

A Business Plan for a Selected Company

Stefanie Sládková

Bachelor's Thesis
2020



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně

Fakulta humanitních studií
Ústav moderních jazyků a literatur

Akademický rok: 2019/2020

ZADÁNÍ BAKALÁŘSKÉ PRÁCE (projektu, uměleckého díla, uměleckého výkonu)

Jméno a příjmení: **Stefanie Sládková**
Osobní číslo: **H170192**
Studijní program: **B7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**
Forma studia: **Prezenční**
Téma práce: **Podnikatelský záměr pro vybranou společnost**

Zásady pro vypracování

Zpracování literární rešerše k vybranému tématu
Provedení analýzy relevantního trhu
Sestavení podnikatelského plánu
Posouzení rentability předloženého plánu
Zhodnocení rizik a omezení navrženého plánu

Forma zpracování bakalářské práce: **Tištěná/elektronická**
Jazyk zpracování: **Angličtina**


Seznam doporučené literatury:


Abrams, Rhonda. 2019. *Successful Business Plan: Secrets and Strategies*. 7th ed. Palo Alto, CA: Planning Shop.
Červený, Radim. 2014. *Business plán: Krok za krokem*. Prague: C. H. Beck.
Finch, Brian. 2010. *How to Write a Business Plan*. 3rd ed. London: Kogan Page.
McKeever, Mike P. 2012. *How to Write a Business Plan*. 11th ed. Berkeley: Nolo.
Synek, Miloslav, and Eva Kislingerová. 2015. *Podniková ekonomika*. 6th ed. Prague: C. H. Beck.

Vedoucí bakalářské práce: **Ing. Jiří Dokulil**
Ústav krizového řízení

Datum zadání bakalářské práce: **8. listopadu 2019**

Termín odevzdání bakalářské práce: **11. května 2020**


Mgr. Libor Marek, Ph.D.
děkan


Mgr. Roman Trušník, Ph.D.
ředitel ústavu

Ve Zlíně dne 27. února 2020

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek obhajoby ¹⁾;
- beru na vědomí, že bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k nahlédnutí;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3 ²⁾;
- podle § 60 ³⁾ odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60 ³⁾ odst. 2 a 3 mohu užít své dílo – bakalářskou práci - nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům.

Prohlašuji, že

- elektronická a tištěná verze bakalářské práce jsou totožné;
- na bakalářské práci jsem pracoval samostatně a použitou literaturu jsem citoval. V případě publikace výsledků budu uveden jako spoluautor.

Ve Zlíně1.5.2020.....

1) zákon č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, § 47b Zveřejňování závěrečných prací:

(1) Vysoká škola nevydělečně zveřejňuje disertační, diplomové, bakalářské a rigorózní práce, u kterých proběhla obhajoba, včetně posudků oponentů a výsledku obhajoby prostřednictvím databáze kvalifikačních prací, kterou spravuje. Způsob zveřejnění stanoví vnitřní předpis vysoké školy.

(2) Disertační, diplomové, bakalářské a rigorózní práce odevzdané uchazečem k obhajobě musí být též nejméně pět pracovních dnů před konáním obhajoby zveřejněny k nahlázení veřejnosti v místě určeném vnitřním předpisem vysoké školy nebo není-li tak určeno, v místě pracoviště vysoké školy, kde se má konat obhajoba práce. Každý si může ze zveřejněné práce pořizovat na své náklady výpisy, opisy nebo rozmnoženiny.

(3) Platí, že odevzdáním práce autor souhlasí se zveřejněním své práce podle tohoto zákona, bez ohledu na výsledek obhajoby.

2) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 35 odst. 3:

(3) Do práva autorského také nezasahuje škola nebo školské či vzdělávací zařízení, užije-li nikoli za účelem přímého nebo nepřímého hospodářského nebo obchodního prospěchu k výuce nebo k vlastní potřebě dílo vytvořené žákem nebo studentem ke splnění školních nebo studijních povinností vyplývajících z jeho právního vztahu ke škole nebo školskému či vzdělávacímu zařízení (školní dílo).

3) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 60 Školní dílo:

(1) Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst.

3). Odprá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává nedotčeno.

(2) Není-li sjednáno jinak, může autor školního díla své dílo užit či poskytnout jinému licenci, není-li to v rozporu s oprávněnými zájmy školy nebo školského či vzdělávacího zařízení.

(3) Škola nebo školské či vzdělávací zařízení jsou oprávněny požadovat, aby jim autor školního díla z výdělku jím dosaženého v souvislosti s užitím díla či poskytnutím licence podle odstavce 2 přiměřeně přispěl na úhradu nákladů, které na vytvoření díla vynaložily, a to podle okolností až do jejich skutečné výše; přitom se přihlédne k výši výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.

ABSTRAKT

Tato bakalářská práce je zaměřena na sestavení podnikatelského plánu pro vybranou společnost, jmenovitě veganského bistra ve Zlíně. Práce je rozčleněna na teoretickou a praktickou část. Teoretická část bakalářské práce definuje základní pojmy k podnikatelské činnosti a také popisuje jednotlivé části podnikatelského plánu. Praktická část obsahuje vypracovaný plán pro založení samotného podnikatelského plánu pro veganské bistro. Cílem této práce je vytvořit podnikatelský plán a zhodnotit jeho realizovatelnost. Na základě zpracovaných analýz bylo zhodnoceno, že koncept lze považovat za aplikovatelný.

Klíčová slova: podnikání, podnikatelský plán, bistro, realizovatelnost, analýza, SWOT, PEST

ABSTRACT

This bachelor thesis is focused on the development of a business plan for a selected company, namely a vegan bistro in Zlín. The thesis contains two parts, theoretical and analytical. The theoretical part specifies the basic terms of entrepreneurial activity as well as the particular chapters of the business plan. The analytical part contains the functional business plan for establishing a vegan bistro. The aim of the bachelor thesis is to create a business plan and evaluate its feasibility. Based on the conducted analyses, the business plan can be considered as feasible.

Keywords: entrepreneurship, business plan, bistro, feasibility, analysis, SWOT, PEST

ACKNOWLEDGEMENTS

I would like to thank my supervisor Ing. Jiří Dokulil who guided me through the process of writing the bachelor thesis and provided me valuable advices, incredible patience, support, and expert guidance.

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

CONTENTS

INTRODUCTION	9
I THEORY	10
1 ENTREPRENEURSHIP	11
1.1 BUSINESS ENVIRONMENT	11
1.2 ENTREPRENEUR	13
2 ESTABLISHING A BUSINESS	14
2.1 BUSINESS OF A NATURAL PERSON	14
2.2 BUSINESS OF A LEGAL ENTITY	15
2.2.1 Partnerships	15
2.2.2 Capital Companies	16
2.2.3 Cooperatives.....	16
2.2.4 European Legal Forms of Entrepreneurship	17
3 BUSINESS PLAN	18
3.1 PRINCIPLES OF A BUSINESS PLAN	18
3.2 GOALS AND BENEFITS OF A BUSINESS PLAN.....	19
3.3 CHAPTERS OF A BUSINESS PLAN.....	19
3.3.1 Title Page	20
3.3.2 Executive Summary	20
3.3.3 Company Description.....	21
3.3.4 Product or Service Description	21
3.3.5 Market Analysis	21
3.3.6 Competition Analysis.....	22
3.3.7 Marketing Plan and Sales Strategy	23
3.3.8 Organizational Structure	26
3.3.9 Financial Plan.....	26
3.3.10 Risk Evaluation	27
3.3.11 Appendix	28
II ANALYSIS	29
4 A BUSINESS PLAN FOR A VEGAN BISTRO	30
4.1 TITLE PAGE	30
4.2 EXECUTIVE SUMMARY	31
4.3 COMPANY DESCRIPTION	32
4.4 PRODUCT DESCRIPTION	34
4.5 MARKET ANALYSIS	37
4.5.1 PEST Analysis	37
4.6 COMPETITION ANALYSIS	40
4.6.1 Porter's five forces analysis	40
4.7 MARKETING PLAN	43
4.7.1 SWOT Analysis	43
4.7.2 Target Market.....	45
4.7.3 Marketing Mix	45

4.8	ORGANIZATIONAL STRUCTURE.....	49
4.9	FINANCIAL PLAN	50
4.9.1	Start-up balance sheet (simplified).....	50
4.9.2	Start-up costs	50
4.9.3	Labour cost.....	51
4.9.4	Operating costs	52
4.9.5	Estimated revenues.....	53
4.9.6	Income Statement	55
4.9.7	Return on Investment	57
4.10	RISK EVALUATION.....	58
	CONCLUSION	59
	BIBLIOGRAPHY	60
	ONLINE SOURCES.....	62
	LIST OF ABBREVIATIONS	64
	LIST OF FIGURES.....	65
	LIST OF TABLES.....	66

INTRODUCTION

The aim of this bachelor's thesis is to develop a business plan for a selected company, namely a vegan bistro, and assess its profitability. The author chose this topic, as she is vegan herself and is greatly interested in the vegan diet. Her aim is to convince the general public that vegan meals are tasty and can provide the human body with all the essential nutrients. Moreover, the author hopes to eliminate the prejudices and misconceptions about the vegan diet. The bistro will be located in the centre of Zlín. As there are not as many enterprises focused on at least meatless meals, the author expects to fill a niche on the market with this concept.

The thesis is divided into a theoretical and analytical part. The theoretical part starts with the definition of entrepreneurship, business environment, and the term entrepreneur. Then the legal forms of business in the Czech Republic are introduced. Finally, the theoretical part focuses on a business plan itself, namely its principles, goals and benefits, and structure explained in detail.

The second part is the analytical part in which the knowledge acquired in the theoretical part is demonstrated. The analytical part contains the business plan for the Jiný Bistro. The chapters of a business plan are based on the structure provided in the theoretical part. The reader gets to know about the company, the products it will offer, the market analysis, competition analysis, marketing plan, financial plan, etc. As the purpose is to assess the feasibility and viability of a plan, the author carried out various analyses such as PEST analysis, SWOT analysis, and Porter's five forces analysis. In the PEST analysis particularly, the author incorporated data that support her belief that such a concept has a huge potential. These data include information such as the number of Czech residents who prefer meatless diet or the number of people who are aware of the fact that animal production has a negative impact on the environment and climate change. The financial part that includes the balance sheet, start-up costs, labour costs, operating costs, estimated revenues, and income statement is an essential part of the business plan, as it is another part assessing the feasibility of the plan.

I. THEORY

1 ENTREPRENEURSHIP

The definition of entrepreneurship may differ depending on the discipline that the definition refers to like economics, psychology, sociology, etc., thus many definitions exist regarding entrepreneurship (Veber et al. 2012, 14). Baron (2014, 4) states that entrepreneurship requires the emergence of ideas, their evaluation and transformation into something new. Moreover, this activity is carried out by one person or a small group of persons.

According to a New Civil Code, the entrepreneurship is a systematic activity performed individually by an entrepreneur under his/her own name, under his/her own liability, in order to make a profit.

For better understanding, Srpová et al. (2010, 20) illustrate the following terms taken from the definition above in more detail:

- **Systematic activity** – an activity that is performed repeatedly and regularly, not occasionally.
- **Individually** – if an entrepreneur is a natural person, he/she acts personally, the legal entity acts through its statutory authority.
- **Under his/her own name** – a natural person takes legal actions under his/her name and surname, a legal entity under its business name.
- **Under his/her own liability** – entrepreneur (natural person or legal entity) is liable for all the risks related to the business activity.
- **In order to make a profit** – the business activity has to be performed with an intention to make a profit (however the profit does not have to be achieved).

Although there are many different definitions suggested, the entrepreneurship is generally described by the following features:

- purposeful activity,
- initiative, creative approach,
- organizing and management of the transformation processes,
- practical contribution, utility, added value,
- undertaking the risks of possible failure,
- repeated, cyclic process (Veber et al. 2012, 14).

1.1 Business Environment

The business environment includes everything that influences the enterprise and factors that the enterprise might potentially affect by itself (Synek and Kislingerová 2015, 15).

The business environment consists of external and internal factors/environments. Internal factors are within the control of the company's management, for example, the skills and abilities of the employees or their attitude to work. The external environment is the dynamic one that changes constantly, and in contrast with the internal environment, with only a limited impact of a company on it (Pavláková Dočekalová 2017, 9). External factors may help the company to facilitate its business activity, for example by beneficial taxes, quick resolution of commercial disputes, or definite laws. On the other hand, transaction costs are increased by the corruption and are formed somewhere where the aim is to achieve an undeserved and quick profit (Malach 2005, 69).

The external environment of an enterprise comprises the following factors:

- Geographic – an environment that affects mostly the company's logistics,
- Social – every business should research and consider the effects of its business activity on society. Ideally, the activity should be beneficial for the company as well as for its customers, even though it is difficult to achieve such a situation in real life,
- Political – covers interests of political parties including coalition and opposition or extreme political entities who practice distinct political line, and whose implementation can significantly influence the business sector,
- Legal – law and its forms are essential for the performance of a business activity. Various legal standards determine if the behaviour of a company is adequate. The most important legal standard which defines the law condition in the Czech Republic is the New Civil Code,
- Economic – elements of the economic environment are crucial for the enterprise. It includes all inputs and outputs of the company as well as subscribers, suppliers and financial institutions (mostly banks),
- Environmental – element, which has to be respected within a company, if not because of their own will, then because the country's regulations obligate them to do so. It creates a host of barriers because existing companies have to transform their technological processes to be more ecologically friendly – this represents an economic burden. On the other hand, it creates opportunities for companies to make eco-friendly products, recyclable packaging, etc.,
- Technological – a source of the technological progress through which the company can achieve a bigger profit, higher competitiveness and humanize work,

- Ethical – in the business environment the ethical standards include providing truthful information, fair competition, and advertising campaign and providing pleasant goods and services to the customers,
- Culture-historical – the educational and cultural level of the population is crucial for the progress in the economic and technological area (Synek and Kislingerová 2015, 16-20).

When examining the environment of the enterprise one has to consider the environment of the European Union or, thanks to globalization, the environment of the whole world. As a member of the EU, the Czech Republic is a part of its single market which means free movement of goods, services, people and capital. The single market drives competitiveness because with an increasing number of businesses on the market, the customers seek products with higher quality, better technological level, companies that provide better customer services, etc. (Synek and Kislingerová 2015, 15-16).

1.2 Entrepreneur

The entrepreneur can be characterized as the one who recognizes opportunities, transforms them into applicable ideas, adds value through time, effort, money, or skills, assumes the risks of a competitive marketplace to put these ideas into action, and recognizes the rewards he/she obtains from this effort (Kuratko 2014, 4).

A New Civil Code defines an entrepreneur as “the one, who carries out a gainful activity on his own account and responsibility with an intention to do so consistently for the purpose of a profit” (Kozubíková 2017, 15). Furthermore, the person is registered in the commercial register or operates a business in terms of a trade license or in terms of different regulations according to the law (Svobodová 2013).

Veber et al. (2012, 15) summarize common features of a successful entrepreneur as following:

- The ability to recognize opportunities and set new goals
- The ability to secure funds necessary for maintaining a business
- The ability to coordinate business activities
- Being capable to undertake risks
- Self-confidence
- Creativity
- Long-term commitment

2 ESTABLISHING A BUSINESS

Before establishing a business, it is necessary to make a crucial decision in terms of choosing an appropriate legal form of business. Even though this decision can be changed later on, the process of it involves unnecessary complications and costs (Srpková et al. 2010, 67).

Czech Civil Code differentiates two legal forms of enterprises: a natural person and legal entity (Švarcová et al. 2019, 57).

2.1 Business of a Natural Person

A natural person runs a business as a sole trader/proprietor thus this form of business is called sole proprietorship. It is a business that is conducted by a single person who owns, manages, and is responsible for all activities of the business (Pavlová Dočekalová 2017, 22). Further, the person operates on the basis of the trade license or license under different regulations according to law. General conditions necessary for obtaining the trade license include a minimum age of 18 years, legal capacity, and clean criminal records (Srpková et al. 2010, 67).

According to the Trade Licensing Act trades are divided by professional requirements as followed:

- **Notifiable trades** have to be reported to the Trade Licensing Office and are divided into three categories depending on the required qualifications:
 - **Unqualified (free) trades** – a person has to meet only general conditions for a trade. Examples of unqualified trade are wholesaling, real estate services, textile manufacturing, etc.
 - **Craft (vocational) trades** – a person has to be educated in a certain or related area accompanied by professional experience in that area. Craft trades include bakery, carpentry, hairdressing, etc.
 - **Professional trades** – a person is required to have a special qualification, such trades include sports services, tobacco processing, the manufacture and sale of dangerous chemicals, etc. (Pavlová Dočekalová 2017, 23).
- **Permitted (licensed) trades** require permission that a natural person acquires from the Trade Licensing Office as well as the expertise in the area of business. Examples are road transport, operation of funeral establishments and crematoria, private detective services, etc. (Pavlová Dočekalová 2017, 23).

2.2 Business of a Legal Entity

In the case of deciding to run a business as a legal entity, one has to take into account that the administration is more challenging, and in various cases, the entrepreneur has to deposit a registered capital upon the establishment of a business. All types of legal entities are entitled to conduct business after registering in the public register (Srpková, et al. 2010, 68).

Pavlová Dočekalová (2017, 25) distinguishes following types of legal entities in the Czech Republic:

- Commercial companies further divided into:
 - **Partnerships** consisted of general commercial partnerships and limited partnerships
 - **Capital companies** consisted of limited liability companies and joint-stock companies
- Cooperatives
- European legal forms of entrepreneurship whose subcategories consist of:
 - European economic interest grouping
 - European cooperative society
 - European company

2.2.1 Partnerships

General commercial partnership

A General commercial partnership, in Czech “veřejná obchodní společnost” (“v. o. s.”), is a form of a partnership established by at least two persons, a natural person or legal entity, who are unlimitedly liable for the debts of the company with all the property they own. If not agreed differently, the profit, as well as the loss, is divided among the partners equally (Strouhal 2016, 13). The statutory body of the general partnership consists of all partners who have no obligation to contribute to the registered capital. Moreover, the general partnership pays tax from the income of a natural person, thus the profit’s tax rate is only 15% (Srpková et al. 2010, 72).

Limited partnership

A limited partnership, in Czech “komanditní společnost” (“k. s.” or “kom. spol.”), is founded by at least one general partner and one limited partner. General partners have unlimited liability and form the statutory body of the company. Limited partner’s liability is limited only to the amount of their unpaid contribution. The profit is divided into two parts,

one part is received by general partners and that part is divided in terms of the deed of association. Limited partners acquire a profit according to their contributions (Strouhal 2016, 13).

2.2.2 Capital Companies

Limited liability company

Limited liability company, in Czech “společnost s ručením omezeným” (“s. r. o.” or “spol. s. r. o.”), is the most common type of a legal entity in the Czech Republic (Báčová 2018). It is founded by at least one person and the minimum amount of registered capital per person is 1 CZK. The partners are responsible for the company’s liability only up to the amount of their unpaid contribution to the registered capital (Švarcová 2019, 68). The supreme body of the company is the general meeting of stakeholders who elect the statutory body: executive director. Executive directors take on responsibility for managing and representing the company (Pavláková Dočekalová 2017, 26). For the control of executive directors, a supervisory board can be established as well, however, it is not required by the law (Švarcová et al. 2019, 69).

Joint-stock company

A joint-stock company, in Czech “akciová společnost” (“a. s.” or “akc. spol.”), is a company with registered capital at a minimal amount of 2 000 000 CZK or 80 000 EUR. The registered capital is distributed into a particular number of shares with specific nominal value (Strouhal 2016, 14). Shareholders have the right to obtain a profit from dividends, to be able to engage in the company’s running, and to acquire liquidation balance upon terminating the affairs of a company (Švarcová 2019, 69). Furthermore, the shareholders are not liable for the company’s obligations (Strouhal 2016, 14). A statutory body of the company is a board of directors whose members are appointed and recalled by a general meeting. For the control of the activities of the director’s board, a joint-stock company also has to form a supervisory board (Dočekalová 2017, 26).

2.2.3 Cooperatives

Cooperative, in Czech “družstvo,” is founded by at least three members, whereas the maximum number of members is unrestricted. It is established for the purpose of mutual support of its members or third parties, eventually for the entrepreneurial purpose. The registered capital of a cooperative consists of equal (each) members’ contributions without a minimal amount of the contribution given. Members are not responsible for the cooperative’s liabilities. The supreme body is a meeting of the members of the cooperative which

elects statutory body called cooperative board. The control body is an audit commission (Pavláková Dočekalová 2017, 26, Švarcová et al. 2019, 71).

2.2.4 European Legal Forms of Entrepreneurship

European companies and partnerships may be established in the Czech Republic thanks to the implementation of European regulations.

European economic interest grouping

European economic interest grouping, in Czech “Evropské hospodářské zájmové sdružení,” might be formed by at least two members with their registered office in different states of the EU who do not need to deposit a registered capital (Pavláková Dočekalová 2017, 26). EEIG’s main intention is to support economic cooperation within smaller companies and entrepreneurs who want to take part in international projects. Furthermore, the members are responsible for the liabilities of the grouping with all their property (Strouhal 2016, 17).

European cooperative society

The European cooperative society, in Czech “Evropská družstevní společnost,” is founded by at least five natural persons and companies of at least two different EU member countries. The main purpose of SCE is to satisfy members’ needs and develop their economic and social activities, which should be beneficial for the members as well. The registered capital’s minimal amount is 30 000 EUR consisted of members’ shares (Pavláková Dočekalová 2017, 27).

European company

The European company, in Czech “Evropská společnost,” is a limited liability company established in accordance with the EU law. The minimal amount of the required registered capital is 120 000 EUR (Strouhal 2016, 16). Shareholders have only limited liability up to the amount they have subscribed (Pavláková Dočekalová 2017, 28). European company may be formed on the basis of the following conditions:

- Merge of two or more joint-stock or European companies into one company
- Establishment of a holding of a European company by two or more joint-stock companies, limited liability companies or European companies
- Establishment of a subsidiary company
- Transformation of the joint-stock company under the EU state law (Strouhal 2016, 16)

3 BUSINESS PLAN

According to McKeever (2012, 6), a business plan is a written statement that provides description and analysis of a business and presents its detailed future projections. The business plan considers all critical factors of a business like a mission, market, industry, competition, financials, etc. and determines a sustainable strategic position (Abrams 2019, 5).

Shelton (2017, 23) lists five key elements that a business plan should incorporate:

- Business goals
- The reasons why these goals are attainable
- A plan for achieving these goals
- Data supporting the uniqueness of the product or service
- Supporting information about the organization and team

Furthermore, a business plan is not just a physical document rather than a structured process to assess the business idea and then identify whether the idea is achievable and financially attractive (Shelton 2017, 24).

Červený (2014, 3) states that the following aspects should be taken into consideration before writing a business plan:

- The business activity of a company
- The value for its customers
- Virtues of a business sector and whether they are sufficient
- Whether virtues are addressed at the same place as subsequent outcomes will be

Moreover, in a business plan, one should focus on the key points, avoid repetitions, and use action words because they are more powerful and convincing (Finch 2010, 7).

3.1 Principles of a Business Plan

Various principles exist that an entrepreneur should respect upon writing a business plan. Veber et al. (2012, 96) suggest the following principles in order to impress the external subject and increase the rating of a business plan:

- Clarity – the information given upon creating a business plan should be clear, easy to understand. It is not necessary to present too many thoughts in one sentence. In a case of clarifying something complicated, it is better to add a chart to support the claims,

- Consistency – it is crucial that the information demonstrated in the plan is interconnected and based on facts,
- Brevity – thoughts and conclusions should be expressed briefly,
- Truthfulness and objectiveness – the truthfulness of presented data should be a matter of course,
- Respecting risks – respecting risks and their identification increase the plan's credibility.

3.2 Goals and Benefits of a Business Plan

A business plan aims to help entrepreneurs to get the overall idea of how their company will function and that not only at the beginning of their business activity but also during the process of managing the business activities. The business plan plays a crucial part in obtaining the money for the business as it can convince the bank or an individual investor that this is the plan that is worth investing (Červený 2014, 1).

McKeever (2012, 6-8) states that a business plan is beneficial to write because:

- Helps to get money
- Helps to decide whether to continue or stop
- Helps to boost the business concept
- Increases the likelihood of success
- Helps to keep on track

3.3 Chapters of a Business Plan

There is no fixed legal structure that a business plan ought to follow. The chapters of a business plan may differ depending on the requirements of an investor or a bank. However, the structure should always be fluent, coherent, and cohesive (Shelton 2017, 48, Srpová 2011, 14).

Although the business plan is a flexible document, many pieces of literature such as Abrams (2019), Finch (2010), Srpová et al. (2011), and Veber et al. (2012) agree that the business plan should include these chapters:

- Title Page
- Executive Summary
- Company Description
- Product or Service Description
- Market Analysis

- Competition Analysis
- Marketing Plan and Sales Strategy
- Organizational Structure
- Financial Plan
- Risk Factors
- Appendix

3.3.1 Title Page

The title page provides basic information about the company as its name, logo, name of the business plan, name of the author, founders, the date of the establishing, etc. (Srpková 2011, 15). Moreover, the author might very briefly introduce the company, its purpose, and the financing method (Koráb 2007, 56).

3.3.2 Executive Summary

The executive summary is the most crucial part of the whole business plan, as it persuades the investor or bank to commit more time to read the rest of the plan. The executive summary should review the whole business plan, ideally in just one page. Even though an executive summary is placed in the beginning, it should be written as last after careful consideration of all factors of the business (Abrams 2019, 54, Finch 2010, 23). Shelton (2017, 70) refers to the executive summary as an “elevator pitch” since the author introduces the idea, provides background, approach, and results.

A well-structured executive summary should convince a reader that the business plan possesses the following qualities:

- Purposeful and thoroughly planned business concept
- Efficient management
- Specific target market
- Competitive advantage of the implemented product/service
- Realistic financial projections
- A high probability of the investor’s investment return (Abrams 2019, 55)

Furthermore, Srpková (2011, 16) claims that the entrepreneur may experience difficulties in providing a lot of information on a limited number of pages, therefore she advises to focus just briefly on the description of the product or service, competitive advantage, target market, key figures, and financial conditions.

3.3.3 Company Description

The aim of the company description section is to convey information such as the company's name, management, location, legal status, ownership, products or service and its mission (Abrams 2019, 68-77).

In an important part of the company description called the mission statement, the author of the business plan shows that he/she knows what the main focus of the company is, in other words, it summarizes the basic objectives and principles of the company. Mission Statement should cover facts as what the company culture is, nature of the business, and the expectation of how the company will be viewed in the marketplace (Abrams 2019, 70).

As Veber (2012, 99) asserts, the entrepreneur can use the **SMART** method to specify the company's objectives. According to this particular strategy, the set goals/objectives should be specific, measurable, achievable, relevant, and time-based. The SMART tool supports motivation, focus, and develop the ability to attain the goal.

3.3.4 Product or Service Description

The author of a business plan may cover the information about the product or service in the company's description or he/she might incorporate it in a separate chapter. Besides the full characteristic and a purpose of the product or service, the author may further mention distribution channel of the product or service like wholesale, retail or internet, how the founder plans to protect the product or service (e. g. patents, trademarks, copyrights), or competitive advantage that explains why the product or service is so unique and what benefits the customer will gain after purchasing (Shelton 2017, 83-84).

A reader might not be well educated in the field of the intended business, thus the author should briefly mention the technical information and omit lengthy technical descriptions (Srpová 2010, 61).

3.3.5 Market Analysis

A market analysis enables the entrepreneur to understand the customers, the target market, thence a crucial part of this section is a customer analysis (Abrams 2019, 106). The main aim is to comprehend what exactly is the target market and how big it is, to recognize whether there will be a satisfactory number of customers who will purchase the product or service and characterize a potential customer so his/her needs can be meet precisely (Shelton 2017, 90). In addition to that, Abrams (2019, 107) states that the target market has to definable, meaningful, sizable, and reachable.

The analysis of the customers should answer the following questions:

- Which product will be offered to which customer?
- Where the products will be available?
- What customer segment can be reached in the given area and what customers is the company focused on?
- What motivates the customer to buy the product or service?
- What is the customer's shopping behavior? (Srpová 2010, 62)

Srpová (2010, 61-62) divides the company's surrounding into a macroeconomic and microeconomic field. Macroeconomic is the field that the company cannot influence. For a better understanding of how external forces impact the business, a PEST analysis might be applied.

The PEST analysis examines the following factors:

- political-legal such as taxation, government stability or legal issues that may raise in the particular field of business,
- economic such as inflation, interest rates or unemployment,
- socio-cultural such as education or demographics,
- technological such as conversion or knowledge generation (Business Dictionary 2020).

3.3.6 Competition Analysis

The first step when implementing the competition analysis is to determine who is the competitor, in other words, who are companies that sell the same or similar products or aiming for the same target market (Srpová 2011, 22). McKeever (2012, 144) states that in this section, the entrepreneur should try to understand how a customer thinks, the decisions he/she faces. The entrepreneur should try to place himself in a customer's mind and objectively evaluate the business.

People who are starting their business should not get too excited about the business idea in the beginning, as they may fail to assess the competition. In addition to that, a businessman should remember to only analyse the competitors who are targeting the same market (Abrams 2019, 125).

The key point of competition analysis is the list of competitor's strengths and weaknesses such as pricing, return policy, operating hours, accessibility, complementary products and services, etc. (Shelton 2017, 95).

Porter's five forces analysis

This tool helps starting entrepreneurs to identify and subsequently analyse company's existing or potential competitors. According to this analysis, the position of competition within an industry depends on five basic forces:

- **Competitive rivalry** – this force analyses the competitors in the same market that the company aims to operate. The rivalry is an indicator of how cost-effective and competitive the industry is.
- **Bargaining power of suppliers** – this factor addresses the power of the suppliers and their control over the potential increase of prices which could have an impact on lowering the profit of a business. Furthermore, it analyses the number of available suppliers. When there are multiple suppliers on the market, the business is in a better position because the suppliers do not have such a power, and the company can easier switch to a cheaper alternative.
- **Bargaining power of buyers** – this force deals with the customers' impact on the pricing and quality of the product or service. The customer's power decreases when customers are plentiful in number, consequently, the power of the company increases.
- **Threat of new entrants** – this factor focuses on how easy or difficult it can be for future competitors to enter the market. The harder it is for a new competitor to join the market, the bigger the chance of an established market share for the company.
- **Threat of substitute products or services** – this force considers how simple or difficult it is for customers to change their preferences regarding the company's product or service and shift to that of a competitor. Furthermore, the force compares prices and quality of competitor's products or services to the examined business and assesses what is the profit these competitors are gaining (Martin 2019, Koráb, Peterka, and Režňáková 2007, 49-50).

3.3.7 Marketing Plan and Sales Strategy

The marketing plan follows the analysis of the external environment. The marketing plan helps the entrepreneur to promote her/his business and raise the target customers awareness about the product or service. The ultimate goal is to build a site of loyal customers (Gattis 2010, 45). Whereas marketing itself should deliver a message to the customer by advertising, customer, creating brochures, public relations, and other activities, the sale is a direct action to sell the product via sales calls, e-commerce sales or telemarketing (Abrams 2019, 164).

As the marketing plan is crucial for the future success of the company, it is essential to implement a suitable marketing strategy. When developing the marketing strategy, the following aspects should be considered:

- Target market
- Position of the product in the market
- Marketing mix (Srpová et al. 2011, 22)

To define the target market, the company needs to be familiar with market segmentation. The company cannot adjust the product for every customer, and thus, it is a necessity to divide the customers into separate groups – segments – according to their preferences and requirements. Subsequently, the company should determine its position on the market among the competitors' products. The goal is to gain a competitive advantage, in other words, to differ in a particular feature, which will result in the fact that the customers will remember the product. Finally, the entrepreneur should implement a marketing mix that considers the exact market segment (Srpová et al. 2011, 20-23).

Moreover, the marketing plan should also cover the SWOT analysis which helps the businesses to examine positive and negative attributes involved in making a business decision.

SWOT Analysis

The SWOT analysis assesses the company's strengths and weaknesses compared to the market's opportunities and threats. The main goal is to determine the internal and external factors that influence the company's business (Gattis 2010, 40). Strengths and weaknesses are internal factors which means that the company can affect them, for instance, management skills or customer service. Opportunities and threats are external factors that, on the contrary, the company cannot influence by itself. However, it may to some extent react to them. Examples of the external factors are tax policy or the situation on the labour market (Koráb, Peterka, and Režňáková 2007, 48-49).

Marketing Mix

The marketing mix represents a combination of tactical marketing tools that the company adapts in order to obtain the wanted feedback from the target market. The marketing mix consists of the so-called four Ps. Every P represents one variable – product, price place, and promotion. The main aim of this strategy is to deliver something valuable to the customers as well as to establish a strong position in the target market (Kotler and Armstrong 2018, 77-78). Entrepreneurs may also use alternatives such as extended marketing mix named 7P, which adds three new Ps to the marketing mix - process, people and physical evidence, or a

modification of traditional 4P called 4C which consists of customer value, customer cost, customer convenience, and customer communication (Kotler 2005). For the purpose of this bachelor thesis, 4P model will be used.

Product

A product represents the goods, services or their combination that the business offers to the customers (Kotler and Armstrong 2018, 77). Product is the core of the marketing as it satisfies customer's wants and needs, thence the crucial feature of the product is what value it will bring to the target customers. The product part should further examine the characteristics like a design, packaging, or warranty, product mix, and a product life cycle (Srpová 2011, 23-24).

Price

Price represents the money that customers have to pay in order to acquire the product (Kotler and Armstrong 2018, 78). Price and its stability are a company's source of income. By setting the price, the company establishes its position in the consumer's hierarchy and the position among competitors and also affects consumer's buying behaviour. Before determining the product's price, an entrepreneur should take into account factors such as company goals, objectives of the pricing policy, costs, demand, competition, product's lifecycle, and legal measures. The factor called pricing policy is crucial as the entrepreneur sets the price according to the company's objectives. Three main pricing policy objectives include the survival orientation (in a market with a plentiful of competitors), profit orientation, and market share orientation (Srpová 2011, 24-25). Moreover, Gattis (2010, 48) claims that price list, discounts, payment terms, and other financial terms may be defined as well.

Place

Place refers to the business activities as a result of which the product is available for the target customers (Kotler and Armstrong 2018, 78). An entrepreneur has to describe how he/she will get the product to the end-user. The distribution channels crucially affect the pricing and promotion of the product, and therefore an entrepreneur should thoroughly consider their use (Gattis 2010, 48).

When making a decision about the distribution channels, an entrepreneur chooses between direct or indirect selling, their combination, and in the case of indirect selling, the number and type of intermediaries. Direct selling is the easiest way of distribution as the customer purchases the product directly from the manufacturer. Examples of this type of selling are selling from the manufacturer's own premises, selling from manufacturer's vending machines or direct selling with no sales premises such as online shopping. The

indirect selling is carried out by intermediaries represented by retailers and wholesalers, in this case the manufacturer loses control over the product and is dependent on the intermediary (Srpová et al. 2010, 213-215).

Promotion

Promotion includes activities that communicate the product's advantages and persuade target customers to purchase it (Kotler and Armstrong 2018, 78). Promotion plan summarizes the market objectives, budget, timetable, and resources which are essential for the product's promotion (Gattis 2010, 48). Tools of promotion are advertising, sales promotion, public relations, personal selling, and direct marketing (Srpová et al. 2011, 26).

3.3.8 Organizational Structure

The experience, skills, and personalities of the management team have a great effect on the long-term success of the company. Hence, this could be the reason why investors choose to invest in a particular business plan. The core fact the investors will take into account is the expertise of the management team necessary for operating the business. The key person in the company is usually the founder who represents the top management. The section should further cover the type of compensation and incentives the employees will receive (Abrams 2019, 236-240).

The structure depends on the size of a company. If the company is rather small, the founder can provide just brief information or include this part in the company's description chapter. On the other hand, if the company is bigger, it requires more employees, and in that situation, the entrepreneur has to provide a detailed description, especially if specialists are required for conducting the business. Additionally, he/she may include the number of employees, what qualification is needed, and what the hiring policy will be (Koráb, Peterka, and Režňáková 2007, 87).

3.3.9 Financial Plan

If a company wants to generate profit, it must have a viable and long-term profitable financial plan. The purpose of this chapter is to identify how much money the business requires and what the source of the money will be (Červený 2014, 152). The financial plan transforms the preceding chapters of the business plan into numbers (Srpová et al. 2011, 28). Koráb, Peterka and Režňáková (2007, 88) further recommend the incorporation of a cash-flow, income statement, balance sheet, and break-even point analysis in the financial plan.

Cash-flow

Cash-flow represents money that is coming and flowing out of the business. When the amount of money coming into the business is higher than the amount that is going out of the business, it is called positive cash flow. The negative cash flow arises in the case of the opposite situation (McKeever 2012, 122).

Income statement

The income statement, also known as Profit and Loss Statement, shows if a company is still profitable after deducting all the costs. However, it does not identify the company's cash position or its worth because the company can still own valuable property and meanwhile losing money or it just can have cash flow problems. To prepare the statement, an entrepreneur has to summarize the information about his/her sales and expenses (Abrams 2019, 310).

Balance sheet

The balance sheet reports the assets and liabilities of a company. The balance sheet is based on that every asset has to be financed by a liability, in other words, the finances received from shareholders, banks or investors. Moreover, total assets should be equal to the sum of total liabilities (Finch 2010, 100).

Break-Even Point analysis

This analysis states how much money you have to earn in order to pay the expenses. Attaining this point does not mean that the company is making a profit, neither that is losing money, at this point the company's total revenues are equal to the total costs. Upon determining the break-even point, an entrepreneur has to consider the fixed cost as well as the variable costs (Abrams 2019, 320).

The calculation is as follows:

$$BEP = FC / (Pu - Vcu)$$

- BEP = Break-Even Point
- FC = Fixed Costs
- Pu = Price per unit
- VCu = Variable Costs per unit (Koráb, Peterka, and Režňáková 2007, 133)

3.3.10 Risk Evaluation

In relation to the business, the risk can be understood as a negative deviation from the target (Srpková 2010, 66). Every entrepreneur will sooner or later face risks, therefore this section is a necessary part of a business plan. Risk evaluation helps to prevent business threats and

take quick steps to address them (Abrams 2019, 154). The potential risks include factors such as changes in legislation, technological changes, changes in behaviour of competitors or customers, weaknesses of the enterprise, etc. (Srpová 2010, 66).

The entrepreneurs should not be afraid to put this part in the business plan as it may show that the entrepreneur is aware of the potential risks and do not think about the plan as a completely perfect and risk-free. Moreover, this might also raise the credibility of an entrepreneur in the eyes of the investor (Finch 2010, 109).

3.3.11 Appendix

The appendix covers the supporting documents that may differ depending on the reader's requirements. It is a place where the entrepreneur provides the reader with details about specific aspects included in the plan. However, the essential materials needed for understanding the business should not be included in this part. The appendix may contain key contracts, photos, CVs, marketing material, technical information, etc. (Abrams 2019, 334-335). Shelton (2017, 167) claims that the appendix should be well organized and not too long as it may cause the impression that the plan is too extensive.

II. ANALYSIS

4 A BUSINESS PLAN FOR A VEGAN BISTRO

4.1 Title Page



Figure 1: Logo of the bistro (own creation)

A Business Plan for a Vegan Bistro

Name of the company:	Jiný Bistro
Legal form:	Natural person
Residence of the company:	Náměstí práce 1099 Zlín 760 01 Czech Republic
Date of the establishment:	1 September 2020
Founded by:	Stefanie Sládková
Telephone number:	+420 608 765 908
E-mail:	stefanie.sladkova7@gmail.com
Company's description:	The first completely plant-based bistro in Zlín which offers healthy and tasty meals, desserts, and beverages suitable for everyone!

4.2 Executive Summary

The aim of the business plan is to establish a plant-based oriented bistro situated in Zlín. Considering the fact that exclusively vegan/plant-based bistro has not been established in Zlín yet, this is a project with potential and promising success.

Jiný bistro is founded by plant-based and healthy lifestyle enthusiast Stéfanie Sládková who will conduct the business as a natural person based on the trade licence. The responsible representative for providing gastronomic services will be appointed.

All of the meals will be completely plant-based which means that they will not contain any meat, dairy or eggs. Besides the fruit and vegetables, the dishes will be prepared from high-quality vegan alternatives that are nowadays available on the market in tremendous amounts.

The bistro will mostly supply the main ingredients – fruit and vegetables – from local suppliers without unnecessary packaging, as one of the bistro's goals is not just to raise the awareness about the plant-based lifestyle, but also to promote sustainability and environmental responsibility. Furthermore, the bistro will encourage people who want to use the takeaway service to bring their own lunch box and also will use metal straws instead of plastic ones.

The location of the bistro is very convenient mainly because of the university faculties and high schools located nearby. In order to seize the opportunity of the location, the primary target group will be young people, mainly students of universities or high schools, and people who have a job nearby, as the bistro will be offering a menu during the lunch break. Of course, everyone who wants to try the magic of a plant-based cuisine and enjoy fresh and delicious flavours of vegan food is welcomed.

The costs associated with the establishing of the bistro as well as the operating costs needed for the beginning of the bistro's operating will be covered by the owner in the amount of 700,000 CZK. This registered capital is covered by the owner's savings, building society account, and a loan from the family.

4.3 Company Description

Jiný bistro is a vegan bistro, first of its kind in Zlín. It differs from other restaurants, cafes, and bistros in the area in the way that it serves only plant-based food and beverages, meaning that it does not contain animal products such as meat, dairy, or eggs.

Mission statement

The main aim of the bistro is to prepare high quality, nutritious food for people who eat plant-based or prefer a healthy lifestyle in general, but at the same time, for people who want to include more plant-based meals into their diet and experience new flavours. All prepared foodstuff will be plant-based, therefore suitable for persons who have to follow certain diet restrictions such as allergies to milk or eggs or lactose intolerance. The bistro will also provide gluten-free dishes. Furthermore, it is hoped to reach a great customer satisfaction as well as to build a site of loyal customers, who will love to come back to the comfortable environment of the bistro with professional and kind staff.

Ownership

The owner and founder of Jiný Bistro will be plant-based lifestyle enthusiast Stefanie Sládková who will be responsible for the crucial business operations such as negotiating with suppliers and employees, recruiting, and marketing activities. The owner herself has been eating plant-based for more than 4 years and has been a participant of several workshops organized by the Czech Vegan Society.

Legal form

The owner will operate a business as a natural person. According to the Trade Licencing Act No. 455/1991 Coll. the conducting of a bistro is included in part C – catering service. The owner meets the general conditions of a craft trade; however, certain professional requirements have to be fulfilled as well; thus, a responsible representative with the 7-year experience as a cook and a certificate of apprenticeship in the field of cooking will be appointed. This representative will also work as a full-time cook in the bistro.

Location

The bistro will be located in Zlín, more precisely on Náměstí práce 1099. Náměstí Práce is situated right among three faculties of Tomas Bata University, and since Zlín is a city that is filled by students, this is an ideal location. Furthermore, it is close to the tram stop and to the area of Zlín called Svit, which is full of offices where people work. The bistro is easily approachable not just by tram, but also by car, as there are dozens of parking places provided behind the building.



Figure 2: Location of the bistro (source: Goggle Maps)

Opening hours

Jiný Bistro will be open every day besides Sunday. The opening hours may change depending on customers and their demand in a different time and different season. Regarding the opening hours, please see the table below:

OPENING HOURS	
Monday - Friday	8:30-19:00
Saturday	9:30-17:00
Sunday	Closed

Table 1: Opening hours of the bistro (own creation)

4.4 Product Description

Customers of Jiný Bistro may choose from various plant-based meals and beverages. The key food ingredients – fruit and vegetables – will be partly supplied from the farmers in the area (e. g. Biozelenina Velehrad or Josef Vymětal’s bio farm), therefore the menu may slightly change according to the particular season of the year. Furthermore, essential ingredients include plant-based protein alternatives such as seitan or robi from wheat protein mixture, soy alternatives such as tofu and tempeh, or legumes, these will be a significant part of the dishes. The menu will consist of a breakfast, lunch menu, snacks, and desserts.

Breakfast is an important meal of the day, as it provides energy for the whole afternoon. In Jiný Bistro, the customer may choose from three types of healthy, nutritious breakfasts. Furthermore, two of the options will be fully gluten-free, and the third one will have a gluten-free version available as well. Breakfast will be served from 8:30 am to 10:30 am on weekdays and from 9:30 am to 13:00 am on Saturdays. Regarding the breakfast menu, see the table placed below (more meals may be added with time):

BREAKFAST MENU
<ul style="list-style-type: none"> • Smoothie bowl with bananas, berries, spinach, chia seeds, flax seeds, and nutty granola, slices of banana and peanut/almond butter as a topping
<ul style="list-style-type: none"> • Buckwheat pancakes with seasonal fruit and coconut whipped cream
<ul style="list-style-type: none"> • Tofu scrambled eggs with spinach and bread

Table 2: Breakfast menu (own creation)



Figure 3: Possible presentation of tofu scrambled eggs with bread (own creation)

The bistro will also offer a lunch menu which will be served every weekday from 10:30 am to 2:00 pm. It will consist of one soup, and one main dish, with the time one more main dish could be added to the lunch menu – that will depend on demand during the lunchtime. Moreover, the soup will always be gluten-free, and the bistro will try to figure out a gluten-free alternative for the main dishes as well. The lunch menu will differ every day, there will be healthier options most of the time, but also meals such as “Svíčková” in a plant-based version. See the figures of possible main dishes during lunchtime below:



Figure 5: “Svíčková” with seitan and dumplings (own creation)



Figure 4: Mish Mash - baked vegetables with potatoes and tofu (own creation)

After 10:30 am, the customers may also choose from the following snack menu that will provide a great combination of protein, carbs, and fats. Three options can be transformed into a gluten-free version as well. More options may be added with time.

SNACKS
<ul style="list-style-type: none"> • Avocado bread with baked chickpeas, arugula and tomatoes / GF option
<ul style="list-style-type: none"> • Homemade hummus with vegetable fries and slices of bread /GF option
<ul style="list-style-type: none"> • Peanut butter toasts with banana and berries /GF option
<ul style="list-style-type: none"> • Tortilla with hummus, fried tempeh and fresh vegetables

Table 3: Snack menu (own creation)

For the whole day, customers with a sweet tooth may choose from desserts prepared for the day. From the beginning, there will be a limited offer of desserts that may extend with time. It will be mostly cupcakes, carrot cake, cheesecake, raw cake, etc.

Another part of the menu will be beverages. In the bistro, there will be served coffee, lemonades, tea, wine, and kombucha. The coffee supplier will be Doubleshot, which is a specialty coffee roastery based in Prague. Customers who like to have a coffee with milk may choose from a variety of plant-based milk alternatives such as soy, almond, or coconut milk. In warmer weather, people like to have a cold lemonade. The bistro will offer homemade lemonades, and the guest may choose from flavours according to the current offer. Besides the excellent coffee and lemonades, different kinds of tea will be served as well. For people who prefer to have a glass of wine with their meal or snack, there will be an option of white wine - Chardonnay or Riesling. The owner decided to include kombucha to the beverage options as well. This is a fermented sweetened black or green tea popular for its health benefits, as it contains healthy probiotics.

4.5 Market Analysis

The market analysis examines the company's surrounding, in other words, the external environment. It is essential for the company to analyse this environment and subsequently thoroughly consider and react to the stimuli of it.

4.5.1 PEST Analysis

PEST stands for political-legal, economic, socio-cultural, and technological factors.

Political-legal factors

Considering the current political-legal conditions for entrepreneurs, the last two governments of the Czech Republic have focused on strengthening the control of entrepreneurs. A direct example of this is the Registration of sales (explained in the next paragraph) and tax control statements. The main advantage of the current conditions is that besides the consumption tax, the taxes have not increased in the last decade. Furthermore, the growth of the minimum wage and retirement pension can be considered as a tool for further development, as people who earn more, spend more. On the other hand, in the Czech Republic is high labour taxation that has to be paid.

According to the Act on Registration of Sales No. 112/2016 Coll., a natural person providing gastronomic services is from the 1st December 2016 obligated to conduct a registration of sales. The registration of sales ("EET" in Czech) is a system of online communication between entrepreneurs and Financial Authority. An entrepreneur has to send the data about every cash payment to the tax administrator and subsequently issue a receipt with the data from the tax administrator to the customer. Sales included in the registration are sales that come from the business and simultaneously are paid in cash, cheque, by a promissory note, by payment in a so-called limited network (meal ticket, voucher) or other similar means. The subjects to the registration of sales are not the direct bank account transfers and card payments made through payment terminals or online transactions (Etrzby 2020).

Since the owner will establish the business as a natural person, an income tax that has to be paid is 15%. Another necessity that a natural person is obligated to pay is health and social insurance. Health insurance of a sole trader is calculated as 6,75% from the profit and the social insurance as 14,6% from the profit. If a company employs a full-time worker, the social insurance is 25% and the health insurance is 9%, both calculated from the gross monthly wage. The minimal amount of the insurance that an entrepreneur should

reserve per month is from January 2020 exactly 2,352 CZK for health insurance and 2,544 CZK for the social insurance (Jak podnikat 2020).

Moreover, entrepreneurs have to be aware that there is a high possibility of frequent controls by state institutions such as controls from Czech Trade Inspectorate, Czech Agriculture and Food Inspection Authority, Public Health Authority, Trade Licensing Office, Tax Office, Health Insurance Authority, Czech Social Security Administration, fire protection checks, etc. (Hovorka 2017).

Economic factors

According to the data obtained from the Czech Statistical Office in the first quarter of 2020, it may be claimed that the Czech economy was stable and was showing positive results. This statement is supported by the rates of the important economic factors in that period, such as the level of GDP growth which was 2%, the inflation rate 3,1%, and the unemployment rate which was 2%. The average gross wage was high as well, calculated as 36,144 CZK.

The 3,1% inflation can be considered as very low, and therefore products and services will grow in price rather linearly than exponentially and will not be so expensive for the customers.

As far as the Zlín Region is concerned, the unemployment rate was 2.1% in the last quarter of 2019 and the average gross wage in 2019 was 29,654 CZK (Český statistický úřad 2020). According to the current situation – the spread of a coronavirus pandemic disease throughout the world, lockdown, and a current shut-down of enterprises – a rise in unemployment and a decrease of input prices might be expected. On the other hand, there is a possibility of a new skilled workforce coming from the businesses that did not survive the current crisis.

Socio-cultural factors

In March 2019 Ipsos agency conducted research regarding the attitude of Czech residents towards veganism and vegetarianism. According to the research, 5% of Czech citizens prefer a vegetarian diet (mostly young people in the age from 18 to 34), 32% plans to eat more plant-based products and less animal-based products, 45% of Czech residents are aware of the fact that the animal production has a negative impact on the environment and climate change, and 69% of people in Czechia noticed that the offer of plant-base products in shops is growing (Česká veganská společnost 2020). These data show that the demand for such products and the awareness of the lifestyle is increasing. The fact that speaks in favour of

the growing demand is also that the capital city of the Czech Republic, Prague, was ranked among 10 best vegan cities in the world by the famous website about veganism Happy Cow.

In 2019 there were 74,276 inhabitants in Zlín from which 52.3% were women (Místopisy 2020). This could be an opportunity for the company, as women prefer healthy lifestyle products in overall.

During the workweek and some of the weekends, Zlín is full of university students and the majority of them live at the student dormitory or in apartments. This is crucial for the business because, as has been mentioned, these days it is the young people who prefer to avoid animal-based products, and who like to try new things. Moreover, there are plentiful of high schools in the area as well.

The location of the bistro right in the centre of the city is very convenient, as it may quickly raise people's awareness of the bistro.

Technological factors

The important technological factor that has to be considered is a connection of the region to the transport network. Thanks to the motorway, there is a full connection between the Zlín Region and the motorway network of the Czech Republic and Slovakia (Petr Zahradník 2019). This factor is crucial in terms of connection with the potential suppliers, as it affects the speed of delivery as well as the accessibility of the facility.

In the area, there are many institutions that were established as a result of the support received from the Zlín Region, Tomas Bata University, or other entities. A concrete example is the Technology Innovative Centre that was founded by the Zlín Region and TBU in 2005. Its aim is to create conditions for the establishment and development of innovative companies and to use the results of research and development in the business area (Inkubatorzlin 2020).

The advanced technologies used nowadays have become a standard within the industry. As a result of these, the customer may more enjoy and also extend the stay in the facility. Therefore, it is essential for the bistro to have a Wi-Fi connection. Thanks to Wi-Fi customers can surf the internet or take a photo of the food and the bistro environment and post it on social media platforms by which they also promote the bistro.

Furthermore, it is vital to enable payments by cards and mobile phones, as not many customers carry around large amounts of physical cash anymore.

4.6 Competition Analysis

The competition is analysed based on Porter's five forces analysis. This tool helps identify and subsequently analyse the company's existing or potential competitors.

4.6.1 Porter's five forces analysis

Competitive rivalry

The advantage of the Zlín location is that there is no such a restaurant, bistro or café that offers exclusively plant-based products. However, there are a few vegetarian restaurants with many plant-based options and restaurants which offer healthy food and some plant-based alternatives. These enterprises can be considered as bistro's competitors.

- **Pranaya**

Pranaya is a vegetarian restaurant located in Zlín on street Bartošova 40, close to the bus and train station and Náměstí Míru in the centre. Pranaya is a self-service restaurant which means that the customer takes his own plate, chooses from variations of main dishes, side dishes, salads, and desserts, and then just pays. The price depends on the quantity of food that the customer has on his plate, 100 grams of food costs 26 CZK and the food vary every day. The restaurant is opened on weekdays from 10:30 to 14:30, at the weekends the restaurant is closed. Pranaya provides a clean and pleasant environment with 46 seats and has its own website where customers might read the daily offer in advance. On the contrary, it is opened only during lunchtime and the restaurant does not promote itself through main social media platforms such as Instagram and Facebook.

- **Prašád**

Prašád is a vegetarian restaurant situated on Vavrečkova 5262 in the Svit area. The restaurant was established in 2008, so it was the first restaurant offering completely meatless meals. It is a self-service restaurant, so the concept is the same as Pranaya's. The restaurant serves vegetarian meals, recently they have introduced at least one vegan option in the menu per day. The restaurant is opened from 10:30 to 16:00 during the weekdays, from 11:00 to 14:30 on Saturday, and is closed on Sunday. Since Prašád has been on the market for more than 12 years, it has its base of loyal customers. These are mostly people who work in the Svit area and come there for their lunch break. A big strength is that there are plenty of seats in the bistro, and it also has four tables outside where the customers may sit during warmer seasons. Moreover, when a customer comes after 15:00, he/she may get the

food with a discount. The restaurant promotes itself mainly through its website and Facebook. As a weakness may be considered the fact that Prašád operates through lunchtime.

- **Zralé bistro**

Zralé bistro is a small restaurant situated on Kvítková 540, about 20 minutes from the location of Jiný bistro. Zralé bistro serves mostly vegetarian and vegan food, and sometimes there is a fish on their lunch menu. Zralé bistro is open only on weekdays from 7:30 to 15:00, and it offers breakfast and lunch but earns most of its profit from the lunch menu, as at this time, the bistro is full of working people on their lunch break. Besides the regular lunch menu and breakfast, the bistro further serves vegetarian and vegan wraps, salads, and healthy desserts. The bistro offers tasty food for reasonable prices served by friendly staff, and also takeaway service. On the other hand, the inside space is very small, it has approximately 15 seats, so when customers come in a busy hour during lunch, they may not find a place to sit. The bistro does not promote itself through own website but has an account on Facebook and Instagram.

- **Miomi Foodie**

Miomi Foodie is a restaurant focused on healthier variations of food. It is situated on Vavrečkova 7074, in the Svit area. The restaurant is opened every day, particularly from 10:30 to 21:00 from Monday to Thursday, from 10:30 to 22:00 on Friday, from 11:00 to 22:00 on Saturday, and from 11:00 to 17:00 on Sunday. The restaurant has its regular menu as well as the lunch menu during weekdays that differs every day. The lunch menu usually offers one vegetarian option, sometimes both lunch options include meat. However, there are a few vegan options in the regular menu and also dairy-free milk alternative to the coffee. Furthermore, the daily offer sometimes includes raw cakes. In contrast to the restaurants mentioned above, Miomi Foodie is opened till the late evening, so the customers may come and have dinner. The interior of the restaurant is modern, and the staff is kind and friendly, however, the prices may be a little high for some customers.

- **UGO Salaterie**

UGO Salaterie is located on náměstí Míru 174 in a shopping centre called Golden Apple. It is opened every day from 9:00 to 21:00. UGO is known mainly for its fresh juices and smoothies, recently UGO has extended its offer to healthy wraps, salads, and soups. The soups are mostly vegetarian, but the wraps and salads mostly contain meat and dairy products. UGO is a successful and known concept, and it has expanded throughout the Czech Republic significantly. The location of UGO Salaterie is a strength, as the main customers

are visitors of the shopping centre. UGO also offers detox packages and loyalty cards. It has its own website and promotes itself also through social media platforms such as Instagram and Facebook. The weakness of UGO is the small portions of food usually for a higher price.

Bargaining power of suppliers

The main ingredients of meals - fruit and vegetables - will be partly supplied from the local farmers. Since there are not so many of them nearby, the bargaining power of suppliers might be a little stronger, and the price a little higher. As for the plant-based alternatives of meat and dairy products, nowadays, there are plentiful of them in the market, therefore there are many potential suppliers. These may not be only health food stores, but also supermarkets like Kaufland, Lidl or Albert and wholesales such as Makro in Zlín. Some of the fruit or vegetables that will not be currently supplied on the local market or frozen fruit used for the smoothie bowls will be supplied from the wholesale Makro as well.

Bargaining power of buyers

As already mentioned, the demand for plant-based products and the awareness of the lifestyle is increasing, however it is difficult to predict what the power of the buyers will be. Considering the fact that Jiný bistro is first such a concept in Zlín, it could build its loyal customer base quickly. The fact that in the same location was a quick food service Barty's food in the past may help with that as well. On the other hand, there is a possibility that the buyers will not be interested in such a concept and the products it offers.

Threat of new entrants

Of course, that there is a possibility of new competitors entering the market, as the barriers to the industry are quite low. The one barrier that can seem as most complicated – the professional requirements like experience in the gastronomy – may be easily solved by appointing a responsible representative who meets certain requirements.

New entrants do not have to be just vegan business, but also bistros and restaurants which provide healthy food, and vegetarian and vegan options.

Threat of substitute products or services

The threat of substitute products is quite low considering the concept. Besides the vegetarian and healthy food focused restaurants, there are substitutes such as the vegan ready to eat food from health stores, but these are often too expensive for a small portion of food (e.g. 70 CZK for a can of 350 grams vegan chickpea curry from DM store). People may also cook vegan meals at home, but in that case, they may spend a lot of time finding the recipes and with cooking itself.

4.7 Marketing Plan

The information gathered from the market analysis will be now used to develop a marketing plan that defines customer segments, the added value that will be brought to the customer, and how the value will be delivered.

4.7.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Nutritious, plant-based food • High-quality ingredients • Location • Professional and trained staff • Following the latest trends • Opening hours 	<ul style="list-style-type: none"> • No experience with running a business • Need of fresh ingredients
Opportunities	Threats
<ul style="list-style-type: none"> • Filling a niche on the market • Growing interest in healthy lifestyle and veganism • Possibility to extend the range of services to street food store concept 	<ul style="list-style-type: none"> • New on the market • New competitors entering the market • Small profit caused by a lack of customers' interest • Traditional eating habits of the majority of people • Economic crisis caused by a pandemic

Table 4: SWOT Analysis of the bistro (own creation)

According to The Economist, 2019 was a year of veganism. The lifestyle goes mainstream, and the business of providing vegan meals is booming. Giant fast-food firms that are focused on meat products, like McDonald's or Burger King, started purchasing vegan burgers in

some countries, and a quarter of 25 to 34-year old Americans consider themselves vegans (Parker 2020). The trend has been rising in the Czech Republic as well. According to Google Trends, searching of the word *vegan* has increased significantly since 2013 (Google Trends 2020). The bistro will follow the trend by offering nutritious plant-based food, which will contribute to the consumer's health. In favour of that speak the claims of Jan Gojda, a doctor who deals with the epidemiology of plant-based eating people. Gojda asserts that a plant-based diet can prevent diseases such as diabetes, the fourth leading cause of death in the Czech Republic, cardiovascular diseases, and some types of cancer (Havranová 2019). Another strong factor is that the meals will be made from high-quality ingredients mostly provided by local suppliers and will change due to the season. Some of the fruit or vegetables that will not be currently supplied on the local market will be purchased from the wholesale Makro. However, the owner will always try to support the Czech grown products even in the wholesales. The priority, of course, is a well-trained staff who will be kind to answer all customers' questions regarding food and its ingredients. As mentioned, the strength of the bistro is further its location among three university faculties in the centre of Zlín. In the past, there was the bistro Barty's food which may be also considered as an advantage because people are used to this type of facility at the location. As mentioned in the competition analysis, the vegetarian restaurants in Zlín are open mostly during lunchtime, thus the bistro's opening hours till the evening can be considered as a significant advantage.

As weaknesses are concerned, the main one is that the dishes require fresh ingredients (mainly fruit and vegetables) that might be a little higher in price and may go rotten if not consumed at the right time. Furthermore, it may be difficult to get fresh ingredients in the winter, so during that season, the owner would be more dependent on the supermarkets and wholesales. Another weakness is the lack of the owner's experience with running a business. This factor may be improved with time, especially with the responsible representative who can share the experience she has gained during the work in gastronomic facilities.

Jiný Bistro will be first of its kind in Zlín in terms of exclusively plant-based businesses, and that gives it an opportunity to fill a niche on the market. The bistro will also seize the opportunity of the growing interest in a healthy lifestyle and veganism. There is a possibility to expand the business and broaden the target market by introducing a street food concept store that would operate during the late evening and partly a night and prepare snacks for people coming home from the party or from late evening/night shifts. However, this will depend on the financial results during the first years.

A threat is that the business is new on the market, hence do not have loyal customers. However, this factor might be quickly changed as both – already mentioned research conducted by Ipsos agency, as well as the data provided by Google Trends – show that the awareness of the lifestyle is raising as well as the demand, and therefore loyal customers may be attracted quickly. Moreover, loyal customers do not have to be just people interested in vegetarianism or veganism, but also people who exercise and are interested in healthy food. There are plentiful of fitness centres and gyms in Zlín, so instead of eating kebab after a workout in the afternoon, people can enjoy fresh, healthy food rich in protein, a key macronutrient that should be consumed after an exertion. Since such businesses are still in the period of developing in the Czech Republic, and the barriers to entry the industry are quite low, a considerable threat is that new competitors will appear on the market. There is a risk that as a result of traditional eating habits and conventional diet preferences, the bistro will not be profitable. The owner of the bistro has to be aware of a significant threat, which is an economic crisis stemmed from the current coronavirus pandemic situation. The rise of unemployment might be expected – this will result in the cut of people's spending in restaurants, bistros, cafes, etc.

4.7.2 Target Market

As mentioned, Jiný Bistro will be located in the centre of Zlín, near to three university faculties, a university library, parks, high schools, a shopping centre, tram stop, and the Svit area full of offices and banks, therefore there is a great opportunity to address not only students and young people but also middle-aged people who have their jobs in the area. According to the mentioned statistics on the growing interest in the plant-based diet, the bistro defines three segments of customers:

SEGMENT 1 – customers in the age from 15 to 26 – students

SEGMENT 2 – customers in the age from 27 to 39 – people with a stable job and families

SEGMENT 3 – customers in the age of 40 and more

4.7.3 Marketing Mix

The marketing mix will be defined based on the segments mentioned above.

Product

According to the research published at the Czech Vegan Society website, which says that the trend of the plant-based lifestyle is growing mainly among young people, the first segment will be the crucial one. Young customers of this segment seek healthy and modern cuisine. For this segment, the most popular food could be the dishes in the breakfast menu,

the avocado bread, or the hummus with bread and vegetable fries. Furthermore, students like to have a coffee with a dessert on their break between lectures which is something the bistro can offer as well. Moreover, the kombucha drink is now very popular among young people.

Customers of the second segment will be mostly working people and people with families. According to the already mentioned research published on the Czech Vegan Society website and conducted by the Ipsos agency, this segment also includes people who are aware of a plant-based lifestyle and prefer vegetarian meals. Women in this segment prefer healthy options, as for example the smoothie bowl or the scrambled tofu which is full of protein for breakfast, or the homemade hummus with vegetable fries. The lunch menu will differ every day but will mostly offer healthy options as well. The women can also come with their friends for an afternoon coffee or wine and a dessert. For men, the bistro offers the tofu scramble for breakfast and the sandwich. With the lunch menu, the bistro targets the working people in the area who can come on their lunch break to have a meal in the bistro's premises or use a takeaway service. Families with children are a part of this segment as well, so children may choose from the pancakes for breakfast, the peanut butter toast from the snack menu, or the dessert available every day.

The third segment includes customers over 40 years old, which means people with families but also older people who like more traditional meals. The older customers may then try the pancakes from the breakfast menu or come for a coffee and a dessert.

Since Jiný bistro will be the first vegan facility in Zlín, it brings a unique value to the customers – nutritious and healthy food suitable for people with different kinds of allergies and intolerances, as especially these people may face difficulties when eating in a conventional restaurant.

The thoughts of environmental awareness and veganism are closely connected. The bistro will try to be as environmental-friendly as possible, and therefore the packaging for the takeaway food and beverages will be made from a compostable material. The customers will be further encouraged to bring their own lunch boxes for takeaway food.

Price

The price will remain through the segments the same. The prices of the products will be determined according to the costs and the analysis of the competitors' prices. The average price of the competitors Prašád and Pranaya restaurants is 120 CZK for 370 grams portion, in Zralé bistro, the price is between 130-150 CZK per the lunch menu including soup. Con-

sidering the low number of competitors and the supply of local and high-quality ingredients, the price may be a little higher, but at the same time, it should remain affordable to the customers. Moreover, the payment methods will include cash payment as well as payments by cards and mobile phones. The approximate prices of the products may be seen in the table below:

Product	Price (CZK)
Breakfasts	99 – 119
Lunch menu	135 – 149
Snacks	69 – 109
Desserts	49 – 69
Coffee	39 – 75
Lemonades	55
Tea	49 – 59
Wine (1 dcl)	25
Kombucha	59

Table 5: Prices of the products (own creation)

Place

Since the meals, dessert and beverages will be prepared right in the bistro's premises, the bistro will distribute its products among customers through direct selling. The customer will choose from the menu and then tell his/her order to the staff who will give it to the cook or prepare it by themselves and subsequently serve it to the customer. The customer can decide whether he/she wants to eat or drink in the bistro's premises or wants to use take-away service. The food ingredients will be supplied from the local farms and wholesales. In the case of a fast-rising demand, the bistro may consider the purchase of its products through an intermediary, more precisely a food delivery service. This would be indirect selling.

Moreover, the owner plans to create a pleasant bistro's environment. The bistro's premises are suitable not only because of its location, but also because of its reasonable size. The bistro will provide 19 seats and 6 tables.

Promotion

Promotion is an essential part of the marketing mix, as it helps to reach customers. The promotion of the bistro should start before its opening and that mainly by posting content on social media platforms.

- Facebook and Instagram

These two social media platforms are nowadays the key of promotion. They are mainly used by the first segment, young people from 15 to 26 years old, but in many cases by the second segment as well. The Facebook page under the name Jiný Bistro Zlín will contain the information about the location, opening hours, and the daily lunch menu with the photos of the meals posted every day. There is also a possibility to review the services of the bistro. Instagram is used mainly for the promotion via photos, therefore mainly photos of the products will be shared. Furthermore, there is a possibility to create an Insta story, which means that a photo may be shared and viewed by customers for 24 hours. On such a story, customers' pictures of the meals, the bistro, and the recommendations may be shared. Promotion via Insta story will be used, as it helps the account to gain more followers and improve the sales.

- Website

As everything can be already found on social media platforms, the website is mainly browsed by people who do not have an account on these platforms, which is mainly the second and third segment. The website will provide crucial information about the bistro, photos of the meals, and the contact information with the links to Instagram and Facebook.

- Leaflets

To raise the awareness of the bistro among all segments, especially before the opening day and from the beginning of its operating, the owner will distribute leaflets in the centre of Zlín, more particularly on náměstí Práce, náměstí Míru, and around Komenský park, additionally, it can be placed to faculties of TBU. This is a possibility of how to reach senior customers, many of whom do not use the technologies of the digital world. Leaflets will contain all the necessary information including the links to the Instagram and Facebook page of the bistro.

- Word of mouth

This is a free form of promotion that fully depends on the customers' experience and may be used by all mentioned segments. If a customer is satisfied with the staff and the services that a facility provides, he/she most probably spread the experience with the friends and relatives who then might come as well. They can also share their positive experience through Instagram story or Facebook bistro's review section. Based on the mention facts, it is essential for the bistro to have professional and kind staff.

Type of Promotion	Costs in CZK
Promotion via Instagram story	4,995 (three months)
Website (TLD + webhosting + design)	10,580 (per year)
Leaflets (design + print of 2500 pieces)	4,100
Instagram and Facebook account	0
Word of mouth	0

Table 6: Promotion costs (own creation)

4.8 Organizational Structure

The bistro requires just a basic organizational structure. Apart from the owner, there will be two full-time and two part-time employees. The owner will be responsible for accounting, communication with suppliers, promotion, employees, their salary, and the organization of their shifts. From the beginning, she will also be a waitress and cashier at the same time and will be helping in the kitchen on Saturdays, so that the cook can have a free weekend.

The owner's expert help with the bistro operations will be the responsible representative and a cook in one person. The cook will work from Monday to Friday from 6:30 am to 2:00 pm. Before the bistro opens in the morning, the cook will prepare the lunch menu for the particular day and will check the stock of the ingredients as well. Cook's gross wage will be 25,000 CZK per month. After a certain time, the owner may hire an assistant cook to help prepare the dishes.

Furthermore, there will be another three employees who will occupy the position of waiters/waitresses and cashiers at the same time. One of these will be a full-time employee working 10,5 hours shifts four days a week including Saturdays, which means 39 hours per week in total. His/her gross wage will be 17,500 CZK. Two part-time employees will cover the remaining shifts. The wage of the waiters/waitresses will be 100 CZK per hour plus tips. Since the cook works till 14:30, the snack menu will be prepared by the waiters/waitresses. However, these are meals that do not have to be cooked and are simple to prepare. The owner will be presented in the bistro as well, so from the beginning, the snacks will be made with her help. It is required for the employees to be communicative, responsible, and interested in the plant-based lifestyle.

4.9 Financial Plan

The financial plan specifies the finances needed to establish and operate the business. The chapter covers start-up balance sheet, start-up costs, labor costs, operating costs, expected revenues, income statement, and return on investment.

4.9.1 Start-up balance sheet (simplified)

Table 7 represents the start-up balance sheet consisted of the company's assets and liabilities. The owner decided to not apply for a loan provided by a bank. The registered capital is 700,000 CZK, and it is covered by the owner's building society account, her own savings, and a loan from the family.

Assets (in CZK)		Liabilities (in CZK)	
Long-term assets	0	Equity	700,000
		Registered capital	700,000
Current assets	699,000	Current liabilities	0
Bank Account	674,000		
Cash	25,000		
Other assets	1,000	Other liabilities	0
Accruals (trade license)	1,000		
Total	700,000	Total	700,000

Table 7: Start-up balance sheet (own creation)

4.9.2 Start-up costs

Start-up costs represent the costs associated with the establishment of the bistro. Firstly, the trade license has to be issued for conducting the business. The owner also assumes that she will invest some money in the renovation of the bistro's premises, such as repainting. The start-up costs also include the promotion costs already specified in table 6. A significant amount of money will be invested in equipment and machinery. This section also includes the EET cash desk which is, according to the Czech law, a necessary purchase. The owner takes into account a financial reserve 50,000 CZK for additional furniture or kitchen equipment.

As can be seen in table 8, the total amount of start-up costs is calculated as 250,275 CZK, therefore it can be covered by the registered capital in a full amount.

Total costs associated with the establishment of the bistro	Price (in CZK)
Initial investment	30,675
Trade license	1,000
Renovation	10,000
Promotion	19,675
Equipment and machinery	219,600
EET cash desk	7,000
Electronic cash register	10,000
Refrigerator	30,000
Oven	18,400
Dishwasher	8,500
Kitchen robot	5,700
Coffee machine	17,780
Kettle	950
Sink	4,500
Wi-Fi router	570
Tables (6x)	15,800
Chairs (19x)	18,000
Cups, glasses, plates, bowls, cutlery, pots etc.	19,900
Lighting	7,000
Sanitary products	5,500
Financial reserve	50,000
Total costs	250,275

Table 8: Total costs associated with the establishment of the bistro (own creation)

4.9.3 Labour cost

As already mentioned, the bistro will have 2 full-time employees and 2 part-time employees. The expenses for the full-time employees are not only gross wages, but also the health and social insurance, which is calculated as 34% total from the gross wage. The part-time employees will work on DPP, and their gross wage will not exceed the sum of 10,000

CZK, therefore there is no need to pay the insurance for these two employees. Furthermore, the employees of a particular shift will share the tips equally. The owner herself will earn the wage from the profit.

Labour costs (in CZK)				
Employee	Gross wage per month	Social and health insurance (25% + 9%)	Wage + insurance per month	Annually
Cook	25,000	8,500	33,500	402,000
Full-time waiter/waitress	17,500	5,950	23,450	281,400
Part time waiters/waitresses (2)	8,400	0	8,400	108,800
TOTAL	42,200	10,560	65,350	784,200

Table 9: Labour costs (own creation)

4.9.4 Operating costs

The operating costs consist of fixed and variable costs. The fixed costs do not change with the production volumes. In the bistro, these comprise of the rent, internet and mobile services, insurance, wages, webhosting, OSA license, and energy consumption. In contrast, the variable costs may vary and are dependent on production. In the bistro, these costs include supplies of food. As the variable costs may change with the number of customers/sales of the product, three scenarios of food supplies costs were created based on the estimated number of sales of each product group. This number is the same as the estimated number of sales per day mentioned in the tables that represent revenues. The estimated variable cost for each product group was set, this cost was multiplied by the number of daily sales in each scenario and calculated monthly.

Operating costs (in CZK)		
	Monthly	Annually
Fixed costs	110,633	1,327,596
Rent	30,000	360,000
Internet and mobile services	1,000	12,000
Insurance	4,900	58,800
Wages	65,350	784,200
Webhosting	33	396
OSA license	350	4,200
Energy consumption	9,000	108,000
Variable costs		
Supplies of food Pessimistic scenario	30,000	360,000
Supplies of food Realistic scenario	55,000	660,000
Supplies of food Optimistic scenario	69,000	828,000
Total pessimistic	140,633	1,687,596
Total realistic	165,633	1,987,596
Total optimistic	179,633	2,155,596

Table 10: Operating costs (own creation)

4.9.5 Estimated revenues

The revenues are calculated on the basis of the estimated sale of the product per day and the average price of the product. Bistro will operate 6 days per week, therefore the estimated revenues per month for one product/product range besides the lunch will be calculated as the average price of the product multiplied by 6 (days in the week when the bistro operates) and that whole amount multiplied by 4 (weeks in one month). As there is no lunch served on Saturday, the average price of the lunch menu is multiplied by 20 ($5 * 4$). It is important to note that the revenues from breakfast might be higher on Saturdays, as they are served for a longer period of time. Moreover, pessimistic, realistic, and optimistic points of view are taken into account. The estimated sales of products are given based on the experience of the responsible representative who has worked in gastronomic facilities and the employees in competitor's facilities.

Pessimistic scenario

Product	Estimated sale of the product per day	Average price of the product	Estimated revenues per product per day	Estimated revenues per product per month
Breakfasts	5	110 CZK	550 CZK	13,200 CZK
Lunch menu	15	140 CZK	2,100 CZK	42,000 CZK
Snacks	6	90 CZK	540 CZK	12,960 CZK
Desserts	5	60 CZK	300 CZK	7,200 CZK
Coffee	20	55 CZK	1,100 CZK	26,400 CZK
Lemonades	4	55 CZK	220 CZK	5,280 CZK
Tea	4	55 CZK	220 CZK	5,280 CZK
Wine (1 dcl)	6	25 CZK	150 CZK	3,600 CZK
Kombucha	1	59 CZK	59 CZK	1,416 CZK
Estimated revenues per month in total:			117,336 CZK	

Table 11: Estimated revenues - pessimistic scenario (own creation)

Realistic scenario

Product	Estimated sale of the product per day	Average price of the product	Estimated revenues per product per day	Estimated revenues per product per month
Breakfasts	10	110 CZK	1100 CZK	26,400 CZK
Lunch menu	30	140 CZK	4,200 CZK	84,000 CZK
Snacks	12	90 CZK	1080 CZK	25,920 CZK
Desserts	10	60 CZK	600 CZK	14,400 CZK
Coffee	33	55 CZK	1,815 CZK	43,560 CZK
Lemonades	10	55 CZK	550 CZK	13,200 CZK
Tea	6	55 CZK	330 CZK	7,920 CZK
Wine (1 dcl)	12	25 CZK	300 CZK	7,200 CZK
Kombucha	2	59 CZK	118 CZK	2,832 CZK
Estimated revenues per month in total:			225,432 CZK	

Table 12: Estimated revenues - realistic scenario (own creation)

Optimistic scenario

Product	Estimated sale of the product per day	Average price of the product	Estimated revenues per product per day	Estimated revenues per product per month
Breakfasts	15	110 CZK	1,650 CZK	39,600 CZK
Lunch menu	40	140 CZK	5,600 CZK	112,000 CZK
Snacks	18	90 CZK	1,620 CZK	38,880 CZK
Desserts	20	60 CZK	1,200 CZK	28,800 CZK
Coffee	45	55 CZK	2,475 CZK	59,400 CZK
Lemonades	12	55 CZK	660 CZK	15,840 CZK
Tea	7	55 CZK	385 CZK	9,240 CZK
Wine (1 dcl)	16	25 CZK	400 CZK	9,600 CZK
Kombucha	3	59 CZK	177 CZK	4,248 CZK
Estimated revenues per month in total:			317,608 CZK	

Table 13: Estimated revenues - optimistic scenario (own creatin)

4.9.6 Income Statement

As the income statement is based on the estimated revenues and the operating costs which both differ according to different scenarios, the presented income statements also take into account three different scenarios. The income statement is based on the calculation of the revenues deducted from costs. The result of this calculation is EBT from which the 15 % income tax has to be further deducted to identify EAT.

The costs in the first month cover the start-up costs as well as the monthly operating costs (operating costs differ according to the different scenario). In the following months, the owner has to cover just the operating costs. In the yearly calculation, the costs cover the start-up costs in the first month as well as the operating costs for 12 months.

Pessimistic scenario

Pessimistic scenario (in CZK)			
	1 st Month	2 nd Month	Yearly
Revenues	117,336	117,336	1,408,032
Costs	390,908	140,633	1,937,871
EBT	-273,572	-23,297	-529,839
EAT			-529,839

Table 14: Income statement - pessimistic scenario (own creation)

In the case of the pessimistic scenario, the revenues are not high enough to cover the expenses even after the first month of operating. To make sure the owner will not face such a situation, she has to make sure the bistro is promoted well and take customers' comments and thoughts on how to get better into account to avoid a risk of a bad reputation.

Realistic scenario

Realistic scenario (in CZK)			
	1 st Month	2 nd Month	Yearly
Revenues	225,432	225,432	2,705,184
Costs	415,908	165,633	2,237,871
EBT	-190,476	59,799	467,313
EAT			397,216

Table 15: Income statement - realistic scenario (own creation)

In the realistic scenario, the costs are fully covered by the revenues within a year, and the bistro generates a profit in the amount of 397,216 CZK per year.

Optimistic scenario

Optimistic scenario (in CZK)			
	1 st Month	2 nd Month	Yearly
Revenues	317,608	317,608	3,811,296
Costs	429,908	179,633	2,405,871
EBT	-112,300	137,975	1,405,425
EAT			1,194,611

Table 16: Income statement - optimistic scenario (own creation)

The expected profit in the optimistic scenario after the deduction of a 15% tax is 1,194,611 CZK per year. The profit should be then invested in the better equipment, possible extension of the menu, and also in the repayment of the loan from the owner's family.

4.9.7 Return on Investment

Return on investment (ROI) represents the benefit received from an investment expressed in a percentage. The goal is to have a high ROI, however, any positive ROI is a good sign, as it signifies that the investor has received back more than he/she initially invested.

ROI is calculated as follows:

$$\text{ROI} = (\text{Net Income} / \text{Initial Investment}) * 100$$

$$\text{ROI for realistic scenario} = (397,216 / 700,000) * 100 = 56,75\%$$

$$\text{ROI for optimistic scenario} = (1,194,611 / 700,000) * 100 = 170,66\%$$

In both, realistic and optimistic scenarios, the ROI is positive, and thus the investor would receive back more than she initially invested. Moreover, the investment generates a profit.

4.10 Risk Evaluation

Every entrepreneur should be aware of the potential failure of a business. It is essential to prevent this and take the risks into consideration. The entrepreneur should try to minimize the following risks:

- **Complete shutdown of an enterprise**

According to the current situation (the coronavirus pandemic), there is a risk of a complete shutdown of the enterprise, therefore it is necessary to build a financial reserve. The owner considers the reserves in the start-up costs.

- **Bad choice of employees**

There is a risk of a hostile attitude of the bistro's staff towards the customers. As a result of this, the customers may stop visiting the bistro. Therefore, the staff has to be chosen based on their experience, skills, and personal qualities.

- **Damage to property**

The owner plans to insure the equipment, machines, and furniture of the bistro against the natural disaster, burglary, or vandalism to prevent the consequences of the damage.

- **Lack of customers' interest**

This risk can be analysed from two points of view. Firstly, the customers will not know about the bistro, and therefore they will not visit it. In order to avoid this risk, the owner will implement a stronger promotion strategy to attract customers. Secondly, there might be an issue with the staff or with a factor that the customers will not be interested in such a concept. In such a case, communication with customers is essential, the owner will try to get constructive feedback from the customers in order to find out what they like and what could be improved.

- **Raising prices of raw material and supplies**

There is a possibility of growing prices of the raw materials and supplies to which the bistro would have to react by adjusting the prices of its products.

- **Legal factors**

The owner should prepare herself for a situation that a new law can be passed by the state's government which can make operating of the business more complicated. Therefore, it is necessary for the owner to keep up with new laws in order to be prepared for such a situation.

CONCLUSION

The aim of this bachelor's thesis was to develop a business plan for a selected company, namely a plant-based focused bistro in Zlín, and evaluate its feasibility. The author's main idea was to establish a bistro that will fulfil the missing concept of an exclusively vegan facility in Zlín. Besides the owner's interest in the vegan lifestyle, the decision to establish such a facility is a result of growing demand in healthy, meatless and also non-dairy products in the market. This claim is supported by the analyses carried out by the author and included in the analytical part.

The theoretical part of the thesis is based on the academic resources. Firstly, there are explained the basic terms regarding entrepreneurship, and consequently, the chapter about a business plan itself and its structure is incorporated. The author has to take this information into account, as it is necessary for conducting the analytical part.

The analytical part deals with the business plan for a bistro facility, and it is written based on the information gained in the theoretical part. The business plan starts with a title page, followed by an executive summary that briefly outlines the business. Consequently, the company itself is described in detail as well as its products. The chapters of a business plan that may be considered as the most crucial are the market analysis, marketing plan, and financial plan. Market analysis is based on the detailed PEST analysis and Porter's five forces analysis. The marketing plan covers the SWOT analysis as well as the target market where the segments of the customers are introduced. These segments are subsequently considered in the marketing mix.

Furthermore, the business plan contains a hypothetical financial plan. This chapter was conducted according to the professionals from the industry, and the owner expects that after months of operating, the business will gradually reach a profit of 1,239,491 CZK per year. However, the author has to consider the limiting factor, such as that some calculations included in the financial plan are based on estimates. Moreover, thanks to the risk assessment, the entrepreneur will be prepared to prevent some of the potential risks.

The main purpose of this bachelor's thesis was to evaluate whether the idea is feasible or not. According to the research, and the fact that in both, realistic and optimistic scenarios of estimated revenues, the bistro will generate a profit, the business plan appears feasible and viable.

BIBLIOGRAPHY

- Abrams, Rhonda. 2019. *Successful Business Plan: Secrets and Strategies*. 7th ed. Palo Alto, CA: Planning Shop
- Baron, Robert A. 2014. *Essentials of Entrepreneurship: Evidence and Practice*. Cheltenham: Edward Elgar.
- Červený, Radim. 2014. *Business plán: Krok za krokem*. Prague: C. H. Beck.
- Finch, Brian. 2010. *How to Write a Business Plan*. 3rd ed. London: Kogan Page.
- Gattis, Chris. 2010. *Business Plan Template: How to Write a Business Plan*. Huntsville: Blue Point Strategies.
- Koráb, Vojtěch, Jiří Peterka, and Mária Režňáková. 2007. *Podnikatelský plán*. Brno: Computer Press.
- Kotler, Philip. 2005. *Marketing v otázkách a odpovědích*. Brno: CP Books.
- Kotler, Philip, and Gary Armstrong. 2018. *Principles of Marketing*. 17th ed. Harlow: Pearson Education.
- Kozubíková, Ludmila. 2017. *Významné atributy podnikatelské orientace v segmentu malých a středních podniků*. Zlín: Tomas Bata University in Zlín.
- Kuratko, Donald F. 2014. *Entrepreneurship: Theory, Process, and Practice*. 9th ed. Maron: South. Western-Cengage Learning.
- Malach, Antonín et al. 2005. *Jak podnikat po vstupu do EU*. Prague: Grada.
- McKeever, Mike P. 2012. *How to Write a Business Plan*. 11th ed. Berkeley: Nolo.
- Pavláková Dočekalová, Marie. 2017. *Economics of Company*. Brno: Akademické nakladatelství CERM.
- Shelton, Hal. 2017. *The Secrets to Writing a Successful Business Plan*. 2nd ed. Rockville: Summit Valley Press.
- Srpová, Jitka, Ivana Svobodova, Pavel Skopal, and Tomáš Orlik. 2011. *Podnikatelský plán a strategie*. Prague: Grada
- Srpová, Jitka, and Václav Řehoř et al. 2010. *Základy podnikání: Teoretické poznatky, příklady a zkušenosti českých podnikatelů*. Prague: Grada.
- Strouhal, Jiří. 2016. *Ekonomika podniku*. 3th ed. Prague: Institut certifikace účetních.
- Synek, Miloslav, and Eva Kislingerová. 2015. *Podniková ekonomika*. 6th ed. Prague: C. H. Beck.
- Švarcová, Jena et al. 2019. *Ekonomie: stručný přehled: teorie a praxe aktuálně v souvislostech: učebnice*. Zlín. CEED.

Veber, Jaromír and Jitka Srpová et al. 2012. *Podnikání malé a střední firmy*. 3rd ed. Prague: Grada.

ONLINE SOURCES

- Báčová, Petra. 2018. "V tuzemsku působí necelých 900 tisíc podnikatelů." Český statistický úřad. Last modified April 28, 2018. <https://www.czso.cz/csu/czso/v-tuzemsku-pusobi-necelych-900-tisic-podnikatelu>
- Business Dictionary. 2020. "PEST analysis." Business Dictionary. Accessed February 21, 2020. <http://www.businessdictionary.com/definition/PEST-analysis.html>
- Česká veganská společnost. 2020. "Jak se Češi stravují." Česká veganská společnost. Accessed March 31, 2020. <https://veganskaspolecnost.cz/ipsos-2019/>
- Český statistický úřad. 2020. "Inflace – druhy, definice, tabulky." Český statistický úřad. Accessed April 2, 2020. https://www.czso.cz/csu/mira_inflace
- Český statistický úřad. 2020. "Nejnovější údaje o kraji." Český statistický úřad. Accessed April 2, 2020. <https://www.czso.cz/csu/xz>
- Český statistický úřad. 2020, "Veřejná databáze: Základní charakteristiky ekonomického postavení obyvatelstva ve věku 15 let a více." Český statistický úřad. Accessed April 2, 2020. https://vdb.czso.cz/vdbvo2/faces/cs/index.jsf?page=vystup-objekt&pvo=ZAM01-C&f=TABULKA&z=T&skupId=426&katalog=30853&u=v413__VUZEMI__100__3131&&str=v467
- Český statistický úřad. 2020. "Zaměstnanost, nezaměstnanost." Český statistický úřad. Accessed April 2, 2020. https://www.czso.cz/csu/czso/zamestnanost_nezamestnanost_prace
- Etržby. 2020. "Information about registration of sales." Etržby.cz Accessed April 2, 2020. <https://www.etrzby.cz/cs/english-version-609>
- Google Trends. 2019. "Vegan." Last modified November 12, 2019. <https://trends.google.com/trends/explore?date=2012-12-10%202019-11-12&geo=CZ&q=vegan>
- Havranová, Helena. 2019. "Veganů v Česku přibývá. Daleko silnější je ale trend reduktariánství, říká lékař." Last modified December 26, 2019. <https://zpravy.aktualne.cz/domaci/veganu-v-cesku-pribyva-daleko-silnejsi-je-ale-trend-reduktar/r~a8ca82ec1d9b11eaa24cac1f6b220ee8/>

- Hovorka, Michael. 2017. "Otevřít si malou sukrárnu? V Česku noční mūra pro každého podnikatele." Podnikatel. Cz Accessed April 2, 2020. <https://www.podnikatel.cz/clanky/otevrit-si-malou-cukrarnu-v-cesku-nocni-mura-pro-kazdeho-podnikatele/>
- Inkubatorzlin. 2020. "O nás." Inkubatorzlin.cz. Accessed April 2, 2020. <http://www.inkubatorzlin.cz/o-nas/>
- Parker, John. 2020. "The year of the vegan." The Economist. Accessed April 3, 2020. https://worldin2019.economist.com/theyearofthevegan?utm_source=412&utm_medium=COM
- Martin, Marci. 2019. "How Porter's Five Forces Can Help Small Business Analyze Competition." Business News Daily. Last modified December 3, 2019. <https://www.businessnewsdaily.com/5446-porters-five-forces.html>
- Místopisy. 2020. "Zlín." Místopisy.cz. Accessed April 1, 2020. <https://www.mistopisy.cz/pruvodce/obec/10322/zlin/pocet-obyvatel/>
- Jak Podnikat. 2020. "Zdravotní pojištění OSVČ 2020." Jakpodnikat.cz. Accessed April 2, 2020. <https://www.jakpodnikat.cz/zdravotni-pojisteni.php>
- Jak Podnikat. 2020. "Sociální pojištění OSVČ." Jakpodnikat.cz. Accessed April 2, 2020. <https://www.jakpodnikat.cz/socialni-pojisteni- Duchodove-zabezpeceni.php>
- Svobodová, Eva. 2013. "Podnikatel podle nového Občanského zákoníku." Accontes. Last modified November 5, 2013. <http://www.accontes.cz/podnikatel-podle-noveho-obcanskeho-zakoniku>
- Zahradník, Petr. 2019. "Strategie rozvoje Zlínského kraje 2030." Kr-zlinsky.cz. Last modified on July, 2019. Available on <https://www.kr-zlinsky.cz/strategie-rozvoje-zlinskeho-kraje-2030-cl-4623.html>

LIST OF ABBREVIATIONS

e.g.	Exempli gratia
etc.	Et cetera
CZK	Czech Koruna
EU	European Union
SCE	Societas cooperative Europaea (European Cooperative Society)
EUR	Euro
EET	Elektronická evidence tržeb
TBU	Tomas Bata University
GDP	Gross domestic product
TLD	Top-level domain
DPP	Dohoda o provedení práce
OSA	Ochranný svaz autorský
EBT	Earnings before Tax
EAT	Earnings after Tax

LIST OF FIGURES

<i>Figure 1: Logo of the bistro (own creation)</i>	<i>30</i>
<i>Figure 2: Location of the bistro (source: Goggle Maps)</i>	<i>33</i>
<i>Figure 3: Possible presentation of tofu scrambled eggs with bread (own creation) ..</i>	<i>34</i>
<i>Figure 4: Mish Mash - baked vegetables with potatoes and tofu (own creation)</i>	<i>35</i>
<i>Figure 5: “Svičková” with seitan and dumplings (own creation)</i>	<i>35</i>

LIST OF TABLES

<i>Table 1: Opening hours of the bistro (own creation)</i>	33
<i>Table 2: Breakfast menu (own creation)</i>	34
<i>Table 3: Snack menu (own creation)</i>	35
<i>Table 4: SWOT Analysis of the bistro (own creation)</i>	43
<i>Table 5: Prices of the products (own creation)</i>	47
<i>Table 6: Promotion costs (own creation)</i>	49
<i>Table 7: Start-up balance sheet (own creation)</i>	50
<i>Table 8: Total costs associated with the establishment of the bistro (own creation)</i>	51
<i>Table 9: Labour costs (own creation)</i>	52
<i>Table 10: Operating costs (own creation)</i>	53
<i>Table 11: Estimated revenues - pessimistic scenario (own creation)</i>	54
<i>Table 12: Estimated revenues - realistic scenario (own creation)</i>	54
<i>Table 13: Estimated revenues - optimistic scenario (own creatin)</i>	55
<i>Table 14: Income statement - pessimistic scenario (own creation)</i>	56
<i>Table 15: Income statement - realistic scenario (own creation)</i>	56
<i>Table 16: Income statement - optimistic scenario (own creation)</i>	56