### ***Entertain Coffee Shop***

Strict Quality Control (Q4): PCS maintains strict quality control overseen by the head barista to ensure consistent raw material and finished product quality.

Utilization of Equipment (Q5): Utilization of espresso machines and grinders for coffee processing ensures consistency in coffee extraction and bean preparation.

Efficient Operations Management (Q6): Clear SOPs and incentive systems are employed to manage operations effectively, covering all aspects of business operations to maintain an efficient and sustainable work environment.

Each coffee shop, while differing in focus and approach, prioritizes quality, utilizes technology, and implements strategies for long-term sustainability in their operations.

### **3. Outbound Logistic for the three coffee shops**

Here are the summaries for the outbound logistics of the three coffee shops:

#### ***Co-Working Coffee Shop***

Distribution Strategies (Q7): PCS employs both physical outlets and online platforms for distribution, emphasizing sustainability in stock monitoring and packaging. Marketing efforts include social media, local ads, and loyalty programs.

Technology Integration (Q8): Leveraging application-based technology and third-party platforms, PCS ensures efficient product delivery, utilizing online ordering and delivery apps with connected delivery systems.

Strategic Cooperation (Q9): PCS implements a strategic cooperation plan with retailers and consumers, fostering partnerships with cafes and restaurants through clear contracts and consistent communication to expand market reach despite potential risks like price competition.



### ***Specialty Coffee Shop***

Distribution Methods (Q7): PCS utilizes physical outlets and online orders via application platforms, managed by a dedicated team utilizing real-time stock monitoring and an order management system for timely delivery.

Technology and Partnerships (Q8): Leveraging technology and online motorcycle taxi applications, PCS ensures efficient delivery through partnerships with leading online motorcycle taxi services, offering fast and convenient delivery options tracked in real-time.

Organic Customer Attraction (Q9): Prioritizing a comfortable co-working ambience and organic methods, PCS targets consumers aligned with their brand image through market segmentation, fostering strong customer relationships through direct promotions, social media engagement, and positive in-store experiences.

### ***Entertain Coffee Shop***

Distribution Methods (Q7): PCS offers both direct outlet purchases and online orders via application platforms, aiming to provide convenience and efficient service to customers.

Technology Integration (Q8): Utilizing various technologies, including local courier services and online platforms like Gojek and Shopee Food, PCS ensures easy access and quick delivery for customers.

Customer Engagement (Q9): Maintaining consistent product standards and hosting entertainment events at outlets, PCS fosters strong bonds with customers to ensure product demand without formal agreements.

Each coffee shop demonstrates unique strategies in outbound logistics, whether through distribution methods, technology integration, strategic cooperation, or customer engagement, tailored to their specific business model and target audience.

## **4. Marketing and Sales**

Here are the summaries for the marketing and sales strategies of the three coffee shops:

### ***Co-Working Coffee Shop***

Social Media Engagement (Q10): PCS actively utilizes social media, collaborating with influencers and industry parties to extend brand awareness. Metrics like follower count, interactions, and event participation gauge promotion effectiveness.

Diverse Promotion Types (Q11): Utilizing both online and offline channels, PCS tailors' promotions to specific goals such as customer acquisition or increased sales, including recurring promotions and event-related promotions.

Customer Relationship Priority (Q12): PCS prioritizes establishing harmonious customer relationships through high-quality service, effective communication, and loyalty programs, supported by multi-channel communication methods.

#### ***Specialty Coffee Shop***

Holistic Promotion Approach (Q10): PCS focuses on building trust and customer engagement through word of mouth, social media, and websites, aiming to continuously improve service quality and customer experience.

Evaluation and Optimization (Q11): Employing offline and online promotion strategies, PCS evaluates promotional effectiveness regularly to optimize strategies and improve business success based on customer data and feedback.

Customer Relationship Building (Q12): PCS fosters long-term loyalty through specialty coffee menu packages, active interaction both in-store and on social media, and listening to customer feedback to provide satisfying experiences.

#### ***Entertain Coffee Shop***

Event and Partnership Utilization (Q10): PCS utilizes periodic events and brand partnerships to reach diverse market segments and ensure business continuity through mutual benefit.

Promotional Strategies (Q11): Employing various strategies including social media campaigns and offline promotions, PCS engages new customers and expands audience reach through special events and discounts.

Holistic Customer Relationships (Q12): PCS offers unique experiences through entertainment programs and brand partnerships, aiming to foster long-term loyalty and support from customers.

Each coffee shop employs unique marketing and sales strategies tailored to their business model and target audience, emphasizing customer engagement, promotional diversity, and long-term relationship building.

### **5. Services**

Here are the summaries for the services offered by the three coffee shops:

#### ***Co-Working Coffee Shop***

Positive Customer Experience (Q13): PCS prioritizes a positive customer experience, emphasizing friendly service, attentive listening, and personalized recommendations. Comprehensive staff training and structured procedures address complaints swiftly for continuous improvement.

Comfortable Atmosphere and Quality Service (Q14): PCS focuses on creating a comfortable atmosphere and delivering high-quality service through staff training, product quality, active listening to feedback, loyalty programs, and special incentives.

Structured Handling of Unexpected Situations (Q15): PCS adopts a structured approach to handling unexpected situations, emphasizing staff training in remaining calm and empathetic. Clear communication, sincere apologies, and appropriate compensation foster customer trust and loyalty.

#### ***Specialty Coffee Shop***

Hospitality Standards and SOPs (Q13): PCS prioritizes hospitality standards and detailed SOPs to ensure consistent, high-quality service, focusing on welcoming customers warmly and maintaining a comfortable environment.

Humanist Approach to Customer Service (Q14): PCS values personal connections and individual needs, aiming to treat customers with care and warmth, personalize interactions, and build strong relationships for customer loyalty.

Responsive and Empathetic Handling of Issues (Q15): PCS employs a responsive and empathetic approach to handling unexpected situations, listening attentively to customer complaints and ensuring prompt and effective solutions to maintain trust and loyalty.

#### ***Entertain Coffee Shop***

Personalized Customer Relationships (Q13): PCS prioritizes personal relationships with customers, providing efficient service, knowing customers by name, and responding attentively to their needs to create a satisfying experience.

Humanist Approach to Customer Relations (Q14): PCS treats each customer with warmth and care, fostering personalized interactions and creating a comfortable atmosphere to build strong relationships and customer loyalty.

Proactive Handling of Customer Concerns (Q15): PCS employs a humane and proactive approach to handling customer concerns, actively listening to feedback and addressing issues quickly and effectively to maintain loyalty and uphold a positive image.

Each coffee shop offers unique services, focusing on aspects such as customer experience, atmosphere, personalized interactions, and proactive issue resolution to build strong customer relationships and foster loyalty.

## **6. Procurement**

Here's a summary of the procurement strategies employed by the three coffee shops:

#### ***Co-Working Coffee Shop***

Structured Approach (16): PCS follows a structured approach to procurement, conducting thorough supplier research and negotiations for favorable terms while considering environmentally friendly factors for packaging.

Holistic Procurement (17): Adopting a holistic approach, PCS establishes direct relationships with local farmers or producers to ensure better quality and support local economies, with backup plans for supply challenges.

Long-term Plan (18): PCS's long-term procurement plan involves direct relationships with local farmers or producers, ensuring quality and supporting local economies, with backup plans and fair payment practices prioritized.

### ***Specialty Coffee Shop***

Structured Process (Q16): PCS maintains a structured procurement process involving needs evaluation, market research, and standardized ordering procedures, with open communication fostering good relationships with suppliers.

Diversification Strategy (Q17): PCS diversifies supplier options to ensure consistency in the supply of goods, comparing price, quality, and availability to remain flexible and responsive to market changes.

Long-term Plan with Warehouse (Q18): Implementing a long-term procurement plan involving warehouse ownership, PCS centralizes procurement to cope with supply fluctuations and negotiate better prices for business expansion.

### ***Entertain Coffee Shop***

Organized Approach (Q16): PCS utilizes systematic ordering systems and clear supplier cooperation to ensure timely and sufficient raw material availability, emphasizing supplier relationships and comprehensive agreements for smooth operations.

Reserve Strategy (Q17): Adopting a reserve strategy, PCS maintains multiple supplier options to reduce risks associated with delays or quality issues, ensuring quality materials at competitive prices for long-term sustainability.

Preparedness for Uncertainties (Q18): Demonstrating awareness of the importance of preparedness, PCS considers centralization and warehouse ownership to enhance independence and mitigate reliance on external suppliers, reflecting proactive planning for future uncertainties.

Each coffee shop employs distinct procurement strategies tailored to their business model and goals, focusing on factors such as supplier relationships, diversification, and preparedness for uncertainties to ensure smooth operations and long-term sustainability.

## **7. Infrastructure**

Here's a summary of the infrastructure strategies employed by the three coffee shops:

### ***Co-Working Coffee Shop***

Team Mentoring for Sustainability (Q19): PCS takes a comprehensive approach to mentoring teams, educating them on business sustainability and integrating it into daily activities, supported by regular evaluations and collaboration.

Technology for Sustainability (Q20): Utilizing advanced technology like intelligent energy management systems and inventory management software, PCS promotes long-term sustainability, supported by ongoing training and monitoring of technological advancements.

Maintenance for Business Continuity (Q21): PCS prioritizes long-term sustainability through regular maintenance of machinery and business sites, following preventive maintenance schedules and implementing contingency plans to optimize performance and mitigate disruptions.

### ***Specialty Coffee Shop***

Structured Team Mentoring (Q19): PCS emphasizes structured mentoring for teams, fostering professional development and understanding of sustainability concepts through regular evaluations and open communication.

Technology Integration (Q20): Utilizing industry-specific apps for various aspects of business management, PCS improves operational efficiency, productivity, and environmental practices to support long-term sustainability.

Maintenance for Sustainable Operations (Q21): PCS prioritizes maintenance of machines and business locations to ensure a safe, efficient, and sustainable work environment, with regular servicing and implementation of SOPs for cleanliness and safety.

### ***Entertain Coffee Shop***

Structured Team Development (Q19): PCS conducts regular evaluations and training to ensure team growth aligned with business sustainability goals.

Technology and Data Management (Q20): Utilizing advanced technology and data management practices, PCS optimizes business management for long-term efficiency and profitability.

Maintenance for Reliability (Q21): PCS prioritizes maintenance of machines and business locations, implementing well-defined procedures to ensure operational reliability and long-term sustainability.

Each coffee shop employs structured mentoring, technology integration, and maintenance practices tailored to support long-term sustainability and business growth, ensuring efficient operations and a positive impact on the environment and community.

## 8. Human Resources

Here are the summaries of the Human Resources strategies employed by the three coffee shops:

### *Co-Working Coffee Shop*

Structured Recruitment Process (Q22): PCS employs a comprehensive recruitment process, including identifying staffing needs, preliminary selections, interviews, and skill assessments, focusing on skills, attitude, communication, and teamwork.

Emphasis on Employee Development (Q23): PCS emphasizes employee development through extensive training programs, customized to meet employee needs and industry trends, with evaluation based on performance improvement, attitude changes, and retention rates.

Collaboration for Skills Enhancement (Q24): PCS collaborates with educational institutions and professional training programs to enhance employee skills and performance, with customized programs addressing both hard and soft skills, leading to improvements in customer service quality.

### *Specialty Coffee Shop*

Structured Recruitment and Training (Q22): PCS implements a structured recruitment process, ensuring candidates meet set criteria before undergoing position-specific training, aiming to recruit quality employees while providing necessary support and training.

Probation Programs for Training (Q23): PCS utilizes probation programs to train new employees, offering adaptation to the work environment and in-depth task understanding, aiming to establish a solid foundation for efficient task performance and satisfactory customer service.

Internal Human Resource Development (Q24): PCS manages training and development independently, covering technical and soft skills with flexible, culturally aligned programs consistently evaluated to meet industry and business needs.

### *Entertain Coffee Shop*

Continuous Improvement in Recruitment (Q22): PCS continuously improves recruitment processes to attract quality staff and provide excellent service, involving application review, interviews, and a trial period to assess prospective employees.

Employee Appraisal Program (Q23): PCS implements a one-month employee appraisal program focusing on job description, KPIs, practical training, and regular evaluations to enhance performance and learning from experiences.

Internal Training Led by Head Barista (Q24): PCS conducts internal training led by the Head Barista to develop employee skills, particularly in soft skills like communication and customer service, prioritizing strengthening internal training programs to address skill gaps.

Each coffee shop employs structured recruitment, training, and development programs tailored to their business needs, emphasizing employee skill enhancement, performance improvement, and continuous learning for providing excellent service.

## 9. Technology Development

Here are the summaries of the Technology Development strategies employed by the three coffee shops:

### *Co-Working Coffee Shop*

Technology for Sustainability (Q25): PCS utilizes technology to enhance business sustainability, implementing intelligent energy management systems and efficient inventory and waste management solutions, prioritizing solutions that minimize environmental impact.

Overcoming Challenges (Q26): PCS encounters challenges in maintaining technological resilience, especially regarding network interference, but implements strategies like backup systems and improving internet network quality managed by in-house technical teams.

Structured Technology Management (Q27): PCS adopts a structured approach to managing broken technology and minimizing repair costs, assessing repair necessity, exploring cost-effective alternatives, and employing budget planning and preventive maintenance strategies.

### *Specialty Coffee Shop*

Utilization of Paid Applications (Q25): PCS utilizes paid applications to manage various business aspects, enhancing operational efficiency, reducing costs, and improving productivity, adapting to rapidly changing markets.

Reliable Technology Selection (Q26): PCS meticulously selects reliable and secure technology, ensuring adequate technical support before implementation, allowing focus on business development without distraction.

Strategic Technology Management (Q27): PCS implements a well-planned strategy to address serious technological problems, utilizing emergency funds for major repairs and fostering good relationships with service providers, ensuring efficient management of technology issues.

### *Entertain Coffee Shop*

Utilization of Paid Applications (Q25): PCS utilizes paid applications for various business aspects like inventory, finance, and HR management, enhancing visibility and enabling timely decision-making, reflecting active technology use for business efficiency and sustainability.

Reliable Technology Selection (Q26): PCS successfully selects reliable technology to support business operations, prepared for future challenges with periodic evaluations and contingency plans, demonstrating proactive risk management.

Strategic Technology Management (27): PCS employs a strategic approach in managing technology damage and repair costs, utilizing emergency funds and evaluating repair options for cost-effectiveness, ensuring wise continuity of business operations amidst technical challenges.

Each coffee shop employs technology as a tool to enhance sustainability, efficiency, and productivity, utilizing strategies tailored to their specific needs and challenges, whether it's overcoming network interference, ensuring reliable technology selection, or managing repair costs efficiently.

#### **D. Conclusion**

This research provides a better understanding of running businesses, especially coffee shops, and opens up new business opportunities. Entrepreneurs can grasp the key factors driving the transformation of coffee businesses from unplanned to planned and sustainable. This enables them to make wiser decisions in managing their businesses. By aligning their practices with the researched sustainability standards, entrepreneurs can discover new opportunities to enhance their product quality, reduce environmental impact, and increase appeal to consumers who are increasingly concerned about sustainability.

The findings of this research contribute to knowledge by providing fresh insights into how coffee businesses can evolve from unplanned to sustainable. It lays the groundwork for further research in identifying similarly crucial factors in other industries or different geographic contexts. The research findings can be used as a basis for further studies, such as deeper analyses of the social, economic, and environmental impacts of the transformation of coffee businesses towards sustainability.

**Policy Information:** The government can use the research findings to formulate policies supporting the transformation of coffee businesses towards sustainability. This may include providing tax incentives or financial assistance to companies investing in sustainable practices. **Education and Guidance:** The government can utilize the research results as a tool to provide education and guidance to coffee entrepreneurs in adopting more sustainable practices.

**Increased Awareness:** Readers of this research will gain a better understanding of the challenges and opportunities involved in making coffee businesses more sustainable. **Inspiration and Motivation:** This research can inspire readers to contribute to sustainability efforts, whether as conscious consumers or professionals striving to make their business practices more sustainable.



Limitations of the study on Sustainable Evolution: Investigating the Factors Contributing to the Transformation of Coffee Businesses from Unplanned to Well-Planned, Sustainable Enterprises in Padang, West Sumatra:

- 1) Scope limitation. The study focuses specifically on coffee businesses in Padang, West Sumatra, which may limit the generalizability of the findings to other regions or industries.
- 2) Sample size and representativeness. The sample size of coffee businesses studied may be limited, and they may not fully represent the diversity of coffee businesses in the region. This could affect the comprehensiveness and applicability of the findings.
- 3) Data collection challenges. Gathering data on various factors such as inbound logistics, operations, outbound logistics, marketing and sales, service, procurement, infrastructure, human resources, and technology development might pose challenges. Limited access to certain information or the reliability of the data collected could impact the accuracy of the analysis.
- 4) External factors. The study may not fully account for external factors beyond the control of coffee businesses, such as changes in government policies, economic conditions, or natural disasters, which could influence the sustainability transformation process.
- 5) Time constraints. The duration of the study may be limited, which could restrict the depth of analysis or the ability to observe long-term trends in the transformation of coffee businesses towards sustainability.
- 6) Methodological limitations. The methodology employed in the study, such as survey instruments or data analysis techniques, may have inherent limitations that could affect the reliability and validity of the results.

Addressing these limitations would enhance the robustness and applicability of the research findings and provide a more comprehensive understanding of the factors influencing the transformation of coffee businesses towards sustainability in Padang, West Sumatra.

Here are some suggestions for future researchers based on the limitations mentioned above:

- 1) Broaden the Scope. Future researchers could expand the scope of the study beyond Padang, West Sumatra, to include other regions or industries. This would provide a more comprehensive understanding of the factors influencing sustainability transformation in different contexts.
- 2) Increase Sample Size and Diversity. Conducting studies with larger and more diverse samples of coffee businesses would enhance the representativeness of the findings and allow for more robust conclusions.
- 3) Improve Data Collection Methods. Utilize a variety of data collection methods, such as interviews, surveys, and observations, to gather comprehensive and reliable data on factors like inbound logistics, operations, marketing, and

others. Ensuring the quality and reliability of data collected is crucial for accurate analysis.

- 4) Consider External Factors. Future research should take into account external factors such as government policies, economic conditions, and environmental changes that may influence the sustainability transformation process. This holistic approach would provide a more nuanced understanding of the challenges and opportunities faced by coffee businesses.
- 5) Longitudinal Studies. Conduct longitudinal studies to observe the sustainability transformation of coffee businesses over an extended period. This would allow researchers to track changes over time and identify long-term trends in sustainability practices.
- 6) Methodological Innovation. Explore innovative research methodologies and analytical techniques to overcome methodological limitations and improve the rigor and validity of the study.

By addressing these suggestions, future researchers can build upon the existing knowledge and contribute to a deeper understanding of the factors contributing to the transformation of coffee businesses towards sustainability.

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