




## Use Case Café Alphonse

---

### Highlights

-  Alphonse opens a café in Burkina Faso, backed by a private investor
- Country: Burkina Faso
- Project type: small café
- Team size: 1 (entrepreneur)
- Associates: 3 (entrepreneur, investor, landlord)
- Use case type: demonstration

### Context

Alphonse is a young entrepreneur living in Burkina Faso who dreams of opening a small café in his village. He needs an initial capital of €300 to purchase equipment and stock groceries. His revenue forecast starts at €100 per month, growing by €10 each month. Groceries are expected to cost 10% of revenues.

Alphonse shares his idea with Bernard, a friend from France, who agrees to invest. Bernard is willing to provide the initial funding but expects Alphonse's salary to be paid from the café's revenues.

Alphonse has already found a suitable location and has a good relationship with the landlord, who asks for €40/month in rent but is willing to be flexible at the beginning as the business gains traction.

Bernard proposes using the FlexUp platform to properly structure the project and allow a flexible remuneration scheme for all parties involved.

### Deal structure

Alphonse's target remuneration is 75 €/month, with the following **payment structure**:

- 25 € paid on a **firm** basis (33%),
- 25 € paid on a **flex** basis (33%),
- 25 € invested in the project as **credits** (33%).

The rent of 40 €/month is split as follows:

- 30 € **firm** (75%),
- 10 € **flex** (25%).

Bernard invests €300, entirely allocated as **credits** (100%).

They also agree to create a **base reserve**, gradually saving up to €100 from revenues to cover future firm expenses.

Payment priorities are structured as follows:

- **Firm** tranches must be paid in all cases, regardless of profitability—otherwise, the project is in default (which could, for example, terminate the lease).
- **Flex** payments are made only if sufficient cash is available after paying all firm expenses and once the base reserve is fully funded.
- **Credit** payments are not paid out monthly; instead, they are reinvested into the project and paid back later if surplus cash is available.

Flex and credit tranches involve varying degrees of financial risk – 20% for flex, and 80% for credit. To compensate this, each associate receives tokens based on the risk-weighted value of their contributions. Tokens grant voting rights and a share of any profit distributions.

### Setting up the business

Alphonse creates a “Café Alphonse” account on the FlexUp app, signs the FlexUp Charter, and sets up contracts with himself (for services), the landlord (for rental), and the investor (for funding). All documents are signed electronically via the mobile app.

He receives the funds, purchases equipment and groceries, sets up the café, and launches operations—all in just a few steps.

### Outcome

Cash Flow Summary (Year 1):

- By the end of March, the base reserve had reached its target of €100.
- From April onward, Alphonse’s firm and flex remuneration and the full rent were paid.
- By year-end, the café generated €1,860 in revenue and accumulated €567 in excess cash.
- This cash was distributed:
  - 50% to credit buyback (pro-rata across all credit holders),
  - 50% as profit distributions to token holders.

Paid, €	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Investor	300													300
Clients		100	110	120	130	140	150	160	170	180	190	200	210	1 860
Suppliers	-300	-10	-11	-12	-13	-14	-15	-16	-17	-18	-19	-20	-21	-486
Landlord		-30	-30	-39	-40	-40	-40	-40	-40	-40	-40	-40	-40	-459
Alphonse	-	-25	-25	-48	-50	-50	-50	-50	-50	-50	-50	-50	-50	-548
<b>Grand Total</b>	<b>-</b>	<b>35</b>	<b>44</b>	<b>21</b>	<b>27</b>	<b>36</b>	<b>45</b>	<b>54</b>	<b>63</b>	<b>72</b>	<b>81</b>	<b>90</b>	<b>99</b>	<b>667</b>
Cash balance	-	35	79	100	127	163	208	262	325	397	478	568	667	667
Base reserve		35	79	100	100	100	100	100	100	100	100	100	100	100
<b>Excess cash</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>63</b>	<b>108</b>	<b>162</b>	<b>225</b>	<b>297</b>	<b>378</b>	<b>468</b>	<b>567</b>	<b>567</b>

Resulting Positions:

- **Alphonse** received €850 in total cash (monthly remuneration + profit share), equivalent to €71/month. He also built €645 in equity, and now holds 54% of the tokens, gradually increasing his stake as the business grows.
- **Bernard** recovered €231 of his initial investment and holds €474 in equity. He can expect full credit recovery and more distributions next year and may choose to exit through a future token buyback.
- The **landlord** earned €492 – exceeding his base rental income – and acquired €82 in equity.

Year 1 analysis	Revenues	End of year allocation of excess cash									Total revenues + allocation	
		Equity before allocation *			Allocation			Equity after allocation*				
		Credits	Tokens		Credit Buyback	Distribu_ tions	Total allocation	Credits	Tokens	Total equity		
	€	€	nr	%	€	€	€	€	€	€	€	€/mo
Investor		300	24	37%	126	105	231	174	300	474	231	19
Landlord	459	21	6	9%	9	24	33	12	70	82	492	41
Alphonse	548	352	35	54%	148	154	303	204	441	645	850	71
Total	1 007	673	65	100%	284	284	567	390	811	1 200	1 574	131

\* Nominal value of credits: before risk adjusted discount. Nominal value of tokens= nr of tokens x token index.

The project was easy to launch, economically viable, and achieved fair, transparent sharing of profits based on the contributions and risks of each associate.

### **What benefits did FlexUp provide?**

Bernard and the landlord both believed in Alphonse's potential but lacked a practical way to support him within the constraints of traditional economic models.

Setting up a formal company for such a small venture would have been prohibitively costly and complex. As in many parts of Africa, small businesses often operate informally, lacking legal clarity and making structured collaboration difficult.

This is why Bernard recommended FlexUp:

- It's incredibly easy to set up—just a smartphone and internet connection are required.
- It provides unmatched flexibility to create tailored financial arrangements, such as splitting payments into firm, flex, and credit tranches.
- All associates have real-time access to the café's transactions, ensuring transparency and fostering trust.
- The system generates all contracts automatically using standardized templates, removing the need for costly legal advice or complex negotiations.

### **Conclusion**

Café Alphonse demonstrates how the FlexUp platform enables micro-entrepreneurs to structure and launch projects that would otherwise remain informal and unable to attract investors and business partners.

Thanks to FlexUp, Alphonse turned a 300 € investment into a thriving business with shared governance, equitable returns, and growing long-term value.

The success of Café Alphonse proves that small-scale projects can become structured, resilient, and scalable – opening the door to a new, more inclusive and flexible economic model.

### **Learn more**

 Download the full case study: [Café Alphonse User Case.pdf](#)

 Download the financial model: [Café Alphonse BP.xlsx](#)

 Explore the use case in the [FlexUp demo](#)

 Login with `cafe@example.com`, password `demo`