

# **A Business Plan for Monster Gym**

Ladislav Jandrt

---

Bachelor Thesis  
2015



**Tomas Bata University in Zlín**  
Faculty of Humanities

---

---

Univerzita Tomáše Bati ve Zlíně  
Fakulta humanitních studií  
Ústav moderních jazyků a literatur  
akademický rok: 2014/2015

## **ZADÁNÍ BAKALÁŘSKÉ PRÁCE**

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Ladislav Jandrt**  
Osobní číslo: **H120214**  
Studijní program: **B7310 Filologie**  
Studijní obor: **Anglický jazyk pro manažerskou praxi**  
Forma studia: **prezenční**

Téma práce: **Podnikatelský plán pro Monster Gym**

Zásady pro vypracování:

**Vytvořte podnikatelský plán pro Monster Gym.**  
**Prozkoumejte trh a zjistěte informace o konkurenci.**  
**Najděte potencionální cíle a zákazníky.**  
**Vytvořte finanční plán pro Monster Gym.**  
**Zamyslete se nad vhodnou propagací společnosti a zformulujte cenové ohodnocení produktů a služeb.**

Rozsah bakalářské práce:

Rozsah příloh:

Forma zpracování bakalářské práce: **tištěná/elektronická**

Seznam odborné literatury:

**Blažková, Martina. 2007. Marketingové řízení a plánování pro malé a střední firmy. 1st Edition. Praha: Grada Publishing.**

**Covello, A. Joseph, and Brian J. Hazelgren. 2006. The Complete Book of Business Plans: Simple Steps to Writing Powerful Business Plans. 2nd Edition. Naperville: Sourcebooks.**

**Fiore, Frank. 2005. Write a Business Plan in No Time. 1st Edition. Indianapolis: Que Publishing.**

**McKeever, Mike. 2010. How to Write a Business Plan. 10th Edition. Berkeley: Nolo.**

**Westwood, John. 2006. How to Write a Marketing Plan. 3rd Edition. London: Kogan Page Publisher.**

Vedoucí bakalářské práce:

**Mgr. Bc. Barbora Blažková, Ph.D.**

Ústav moderních jazyků a literatur

Datum zadání bakalářské práce:

**28. listopadu 2014**

Termín odevzdání bakalářské práce:

**7. května 2015**

Ve Zlíně dne 6. ledna 2015

  
doc. Ing. Aněžka Lengálová, Ph.D.  
děkanka



  
PhDr. Katarína Nemčoková, Ph.D.  
ředitelka ústavu

## PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

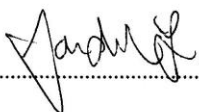
Beru na vědomí, že

- 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 <sup>1)</sup>;
- 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 <sup>2)</sup>;
- podle § 60 <sup>3)</sup> 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 <sup>3)</sup> 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 Zlíně 5.5.2015

  
.....

<sup>1)</sup> 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 nahlížení 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). *Odpírá-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 užít 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 jim 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 přihlídáne k výši výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.*

## **ABSTRAKT**

Bakalářská práce se zabývá tematikou podnikatelského plánu, stejně tak jako i marketingového plánu a jeho strategií. V teoretické části jsou vysvětleny jednotlivé body podnikatelského plánu, jeho postup a vše podstatné, co by mělo být v tomto dokumentu obsaženo. Tato část obsahuje všechny důležité techniky a informace k sestavení a napsání úspěšně fungujícího podnikatelského záměru. Praktická část se zaměřuje přímo na podnikatelský plán fiktivního fitness centra Monster Gym. Představuje jednotlivé prvky, které jsou rozebrány a popsány v teoretické části, informuje o produktech a službách, výběru marketingových strategií a finančním plánu podniku. Popsány jsou zde i výhody a nevýhody podnikání a zvolené možnosti propagace.

Klíčová slova: podnikatelský plán, marketingový plán, marketing, finanční plán, plánování

## **ABSTRACT**

The Bachelor Thesis deals with the topics such as a business plan, as well as marketing plan and its strategies. In the theoretical part are explained particular points of a business plan, its process and everything essential that this document has to cover. This part contains of all important information for successfully working business plan and techniques how to write a business plan. The analytical part focuses directly on the business plan of the made-up fitness center Monster Gym. It presents particular elements, which are taken to pieces and described in the theoretical part, informs about products and services, selection of marketing strategies and financial plan of the company. It covers advantages and disadvantages of the entrepreneurship and chosen possibilities of promotion as well.

Keywords: business plan, marketing plan, marketing, financial plan, planning

## **ACKNOWLEDGEMENTS**

I would like to express my gratitude to the advisor of my bachelor's thesis, Mgr. Bc. Barbora Blažková Ph.D., who was very patient, friendly and gave me a lot of beneficial comments. Also I would like to thank my friend Romana Kalinová, who supported me and always willingly answered all my annoying questions throughout the whole writing. Lastly, I would like to thank myself. Without me, it would not have been possible.

# CONTENTS

<b>INTRODUCTION .....</b>	<b>10</b>
<b>I THEORY .....</b>	<b>11</b>
<b>1 A BUSINESS PLAN .....</b>	<b>12</b>
<b>2 HOW TO WRITE A BUSINESS PLAN .....</b>	<b>16</b>
2.1 Title page .....	16
2.2 Executive Summary .....	16
2.3 General Company Description.....	17
2.4 Products and Services .....	17
2.5 Marketing Plan.....	18
2.5.1 Market Research .....	19
2.5.2 Competition .....	20
2.5.3 Pricing and sales .....	20
2.5.4 Goals.....	21
2.5.5 Advertising and Public Relations .....	21
2.5.6 Marketing Strategies .....	22
2.5.7 Operational Plan .....	23
2.6 Management and Organization .....	24
2.7 Financial Plan .....	24
<b>II ANALYSIS .....</b>	<b>26</b>
<b>3 BUSINESS PLAN .....</b>	<b>27</b>
3.1 Executive summary .....	28
3.2 General Company Description.....	29
3.2.1 Visions and goals of Monster Gym .....	29
3.2.2 Information about products.....	29
3.2.3 Place of business.....	30
3.2.4 Equipment.....	30
3.3 Products and Services .....	30
3.3.1 Services.....	31
3.4 Marketing Plan.....	32
3.4.1 Market research (SWOT analysis).....	33
3.4.2 SMART method .....	34
3.4.3 Competitors .....	34
3.4.4 Pricing and opening hours (Monster Gym) .....	38



3.4.5 Suppliers .....	39
3.5 Management and Organization .....	40
3.6 Financial plan.....	41
<b>CONCLUSION .....</b>	<b>44</b>
<b>BIBLIOGRAPHY .....</b>	<b>45</b>
<b>LIST OF FIGURES .....</b>	<b>48</b>

## INTRODUCTION

“A goal without a plan is just a wish.” - Antoine de Saint-Exupéry. A business plan is a written utterance and important document that clearly defines the goals of a startup or existing company. The plan that represents and analyzes business, presents actual position of a company, gives a probable prediction about its future and how to realize it. The business plan covers financial analysis and marketing mix as well, which are two crucial parts and cornerstones of a solid working business plan. There are mentioned all information about products that company offers, prices of products, place of the company and marketing and promotion techniques that company uses.

The theoretical part consists of parts that focus mainly on significant role and importance of a business plan, its process and all its parts. In the rest of the whole work is main focus on the Monster Gym business plan, which has the key role in the bachelor thesis. This plan can help answer relevant questions and solve all unpredictable situations that might happen.

Every business plan starts with an introduction and explanation of the company with a presentation of its products. It is necessary to analyze its potential customers and discover their motivation for buying these products. With the results of these analyses the company might be able to summarize company's previous and current promotion and do a research about finding some possible forms of how customers can get the knowledge about company's products and services.

A business plan is essential and helpful for setting new business or a company. The plan is accomplished for convincing prospective sponsors to support a business. The goal of this business plan is to display the situation within the market, come up with new ideas and marketing strategies that might help for running Monster Gym successfully, be aware of all advantages and disadvantages of the company and find out if this business plan is realistic and if it is possible to gain stable position in the market.

## **I. THEORY**

## 1 A BUSINESS PLAN

An innovative idea can change everything, but is it a business? To discover if it is so, the best solution is to write a business plan. Writing a business plan is basic and fundamental process to figure it out. And not only ideas, but all the necessary things for setting a business or a company. First of all, it is absolutely inevitable to plan the work. Then, work the plan.

Writing a business plan basically means organizing to simplify company's goals or marketing strategy and selling business ideas about a product and its possible profit that can make. An organizing helps to guide people to where they want to go and describes how exactly they can get there. A good solid business plan might help to avoid all possible mistakes (and mostly costly) even before a company or a business starts. These mistakes are taken into consideration and will serve as a better financial or distribution strategy for the future. That is a business plan, a written future of a business. (Fiore 2005, 9)

According to McKeever (2010, 1-2) the written future of a business has many benefits. The first thing lenders or investors want to see is a business plan, because they want to be absolutely sure that all critical issues are considered as well. The plan gives a complete point of view from a business owner and represents his/her ideas, thinking and understanding of a business. This is not only helpful for potential investors, but for the owner as well. It gives an immense notion how money flows through the business.

Many business plans are submitted to banks therefore it is crucial to be prepared how banker analyzes a business plan and what key questions will be asked. It is obvious that people such as lawyers and certified public accountants should be included in the planning. The knowledge and judgment could be constructive. Professional work is an enormous help for a solid business plan, however the owner himself must be familiarized with it and understood all factors which are covered in the plan. A plan should be less formal if the owner's plan is not about raising money and it is presented mainly to insiders. On the other hand if its main goal is presenting to outsiders, financial analysis and quality of presentation should be at the highest level. Be well prepared is the cornerstone of a success.

Basic goals of an every business plan are:

1. To assist to obtain money (from lenders, sponsors or investors etc.)
2. To establish and to apply ideas into business practices, products or services
3. To identify the strength and weaknesses of the company and its competitors

#### 4. To evolve guidance for the operation of the company

The main purpose of a plan is to help improve a business. The plan has no value if it does not help at all. (Hutchinson, Ann 2015)

The text of a business plan must be pithy and must accommodate as many information as possible, therefore there are some key words that might help to achieve that:

1. Who
2. What
3. Where
4. When
5. Why
6. How
7. How much

According to Pinson and Jinnett (1993, 3) by answering all these questions at the beginning of each paragraph might help to tell more about each element in every section.

#### 1. Who

The question is pretty clear. Everybody who works with a business plan wants to know who is owner. It is critical that a business plan contains information about the owner, his business experience and qualification. The important role has people who work in the company, the roles they fill as well as their experience and qualifications. Bankers or investors are interested in form that business takes (partnership, corporation, etc.).

#### 2. What

The purpose of a business is to sell some products or service and it must be explained in detail. What is so unique about this product that people will want to buy it? The fact, that the owner looks ahead and has plans for the future or has some barrier to competition. If it is so, it must be mentioned in a business plan.

#### 3. Where

A business plan must consist of description of marketplace. Who will be buyer of a product and where these buyers live. It is necessary to collect all data from public and other sectors to obtain ideal source of information about this issue. It helps to create a vision of a size of market, consumers and all information to create a business plan.

#### 4. When

A business plan must have a timescale of actions and events, which helps for monitoring company's progress. The company must be prepared and have to know how long the whole

process takes before a business clears a profit. Put down all things the owner wants to accomplish at each phase or each month. Bankers and loaners might want to see an implementation plan to compare how possible is to hit each targets.

#### 5. Why

To describe how a product of the company meets a customer need. If the company target are consumers, government or retailers. The company must identify their suppliers and back-up suppliers or sources indispensable for its parts.

#### 6. How

Unique product is one step of a successful business. The second step is its promotion and creation of demand on the market. Demand could be created through advertising and promotional programs. It is important to mention plans of marketing, if they are realistic or not, what is overall marketing strategy and for instance what kind of media will the company use.

#### 7. How much

The lifeblood of most of the businesses is money. The question how much is one of the oldest questions ever used. The plan must contain financial sections and the amount of money needed for start up and operations of the company. Resources and their expenses must be mentioned as well.

The answers must be clear, definite and realistic. There are two questions that must be answered by all plans and are essential for the whole work:

1. Will people buy this product or service?
2. Is an owner the right person for this business, to make this idea a success? (Fiore 2005, 21-25)

Speaking about business and the factors that might affect a business, like consumer willingness to spend, consumer buying power or producer's effort to sell, all of these factor are affected by the business cycle, which is periodic, but with up and down movements caused by economic activity. The movements are measured by fluctuations in real *GDP*. This pattern includes four different types of scenarios: prosperity, recession, depression and recovery.

*Prosperity* - long cycle of combining elements such as low unemployment, high income and strong willingness to spend. It is typical that buyers are satisfied about their jobs, are willing to spend more money even if they want to buy more expensive products. On the

other hand sellers and marketers increase the amount of their product lines and distribution channels. Also the price could be higher. So there is higher buying power and low interest rates.

*Recession* – is the moment, where unemployment rises and on the contrary buying power drops. Consumers lose their jobs because of limited buying power and are more likely to concern the price and the value of products.

*Depression* – what is typical for depression is extremely high unemployment and low buying power. It the most critical part of the business cycle process. The effect on business and people included in the cycle is destructive.

*Recovery* – the business cycle is moving again to prosperity. What grows is employment and incomes. Buyers are more confident again and are willing to spend more money. (Boyéeé, Houston, and Thill 1995, 36-37)

It is good to be aware of these things when an owner has no experiences and tries to run a company or business for the first time. An entrepreneur should be aware of the theory and know any interesting and helpful facts as much as needed for successfully running company and for preparedness against possible threats that can set in.

## **2 HOW TO WRITE A BUSINESS PLAN**

Pinson and Jinnett (1993, 5) point out the major part of a business plan contains details about a business. This part begins with a detailed info about a company and its key elements. The ideal length of the summary is one page. The rest of the text focuses on other sectors presented in a business plan. It is better to address the topics in an order that seems logical. Information about an industry should be presented in general, the business in particular. It is important to have prepared some back up comments with supporting data of each section.

### **Steps for creating a business plan:**

- 2.1. Title page
- 2.2. Executive summary
- 2.3. General company description
- 2.4. Products and services
- 2.5. Marketing plan
- 2.6. Management and organization
- 2.7. Financial analysis

### **2.1 Title page**

On the title page there should be information about the name of the company, contact person, address, e-mail address and all other contacts. If the company is already established, there should be also the logo. Also other things that could be mentioned here are experts and consultants that cooperated on the business plan.

### **2.2 Executive Summary**

As it was mentioned in the beginning, a business plan is one of the most important documents of a company. One of the main goals of it is how to achieve financial sustainability. After long hours of work and critical thinking a solid business plan covers almost every detail about a company, but not every investor or lender has time to look at it and go step by step. First of all, they are might be not interested or they have not got enough time. That is why a business plan should start with the executive summary, which is short form (one/two page long) of a complete business plan. It should duplicate the same



structure as a business plan. The main goal of the executive summary is to make reader want to read more. It should be clear for a reader and without any difficult terms or parts to understand. It is written when the whole business plan is done.

It should include:

1. A short and clear characterization of a company
2. Competitor and market analysis
3. Sales projections (Finch 2001, 6-8)

### **2.3 General Company Description**

The general company description, as Hutchinson Ann (2015) argues, gives a reader complete and detailed info about a company. The main question that should be asked is: “What business am I in?” The answer for this question covers products, services and short characterization of what is so special about a company or a business. This section is divided into three major sections. The first defines the business, the second covers the products and services and the last one is based on location of the company.

In the general company description should be explained:

1. Legalities – business form
2. Business type (merchandizing, manufacturing or service)
3. Information about product or service
4. What kind of form the business is (franchise, takeover, expansion, etc.)
5. Supporting facts about profitability of the product or service
6. Opening hours of the company
7. All possible known information about a business from outside sources

A cover sheet is essential as well. A cover sheet contains name, address and telephone number of the business and names of principals as well. It is before the description of a business.

### **2.4 Products and Services**

This section analyses what kind of product or service company offers including details of product features. It is recommended not to focus so much on technology. It is a better to highlight the benefits of the product and reasons, why consumers will want to buy it. Most of startup companies do not have special or unique product. Then is it necessary to

differentiate them from competition. Possible ways how to do it are higher quality, lowest price or wider selection. Lenders or investment groups may lend capital only if they are confident about the business plan, so it is necessary to highlight researches and calculation that intensify their confidence. (Covello and Hazelgren 2006, 30)

Questions that should every owner about his/her product asked are:

1. What kind of product it is
2. What are the benefits of it
3. What is company's position on the market
4. How company's products differ from competitor's
5. What are the reasons for buying this product (Sanford and Andoh 2006, 7)

If a company provides a service, the owner has to specify what the service is about, who will do the work and where the work will be done. It is essential to list owner's future services plans he/she wants to add to his/her business. Any proprietary rights such as copyrights should be mentioned in this section too.

## 2.5 Marketing Plan

Probably the second biggest section of a business plan is marketing plan. Marketing plan is important to business improvement and future success. It is essential to identify potential customers and find the way how to make the product or service available to them. The time is crucial. Making a good marketing plan takes time, but it is worthy. (Pinson and Jinnett 1993, 10)

As Westwood (2006, 33) states, marketing objectives are those objectives an owner or entrepreneur wants to achieve, a potential strategy that can get a company exactly where it wants to be. Another important factor is balance between products and markets. The question that every business man has to ask himself is which types of products will be sold and into which markets.

According to Hutchinson Ann (2015) marketing represents any available strategies to meet potential customer needs. It is simple as that, when customers buy company's product, company makes a profit. The key is to have clear idea what customers needs are. To find out what these needs are is essential to look at these for areas: *price product, place* and *promotion*.

*Price* – a customer has to know, that the price company offers equals to his/her needs or desire. Setting of a price could have a huge impact over sales.

*Product* – a customer buys only that product, which meets his/her needs. Company has to make enough effort to make their product as much attractive as possible.

*Place* – a customer has to be able to buy company's product easily, to be able to go to the place, where the product is sold. Question where which was mentioned a few paragraphs above is therefore part of marketing as well

*Promotion* – a customer must be aware of the product. A customer has to know the product exists and that it is on the market.

At first is a good start to identify only customers, who are more likely to buy and find your product. Then it is possible to modify the marketing plan to find other customers. A marketing plan should be able to answer these questions:

1. Who are company's customers
2. Are markets growing, steady or declining
3. Is market share growing, steady or declining
4. Are markets huge enough for expansion
5. What will be the best pricing strategy

### **2.5.1 Market Research**

The key is to understand or to know the market. Knowing the market is absolutely essential and it is a critical part of a solid business plan. Market research help to find out and recognize what kind of products are most in demand, with what products is best to start and what other product might be use in the future as well.

It is necessary to study the market to find opportunities and to be sure, that sales possibilities are realistic. A lot of businesses fail because their market research was done well, but on the other hand a good made market research does not mean immediate success. Only if it is done with all details, chances are high and possibilities of making mistakes are low. It is helpful to be aware of exact numbers of customers, who might be interested in the product. What kind of people they are, which helps to choose right packaging and orientation of the business. To be able to estimate appropriate price and what kind of distribution channel would be the best solution for the company. These are just some major points market research could help with.

It is important to be aware of seasonality of products, which affects the prices. When the product is on its peak, prices are more likely to rise. (Finch 2001, 32-34)

The basic and useful analyses used in primary market research (which use primary data – data that has not been collected before and can be collected through quantitative research or qualitative research) are *PEST* and *SWOT*.

*PEST* is a system for environmental research that has four categories:

- *Political*: the legislation, regulations for the international business, labor law, government decisions, instructions, European Union prescriptions, protection of environment and etc.
- *Economic*: GDP, economical growth, monetary policy, taxation, rate of exchange and inflation
- *Social*: demographic factors (age, sex, size of families etc.), mobility of labor, education, fashion, hobbies, culture etc.
- *Technological*: government expenditures on researches, new inventories, patents, development of new technologies, Internet, satellite communication etc. (Blažková 2007, 53)

As Wetherly and Otter (2008, 25) state *SWOT* analysis mix internal and external analyses. This means that focuses on strenghts and weaknesses of a business or a company and there are included opportunities and threats in external environment. This methods of analyses are used in primary market research, but there is other option of analyses and that is the secondary market research, which are published sources as trade journals, newspapers, magazines or demographic profiles.

### **2.5.2 Competition**

As a result of Hutchinson Ann (2015) work business is highly competitive and it is decisive to know company's competitors. It is a good start to find out at least five nearest direct competitors and be aware of indirect competitors as well. Try to get know if their businesses are steady or not. Focus on their advertising and put down everything what is possible to use. Be aware of their strengths and weaknesses. At last but not at least try to figure it out what is different about their products. Keep these advertising and promotional materials for future study.

### **2.5.3 Pricing and sales**

The pricing structure is the key to the success. One of the basic pricing strategies is to price within the range. It means between the price ceiling and the price floor. The price ceiling is given by the market. It is the highest possible price that costumer will pay for the certain product. On the other hand the price floor is the lowest price which company can

offer to the customers. It has to be considered all costs. The profitable company finds ideal position of price somewhere in between. (Pinson and Jinnett 1993, 12)

Other pricing strategies that can be used are:

- retail cost and pricing
- competitive position
- pricing below/above the competition
- price lining or multiple pricing
- material/labor/overhead costs

#### 2.5.4 Goals

Kozák and Staňková (2008, 31) say that this section simply means the goals company wants to achieve in the future (volume of sales, profit, etc.).

The goals should be clear, measurable and realistic and employees must be motivated enough for successful fulfillment of this goal. When the goal is fulfilled, it is important to ask how long it took to achieve this goal, how much it cost and how important was this goal for the company.

There is method which is called SMART that helps companies with specifying their goals. This method consists of five words, which are:

*Specific* – every goal has to be clearly specified. The value of it must be clear as well.

*Measurable* – the concrete value a company wants to achieve must be measurable

*Agreed* – there always has to be somebody who determines the goal and who has to make important steps for its achieving.

*Realistic* – this is what most of goals do not have, because they are unrealistic and impossible to fulfill. The manager is the one, who has to consider, if it is realistic or not and of course this is not an easy work. Some changes and investments must be sometimes made to.

*Timely* – time is crucial. It is essential to be aware of the time that is needed for achieving the goal. The company has to have a vision how long it takes and be prepared year or two ahead with solid time plan.

#### 2.5.5 Advertising and Public Relations

When the product is unique, it is the first step. But this step could not be made without a good promotion and advertising. Company has to be able to show and get people's awareness and try to present their product or services in a best possible way. It is not true,

that the business promotes itself. Advertising and promotion is a lifeline of a good working business. (Hutchinson, Ann 2015)

The advertising and promotion strategies according to Pinson (2008, 44-45) include networking, advertising plan, promotional campaigns, logo of the product, packaging and etc. All this strategies must work together to boost company's image, build up the brand strength and guarantee that the product will distinct from its competitors. Both offline (traditional) and online (new media) factors of the marketing strategy should be able to work together correctly and functionally.

### 2.5.6 Marketing Strategies

As Horáková (2003, 11) proposes the marketing strategies can help an entrepreneur to achieve company's goals more effectively. A strategy is some kind of scheme or plan how the goals can be achieved. It is essential to know and be aware of an overview of possible steps and activities that can company do in the future.

The activities involved in marketing strategies are sales, advertising, public relations and networking. Each of these segments has its own purpose in the marketing plan. All factors must work together to strengthen company's image or brand and of course distinct from other competitors. (Pinson 2008, 44-45)

The main goal of strategic planning is to be clear about the way the company will use for taking advantage of attractive opportunities in the environment. The very famous method for marketing planning was developed by the Boston Consulting Group (BCG). Thanks to this method companies can classify its strategic segments.

The growth share matrix method distinguishes four different types of business units: stars, cash cows, question marks and dogs.

*Stars* – means high-growth or high-share products. What is needed in the beginning is higher investment for financing their growth. If their growth slows down, they turn into cash cows.

*Cash cows* – low-growth and high-share products, which are already successful units and do not need high investment, producing lots of cash that company needs for paying the bills or to endorse other business units.

*Question marks* – low-share business units, which need a lot of cash to support and to hold their share. A company has to consider which of these question marks will be build into starts and which of them should be eliminated.

*Dogs* – low-growth and low-share products, which achieve just enough money for themselves. The dogs are not huge source of money. (Armstrong, Harker, Kotler and Brennan 2009, 46-47).

### 2.5.7 Operational Plan

As a result of William M. Luther (2011, 10) work the operational plan describes how practical operations will work at the company. All the things that were said are actually nothing compare to the fact of making the product and ways how the work will be done. If the company is not able to make their own products, all marketing and promotional strategies are useless and meaningless. Of course it must be done in a way that will leave enough room for profit. What the operational plan does is that it explains how the company will make the product/deliver services and what will be the real costs of these operations. But it is not easy to predict the future, so the company or the owner has to be prepared for anything. Nevertheless this document is able to guide company's activities and to offer assurance. In summary, the operational plan helps to:

- manage the production
- manage the service delivery side
- minimize risk
- ensure profitability

The operational plan is divided mostly into six basic sections:

1. overview
2. production process
3. supply chain
4. production costs
5. production experience
6. risk management

It is essential to make these key sections clear and easy to understand the meaning of it.

In the section about production, it must be explained the process of producing the goods and all the available equipment, materials and labor requirements. It is necessary to mention techniques a productive process as well. How effective are these techniques to respond a rise or fall in demand and by what methods will be the quality of products tested.

## 2.6 Management and Organization

Duties and responsibilities should be clearly delegated and the organization should be divided in few levels of different roles. A company could take an advantage of its flexibility and ability to adapt to new circumstances. If the company is able to reorganize itself easily it could be a huge benefit in the future. This situation might happen first few years, when the company is trying to adapt to changes of the market and competitors. Give each area of the business their responsibilities and task. A company could be running up quickly if its management, human resources, finance and administration are already set up. (McKinsey 2015)

Every kind of business forms its personality, as McKeever (2010, 154) says, and this personality is formed by company's employees as well. Daily interactions with customers, suppliers or simply each other help to form company's identity. The owner has to choose which kind of identity he/she wants to have. If he/she is sure about that, then it is no problem to find ideal employees that will fit owner's vision. It is essential to treat employees well, make them feel they are part of the team and that they can contribute to the business with their own ideas. An owner has to consider, how many employees would be necessary for running the business. If the company needs more than 10 employees, it is a good idea to create organization chart showing the hierarchy of the management. A job description might be useful (to write down some several items like job title, job duties, skills and education required and pay rate).

These are some of the basic questions that should be answered in this sector:

1. Who will be responsible of managing the business on the day-to-day basis?
2. What kind of experience can that person bring to the business?
3. Does the company have special plan for continuation if that person is lost?
4. Who will be part of the management team?
5. What strengths and weaknesses they have?
6. What will be their duties?
7. Does the company have plans for hiring and training their personnel?

## 2.7 Financial Plan

The message of the financial plan is simple – to show how profitable the business will be and what would be its cash flow. But it is not simple as that. If the company's marketing plan is weak or the management and organization are poor, the financial plan is doomed to



failure. The readers, lenders or investor must be already interested in the business plan. If the rest of the work is weak, then the financial plan changes nothing. (Lawrenc and Moyes 2003, 27)

It is the final product of accounting. The financial situation of the company is summarized here. These data and information might be used by administrators, shareholders or creditors. In the financial plan should be included balance, statement of results, cash flow and budget.

*Balance* – shows the financial position of the company

*Statement of results* – shows the economic position over a period of time

*Cash flow* – is forecast of cash availability

*Budget* – it is a plan directed to achieve a certain determined goal (Longenecker, Petty, Palich and Hoy 2011, 179-181)

How the owner manages his/her finances is one of the cornerstones of a success company. Many business fail every year due to weak financial plan. The budget must be realistic. This could be done by determination of the amount of money needed to start the business and the amount of money needed for its working. Start-up budget includes costs as major equipment, utility deposits, down payments etc. (Hutchinson 2015)

According to McKinsey (2015) it must be mentioned how revenues and expanses will develop during the years, how much cash will be needed if the worst scenario happens, which sources of capital are available for the company, what the company can offer to their investors or what return they can expect and etc. The financial planning includes financial report and financial analysis as well.

## **II. ANALYSIS**

### 3 BUSINESS PLAN

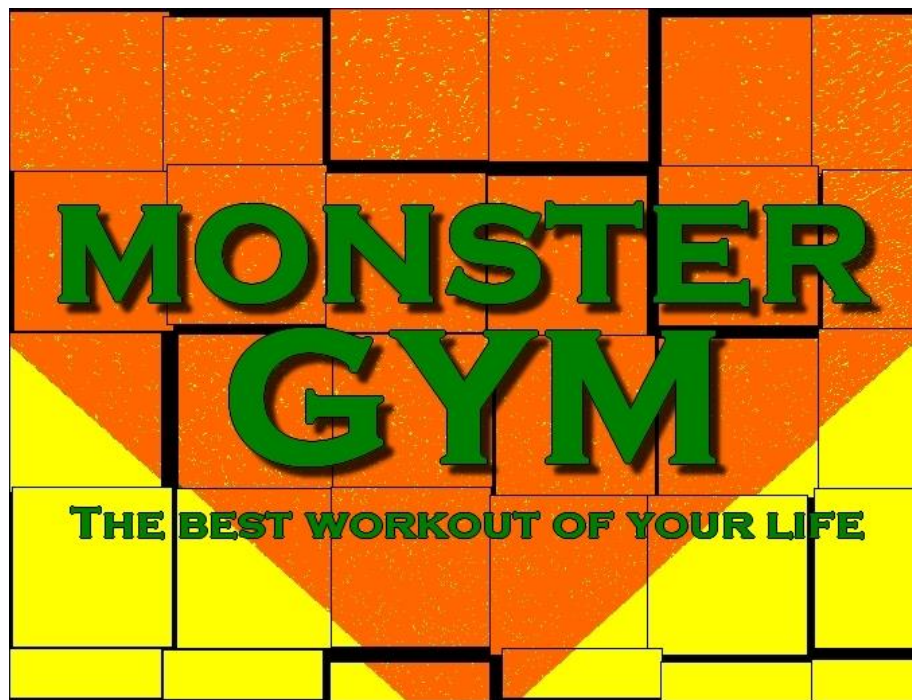


Figure 1 - *Figure 1. Monster Gym logo (own creation)*

*Name of the organization:* Monster Gym

*Contact person:* Ladislav Jandrt

*Address:* Tylova 725, Otrokovice

*E-mail:* MonsterGym@seznam.cz

*Telephone:* 776 055 563

### 3.1 Executive summary

This business plan focuses mainly on complex establishing a new fitness centre on the market. The main purpose of the business plan is to find out if the idea of establishing a new fitness centre in Otrokovice is feasible and financially realistic. Other purpose of this business plan is to serve for potential future investors.

This idea seems to be interesting from the point of view of customer and financial standpoint. This type of centre is missing in the city and it would be perfect fit for active life and for people interested in healthy lifestyle, fitness or bodybuilding.

Nowadays lots of people are willing to spend their lives with healthy lifestyle and focus on their physique therefore there is huge demand for good equipped fitness centers. In this location there is no fitness centre such as this business plan represents. It would be something completely new and innovative, not just another ordinary gym with minimum equipment.

The advantages of this fitness centre would be:

- good accessibility
- agreeable and professional personnel
- huge amount of new fitness equipment and machines
- additional services such as tanning bed, box ring etc.
- membership card with possible discounts and bonuses

The main goal of Monster Gym fitness centre is to be best in the business. Therefore other goals are:

1. focusing on utilization maximum potential customer capacity
2. be in awareness of all people who live in the city and environs
3. 100% quality of services and products

Monster Gym will focus on the newest trends in the fitness industry and all customer needs and wants. It is expected average up to above average attendance, because of the niche in the market and that the fitness centre will be profitable in the first year of the entrepreneurship. This is the optimistic variant. Otherwise profit is expected in the second year. The next step in the future will be to establish another Monster Gym fitness centers in other cities and to strengthen the name of the company.

## 3.2 General Company Description

This centre is established as limited liability company (LLC / Inc.), which means that copartners are liable for commitments only up to these deposits. Monster Gym is new established fitness centre. This company will have one executive director. Ladislav Jandrt is the only executive director of Monster Gym. Ladislav Jandrt put 3 605 000 crowns into the entrepreneurship. The money was gained from savings and inheritance.

The fitness centre will run in rented building near to the city centre. It is prearranged with the owner of building that if the economy situation of the company will be stable and fitness centre will be profitable there is an opportunity to buy the whole building.

### 3.2.1 Visions and goals of Monster Gym

Apart from making a profit, Monster Gym visions and goals are:

- focusing on utilization maximum potential customer capacity
- be in awareness of all people who live in the city and environs
- 100% quality of services and products

The main goal of the company is to enter the market of fitness services and focus on utilization maximum potential customer capacity. This goal can be done by high quality of fitness services, agreeable personnel and affordable prices. The next goal is to gain strong position in the market and make such a profit, which will satisfied owner's private needs. The future plans are known already. The future plan is to make strong marketing and public relation advertisement to strengthen the company name and get into people's awareness. The next step will be establishing of another Monster Gym fitness centre in other cities. It is important to have individual plan for every potential customer, because not only young people are customers of fitness centers or gyms. It is necessary to have high qualified personal trainer to help all kind of customers that come in Monster Gym. This means discounts for students, help for older people or membership cards as well. Customer's needs are Monster Gym's first priority.

### 3.2.2 Information about products

The target of Monster gym is to offer customers different types of services, which will be on one place and do not occur in other fitness centers. Monster Gym tries to create perfect place for people, where they can enjoy their free time and in the same time be active as well. For satisfying customer needs Monster Gym offers spacious gym, cardio zone, box

ring and special room for stretching. During opening hours there will be always high qualified personal trainer, who can help new customers with their exercises or create them perfect diet plan for their body transformation they always wanted. For people who are interested in sunbathing, Monster Gym offers special tanning beds, which are called as tanning beds of new generation. The difference between common tanning beds and these is that these types are healthier and strengthen the whole vitality of organism. Sport bar will be used as a bar and reception. Customers can buy all kinds of supplements here. Monster Gym will have wide range of proteins, gainers and other world's popular supplements in the fitness sphere.

These are some of advantages that Monster Gym can offer to their customers:

- Choice of location – people are more likely to go to fitness center, which is near to their houses or takes place in their neighbourhood. Research in this location showed that offer of fitness services is not satisfied.
- Monster Gym offers different types of discounts and bonuses for students and seniors
- Customers can obtain a membership card, people who have this card will have 10% discount on every service that Monster Gym offers. Other bonus is two free lectures with personal trainer and one free entry for person who comes with them.
- Another advantages that all fitness machines will be completely new
- Always one high qualified personal fitness trainer in the gym

### **3.2.3 Place of business**

Monster Gym will take place on the street Tylova, in Otrokovice. There are trolleybus stations so there is no problem with accessibility. The building has ideal size (700m<sup>2</sup>) and the structure is separated nicely for fitness centre. Benefit of this building is elevator and ramp for material and equipment transportation.

### **3.2.4 Equipment**

The space is not equipped with furniture. It is crucial to buy mostly fitness machines and equipment, because Monster Gym will be kind of loud fitness center, there is need to buy good music setup and to equip two locker rooms with at least 30 locker boxes and showers with bathrooms.

## **3.3 Products and Services**

This section focuses mainly on services that Monster Gym offers to its clientele.

### 3.3.1 Services

#### 1. *Gym*

The main service is definitely modern gym with wide range of different types of fitness machines and equipment for satisfying all possible client needs and wants. There will be always one high qualified personal fitness trainer, who will be available for any help and advice. The trainer can also provide the customer with some tips about diet plan and information about healthy lifestyle. All machines and equipment will be from GrünSport company, which is Czech company that has been working on the market for 20 years. The gym will be equipped with machines, bars, dumbbells, benches and pads. There will be different kinds of stands, where can be practice all parts of human body. Many gyms have just one bench press machine or stand and one section where squats can be done. This is not case of Monster Gym, which plans at least three sections for bench press, two sections for squats and another three sections for heavy deadlifts. The word monster is not in the name of the fitness center just for fun. In this type of gym real “monster” will be born. Monster Gym differs from their competitors in style of music which will be played during opening hours. It is planned to play all genres from pop and rock to heavy metal and metal-core. Customers can also bring their personal cd and staff can play their music for them.

#### 2. *Cardio zone*

The special zone with modern exercising on the fitness machines, where all body parts of human body can be exercised physically and mentally. Monster Gym offers running machines, indoor cycling bicycles, crossing and rowing simulators and steppers.

#### 3. *Boxing ring*

Monster gym pays attention to people who are interested or do martial arts as well. The brand new boxing ring will offer a great training place for boxers, thaiboxers or kickboxers. In Monster Gym customers can find 3 boxing bags that can be used for their training. If they do not have their own boxing gloves, there is an option of lending them on the reception.

#### 4. *Tanning beds*

The tanning beds of new generation. The organism is warmed, muscles are relaxed and skin is slowly sunbathed. These tanning beds offer healthy and quality sunbathe. Sunbathing in these tanning beds has the same effect as sunbathing on direct sun.

### *5. Reception*

There will be one or two persons on the reception, which depends on the workload during week and weekends. They will take care about new customers and lend them sport facilities. The staff has to take care about the reception itself too. It must be clean and always representative. The main requirement is to be polite, has individual attitude and be under any circumstances nice and willing to help.

### *6. Locker rooms*

There will be two locker rooms, one for men and one for women. Every locker room will have for about 30 boxes, where clients can put their personal things and clothes. Customers can use some of benches, which will be available there. In every box there will be hook for their clothes.

### *7. Showers*

The locker rooms will be equipped with bathroom and showers. Clients can use one of 4 available showers and in between every shower there will be partition for better client's privacy. Everything will be designed with regard to strict hygiene rules, comfort and safety.

### *8. Bar*

Monster Gym will offer one of the best supplements in the market. Anything from protein powders, snacks, gainers to drinks such as coffee or tea. It is the place where all people can relax after their workout and enjoy another moments with their friends.

## **3.4 Marketing Plan**

### *Product*

The main plan was to have wide range of products and services that Monster Gym can offer to their clients. However the core of customer base would be mostly men between age of 15 and 40. The smaller part of clientele would be probably women, even though trends show that nowadays there is huge increase of women who started visit fitness centers and gyms. So the main focus of services and products is on male population although there are services like diet plan or tanning beds.

### *Price*

The price is influenced by many factors. First of all it must be sufficiently high for paying expenses such as loan, electricity, water and wages. Second is important to compare prices of competitors to find something in balance. It is crucial to attract as many people as possible in the beginning of entrepreneurship to get better position in the market, possibly



with lower prices or some discounts for students and older people, but it is also essential to find that kind of price, that people will be willing to pay according to services Monster Gym offers.

#### *Promotion*

It is necessary to get in people's awareness even before the fitness centre starts running. Monster Gym cannot offer put large amount of money into advertisement, so the way of promotion must be chosen wisely and effectively. The main stress will be put on the location where the fitness centre is situated. The key is to attract the customer and by quality of gym's services and products get more favourite among exercising people. Leaflets have their positive and negative side. People do not always read the whole advertisement or even notice it. So it is important that the leaflet has to have big and catchy logo of Monster Gym, which immediately catch people's attention. Monster Gym will have their own websites in czech as well as in english. Another type of promotion is mouth to mouth. Every satisfied customer cannot say nothing bad about the gym and these words are unpaid and effective type of advertisement. Another effective way of advertising is Facebook, where could be create webpage presenting Monster Gym and people can share with their friends news and information about fitness centre. This way is quicker than mouth to mouth promotion.

#### **3.4.1 Market research (SWOT analysis)**

It is crucial to be aware of strengths and weaknesses of the company. These facts can serve as a guide for future improvement and might help with the running company effectively.

##### *Strengths*

- location – good accessibility, perfect traffic, trolleybus stations
- personnel – high qualified people in fitness industry, attention is paid on responsiveness, politeness and good communication skill
- discount for seniors and students
- a lots of exercising sectors and new equipment
- enough space

##### *Weaknesses*

- new fitness centre – it is harder to attract clientele, expenses on advertisement

- competitor is near to the place where is Monster Gym situated
- first entrepreneurial experience

#### *Opportunities*

- high unemployment gives Monster Gym opportunity to choose from many high qualified personal trainers in fitness field
- only two competitors with different style of fitness centre
- increasing fitness and active lifestyle trend on the market

#### *Threats*

- increasing of value added tax
- possibility of lease termination
- world's crisis – might affected pension of customers
- new competitors
- increase of expenses

### **3.4.2 SMART method**

SMART method is set of rules which will be used for better defining of the goals the company wants to achieve.

*Specific* – good management of the fitness centre, satisfied customers and full capacity of the gym

*Measurable* – weekly, monthly and yearly turnover, average and above-average amount of customers

*Agreed* – the goals of Monster Gym must be acceptable, not impossible

*Realistic* – the activities of the company must be realistic

*Timely* – the plans must have solid time limits, long-term plan must be planned at least two years ahead, the short-term plans at least one month ahead

### **3.4.3 Competitors**

The competition is divided on the basis of these three criterions:

- *Location* – a fitness centre has to be situated in the same location, customers choice is what is closer to their houses
- *Character of a fitness centre and its services*
- *Attendants*

The figures were taken by personal visits, interview with fitness center's customers and on the Internet on their websites. Luckily for Monster Gym there is small competition for entrepreneurs in fitness industry in Otrokovice. It is not a big city (only 18 000 citizens) and there are not many fitness centers, in fact there are only two – Gym Fitness Otrokovice and SPORTKLUB Eva.

### *Gym Fitness Otrokovice*

Gym Fitness Otrokovice is situated in Hotel Baťov. This fitness centre is on the third floor and its size is just for about 100m<sup>2</sup>. This is number one competitor, because its location is close to the area where Monster Gym will be situated.

Offering services by Gym Fitness Otrokovice are:

- gym - 35 sections of exercising equipment, dumbbells up to 34kg, first visit is with qualified trainer for free, option of buying drink on the bar
- cycle studio – 8 indoor bicycles for effective burning of body fat and for strengthening joints
- aerobic
- body styling
- body forming
- exercises for children

<b>pay in cash 10 % discount</b>			
<b>Entrance fee (gym)</b>		<b>50 CZK</b>	<b>55 CZK</b>
<b>Entrance fee (cycle studio)</b>		<b>90 CZK</b>	<b>100 CZK</b>
<b>Season tickets</b>	10 entries	<b>450 CZK</b>	<b>500 CZK</b>
	Monthly	<b>575 CZK</b>	<b>640 CZK</b>
	Quarterly	<b>1 485 CZK</b>	<b>1 650 CZK</b>
	Half-year	<b>2 700 CZK</b>	<b>3 000 CZK</b>
	One-year	<b>4 770 CZK</b>	<b>5 500 CZK</b>
Entrance fee - gym max 90 minutes, cycle studio 6 entries			
Season tickets are importable.			
Can be used at Gym Fitness in Otrokovice or Napajedla			
Coupons - SODEXO PASS, TICKET BENEFITS, TICKET MULTI			

Figure 2 - *Gym Fitness Otrokovice price list (own creation)*

The prices are propitious. There is possibility of usage coupons as well. The gym is not spacious. The equipment is old and not well maintained. The dumbbells are just up to 34kg, which could be not enough for heavy lifters. If a customer buys the entrance fee, he/she could stay there and use their exercising machines for only 90 minutes, so the time is limited.

#### *Opening hours*

Monday to Friday – 8:30 – 21:00 (break 11:30 – 14:30)

Saturday, Sunday – closed

#### *Advantages:*

- good accessibility
- propitious prices
- agreeable personnel
- coupons

#### *Disadvantages:*

- small space of the gym
- old and not well maintained equipment
- not enough weights
- no air conditioning, in summer heated room
- no place where people can relax and sit after their work out
- opening hours (breaks, Saturday and Sunday closed)

#### *SPORTKLUB Eva*

SPORTKLUB Eva is sport club, which focuses on modern forms of exercising for public, men, women, youth and children. Its activity is done in gymnasiums with all needed facilities (music, pads, dumbbells).

Offering services by SPORTKLUB Eva are:

- Zumba
- Bodyform
- Power step
- Bosa exercises

- Exercises with big balls
- Yoga
- Slow body
- Pilates
- Aerobic
- TRX
- Piloxing
- Deepwork

<b>Entrance fee</b>		<b>70 CZK</b>
<b>Season tickets</b>	10 entries	<b>600 CZK</b>
	20 entries	<b>1 000 CZK</b>
Coupons - EDENRED, SODEXO		

Figure 3 - *SPORTKLUB Eva price list (own creation)*

SPORTKLUB Eva does not offer many possibilities. There is only choice of one entrance or two season tickets. The lectures are done in school gymnasiums. The most of their services are with focus mainly on women. If customer is looking for bodybuilding or some exercises with weights, this is not the right choice for him/her. SPORTKLUB Eva offers nutritive consultancy as well.

Consultancy – 300 CZK (60 minutes)

Individual course for loosing body weight – 10 entries – 1000 CZK (one entry = 60 minutes)

TANITA BC – GMON PROFI (measurement of body values) – 150 CZK

#### *Opening hours*

Monday – 18:00 Bodyform  
 18:30 Trampolines  
 19:30 Deepwork

Tuesday - 16:30 Bodyform  
 18:00 Deepwork  
 19:00 Zumba

19:15 Pilates  
 Wednesday - 18:30 Power step  
 19:35 Yoga  
 Thursday - 16:30 Pilates + Yoga  
 17:30 Zumba  
 19:00 Piloxing

*Advantages:*

- average prices
- wide range of offering services
- coupons

*Disadvantages:*

- offering services are mostly for female customers
- no gym
- gymnasiums, not own bulding or fitness centre
- not a fitness centre as such
- opening hours

**3.4.4 Pricing and opening hours (Monster Gym)**

The price list is created on the basis of competitors prices. The prices should be sufficiently suitable for potential customers and able to compete. This method is simple and reflects customer's point of view on other competitor's services. On the other hand the disadvantage of this method is that it is not profitable and does not pay attention on expenses.

<b>Adults</b>		<b>60 CZK</b>
<b>Students and seniors</b>		<b>50 CZK</b>
<b>Membership card owners - 10% discount</b>		
<b>Personal trainer</b>		<b>350CZK/one hour</b>
<b>Tanning salon</b>		<b>10CZK/one minute</b>
<b>Season tickets</b>	10 entries + 1 for free	<b>500 CZK</b>
	Monthly	<b>600 CZK</b>
	Quarterly	<b>1 400 CZK</b>
	Half-year	<b>2 500 CZK</b>
	One-year	<b>4 500 CZK</b>

Figure 4 - *Monster Gym price list*

The time that everybody can spend in the gym is unlimited. The price is same at week as at weekends.

#### *Opening hours*

Monday – Friday 8:00 – 22:00

Saturday – Sunday 9:00 – 20:00

Holidays 10:00 – 18:00

### **3.4.5 Suppliers**

For problem-free running company the key points are definitely suppliers. Suppliers must be trustworthy and reliable. Their machines will be one of the cornerstones of the gym. Nowadays there are many of potential suppliers with gym equipment on the market, but the most crucial role for cooperation is the equality between price and quality.

#### **3.4.5.1 *Gym equipment supplier***

Monster gym chose as a main supplier for their gym equipment company called GrünSport s.r.o. This company has been around for more than 20 years and it is well known for their high quality products. Many other fitness centers use their exercising machines and lots of famous athletes, bodybuilders, football and hockey players use it as well for their training. GrünSport s.r.o. offers wide range of exercising machines and complete consultancy about choosing the right equipment. Another great thing about their services is possibility of choosing combination of colors of their machinery, surface working and covering material. (GRÜNSPORT s.r.o. 2015)

#### **3.4.5.2 *Tanning beds supplier***

EUROBALNEO s.r.o. will provide Monster gym with SUNSKY tanning beds, which are familiar for their high quality. The company was established in 2003 and since this year it realized many of complex deliveries for commerce and private sphere. The services include transportation, installation of their new products and facilities, warranty and post-warranty service and inspection on a regular basis. SUNSKY tanning beds are easy to maintain, have nice design and great efficiency. (EUROBALNEO s.r.o. 2015)

#### **3.4.5.3 *Supplement supplier***

The one of the best Czech company on the market orientated on the supplements is NUTREND D.S., a.s., which is leading Czech producer of nutrition and supplements not

only for athletes, but also for everybody who is interested in fitness or active lifestyle. The company was established in 1993 and nowadays it has more than 150 employees. The main aim is to focus on high quality products and their completely legal make-up. The company owns ISO and BIO certificate. Also cooperates with many external specialists and athletes. NUTREND D.S., a.s. will provide Monster Gym with their products such as proteins, gainers, creatines, BCAAs and many others, which are important and essential for perfect nutrition that human body needs after one solid work out. (NUTREND D.S., a.s. 2015)

### **3.5 Management and Organization**

#### *Operational manager*

The owner and at the same time the only manager will be Ladislav Jandrt. The manager will take care of the whole running of the company. Also he has to deal with problems and things, which happen in the gym and they will be his responsibility to solve them. The manager has to have resistance to stress, must be able to communicate with customers and staff, interested in sports and fitness, be able to motivate and lead people, self-contained and he has to know something about management and marketing.

#### *Business manager*

The main role of the business manager will be finding of new opportunities. He will be responsible for flow between the fitness center and suppliers. He has to know legislation and be able to create, to process and reshape business contracts. The business manager has to be aware of economic commercial code and be communicative as well as he has to have great managerial skills.

#### *Gym administrator*

This person has to deal with possible fitness center technical problems that can occur during its working hours. This situation might happen for example when some of machines, showers or something else brakes up. Gym administrator has to also check up all facilities and maintain them in operation.

#### *Trainers*

An every customer in Monster Gym must have an opportunity to ask about anything he/she wants to know about fitness, exercising or nutrition that best fits his goals and dreams. That is trainer's job. The trainer must be high qualified person that can help at every time it is needed. He has to be able to give advice to customers not only about exercising, but also



about healthy lifestyle and everything that is connected to this topic. Communicative skills, responsibility and responsiveness are crucial points of a great trainer's attitude.

#### *Receptionists*

This is the person that will be in the permanent contact with customers, so it is crucial to be polite, have communicative and administrative skills, also has to be consistent and conscientious. The receptionist has to have positive effect on Monster Gym customers. It is planned that this job will be done by temporary workers. It is not difficult and the company can also save their money.

#### *Accountancy*

The accounting will be done by external company, because it is not so financially expensive.

#### *Cleaning of the company*

The cleaning of the rooms, gym and building will be done by cleaning company. These cleanings will be every day after opening hours and the price depends on the size of surface.

### **3.6 Financial plan**

One of the most essential parts of every business plan is its financing. Companies must determine their financial sources not only for establishing a new project or business, but also because of new equipment and all necessary facilities that are included in successfully running business. The registered capital is 3 605 000 CZK. Monster Gym will not have any liabilities or bank loans.

Assets		Liabilities	
Total assets	3 605 000	Total liabilities	3 605 000
Long-term property	0	Equity	3 605 000
		Registered capital	3 605 000
Floating assets	3 605 000	Borrowed capital	0
Petty cash	3 605 000	Bank loan	0

Figure 5 - Initial balance sheet (own creation)

The biggest initial expense will be obtaining of exercising machines and expenses for transport and assembling of tanning beds. Also the huge amount of expenses will be due to needed equipment for Monster Gym fitness centre.

<b>ASSETS</b>		<b>Liabilities</b>	
<b>Total assets</b>	<b>2 904 429</b>	<b>Total liabilities</b>	<b>2 904 429</b>
<b>Long-term property</b>	<b>1 449 456</b>	<b>Equity</b>	<b>3 196 090</b>
Exercising machines	808 022	Registered capital	3 605 000
Tanning beds	102 835	Profit and loss	-408 910
Boxing ring	10 300		
Computer technology	25 235		
Other long-term property	503 064		
<b>Floating assets</b>	<b>1 454 973</b>	<b>Borrowed capital</b>	<b>-291 661</b>
Internally produced inventory	1 420	Bank loan	0
Petty cash	1 453 553	Liability	-291 661

Figure 6 - Balance sheet at the end of the third month of entrepreneurship (own creation)

Other expenses will be a little bit smaller in the first year, because the entrepreneurship will start after first three months. During these months the building where is Monster Gym situated will be reconstructed.

	1st year	2nd year	3rd year
Rent, heating, electricity, gas, water rate	865 200	865 200	865 200
Telephone + WiFi	4 635	6 184	6 184
Cleaing service	41 715	55 620	55 620
Domestic waste	930	1 240	1 240
Other expenses	13 905	18 550	18 550
<b>Total</b>	<b>926 385</b>	<b>946 794</b>	<b>946 794</b>

Figure 7 - Other operational expenses (own creation)

	1st year	2nd year	3rd year
Marketing expenses	160 000	110 000	60 000

Figure 8 - Marketing expenses (own creation)

In the first year the marketing expenses will achieve higher figures. For the second and the third year it is planned to reduce them.

Speaking about the first year of entrepreneurship, in the optimal variation the company has positive profit, in the medium and pessimistic variations the profit is negative, which is for first year of an entrepreneurship common and normal.

	1st year		
	optimal	medium	pessimistic
Revenues from sold goods	125 581	95 379	73 604
Expenses on sold goods	33 487	25 434	19 628
<b>Sale margin</b>	<b>92 094</b>	<b>69 945</b>	<b>53 976</b>
Production	4 757 560	3 996 051	3 223 745
Production consumption	155 736	138 432	121 128
<b>Added value</b>	<b>4 693 918</b>	<b>3 927 564</b>	<b>3 156 593</b>
Personnel expenses	3 165 520	3 165 520	3 165 520
Other operating revenues	926 385	926 385	926 385
Advertising expenses	160 000	160 000	160 000
Depreciations of intangible and tangible assets	41 884	41 884	41 884
<b>Operating profit/loss</b>	<b>400 129</b>	<b>-366 225</b>	<b>-1 137 199</b>
Interest expenses	0	0	0
<b>Profit before tax</b>	<b>400 129</b>	<b>-366 225</b>	<b>-1 137 199</b>
Taxes and fees	77 070	0	0
<b>Profit/loss of current accounting period</b>	<b>323 059</b>	<b>-366 225</b>	<b>-1 137 199</b>

Figure 9 - *Planned profit and loss account for the first year of entrepreneurship*  
(own creation)

The cash flow in the first year is in negative figures, which is mainly because of equipment and exercising machines, which create huge amount of expenses needed for successfully running of the company.

	1st year		
	optimal	medium	pessimistic
Initial cash flow	3 605 000	3 605 000	3 605 000
Cost of sales	4 883 140	4 091 430	3 297 349
Sale expenses	-189 223	-163 866	-140 756
Wages and salaries	-2 405 320	-2 405 320	-2 405 320
Advertisement	-160 000	-160 000	-160 000
Other expenses	-926 385	-926 385	-926 385
Taxes and fees	-77 070	0	0
<b>Cash flows from running activities</b>	<b>1 125 142</b>	<b>435 859</b>	<b>-335 112</b>
Payment of shares in equity to partners	0	0	0
<b>Cash flows from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expense on fixed assets acquisition	-1 742 536	-1 742 536	-1 742 536
Tax added value refund	291 659	291 659	291 659
<b>Cash flows from investing activities</b>	<b>-1 450 877</b>	<b>-1 450 877</b>	<b>-1 450 877</b>
<b>Total CF</b>	<b>-325 735</b>	<b>-1 015 018</b>	<b>-1 785 989</b>
<b>Net cash flow</b>	<b>3 279 265</b>	<b>2 589 982</b>	<b>1 819 011</b>

Figure 10 - *Planned cash flow for the first year of entrepreneurship*  
(own creation)

## CONCLUSION

The aim of this bachelor thesis was a business plan of made-up fitness center called Monster Gym. The main goal of this work was to prove, if the plan is feasible or not. Some of the values and figures were supposed based on information from competitors or own preconditions and experiences. The business plan uses various types of fitness center attendance. The reason is that it is more realistic and the profit mainly depends on attendance as well. The financial plan has optimal, medium and pessimistic variations. The main condition is that the owner does not take any bank loans in the beginning of the entrepreneurship and the fitness center will be open only with help of registered capital. Based on data of profit/loss account it is expected that in the first year of optimal and medium variation the company will be in positive numbers and profitable. In the pessimistic variation the fitness center is loss-making. The next years Monster Gym will have positive profit. Because of done analysis in this work it could be said that the business plan is workable. The company will be unprofitable only in the first year of entrepreneurship. The competition in the market is not so high, but the entrepreneurship could be influenced by internal and external factors like financial crisis, nevertheless based on data of the analysis, which was done, this business plan will be practicable and the owner can expect his money back in the future as well. The main problem could be the starting money. As it was said in the beginning of this work, the registered capital, the money used for this plan, were gained from savings and inheritance. It could be difficult for an ordinary entrepreneur to obtain such an amount of money, which are the key and the cornerstone of this business plan. On the other hand if somebody wants to start his/her own fitness centre in Otrokovice, he/she has a huge chance to success. As it was mentioned, the competition is not high, in fact, there are only two competitors in the market. What is missing is fully equipped fitness centre or gym that can completely satisfy all needs and wants that customers have. The main problem or the crucial thing is the customer desire for better place, where all exercise can be done, new and clean machines, wide range of exercising machines and weights and not necessary high qualified personnel, but at least agreeable and nice treatment with people. So yes, the money makes difference, but every potential owner or business man, who wants to establish a new fitness centre must be able to find out what people are really looking for and what are their needs. With this knowledge and awareness there is always chance to success, but as it is known, not always.

## BIBLIOGRAPHY

### *Books:*

- Armstrong, Gary, Michael Harker, Philip Kotler, and Ross Brennan. *Marketing: An Introduction, 8th edition*. Upper Saddle River, N.J.: Pearson Education Limited, 2009.
- Blažková, Martina. *Marketingové řízení a plánování pro malé a střední firmy, 1st edition*. Praha: Grada Publishing, a.s, 2007.
- Bovée, L. Courtland, and Michael J. Houston, John V. Thill. *Marketing, 2nd edition*. New York: McGraw-Hill, 1995.
- Covello, A. Joseph, and Brian J. Hazelgren. *The Complete Book of Business Plans: Simple Steps to Writing Powerful Business Plans, 2nd edition*. Naperville: Sourcebooks, Inc, 2006.
- Finch, Brian. *How to Write a Business Plan, 1st edition*. London: Kogan Page Limited, 2001.
- Fiore, Frank. *Write a Business Plan in No Time, 1st edition*. New York: Que Publishing, 2005.
- Horáková, Helena. *Strategický marketing*. Praha: Grada Publishing, 2003.
- Kozák, Vratislav, and Pavla Staňková. *Marketing 1, 4<sup>th</sup> edition*. Zlín: Tomas Bata University, 2008.
- McKeever, Mike. *How to Write a Business Plan, 10th edition*. California: Nolo, 2010.
- Lawrence, Stephen, and Frank Moyes. *Writing a Successful Business Plan*. Denver: University of Colorado, 2003.
- Longenecker, Justin, and J. Petty, Leslie Palich, Frank Hoy. *Small Business Management: Launching and Growing Entrepreneurial Ventures*. Hampshire: Cengage Learning, 2011.
- Luther, W. Martin. *The Marketing Plan: How to Prepare and Implement It, 3rd edition*. New York: AMACOM Div American Mgmt Assn, 2011.
- Pinson, Linda. 2008. *Anatomy of a business plan: the step-by-step guide to building your business and securing your company's future, 7th Edition*. Tustin: Aka Associates.
- Pinson, Linda, and Jerry Jinnett, États-Unis, Small Business Administration. *How to Write a Business Plan*. Washington, D.C.: U.S. Small Business Administration, 1993.
- Sanford, Jeff, and Robert Andoh, University of Georgia, Small Business Development Center. *Writing a Business Plan, 3<sup>rd</sup> edition*. Athens: University of Georgia, 2006.
- Westwood, John. *How to Write a Marketing Plan, 3rd edition*. London: Kogan Page

Publisher, 2006.

*Web sources:*

EUROBALNEO s.r.o. 2015. Solární louky Sunsky. [www.eurobalneo.cz](http://www.eurobalneo.cz). March 29.

Accessed April 29, 2015. <http://www.eurobalneo.cz/cs/solarni-louky-sunsky/>.

GRÜNSPORT s.r.o. 2015. Deluxe collection. [www.grunSPORT.cz](http://www.grunSPORT.cz). April 14. Accessed April

29, 2015. <http://www.grunSPORT.cz/cz/deluxe-collection>.

Hutchinson, Ann. 2015. BUSINESS PLAN INVENTORY. A Business Planning Tool.

<http://www.eicc.edu/>. April 28. Accessed April 29, 2015.

[http://www.eicc.edu/businesses/small-business-development-center/sbdc\\_business\\_plan\\_inventory.pdf](http://www.eicc.edu/businesses/small-business-development-center/sbdc_business_plan_inventory.pdf).

McKinsey. 2015. HOW TO WRITE A BUSINESS PLAN. [www.http://14k.inc.hse.ru](http://14k.inc.hse.ru).

April 28. Accessed April 29, 2015.

[http://14k.inc.hse.ru/files/McKINSEY\\_GUIDE\\_to\\_business\\_plan.pdf](http://14k.inc.hse.ru/files/McKINSEY_GUIDE_to_business_plan.pdf).

NUTREND D.S., a.s. 2015. O SPOLEČNOSTI. [www.nutrend.cz](http://www.nutrend.cz). April 14. Accessed April

29, 2015. <http://www.nutrend.cz/o-spolecnosti/pc3639/>.

Vysspa Sports Technology s.r.o. 2015. Boxovací ringy a příslušenství.

[www.sport.vysspa.cz](http://www.sport.vysspa.cz). April 15. Accessed April 29, 2015. <http://sport.vysspa.cz/484-boxovaci-ringy-a-prislusenstvi>.

**LIST OF FIGURES**

Figure 1 - <i>Figure 1. Monster Gym logo (own creation)</i> .....	27
Figure 2 - <i>Gym Fitness Otokovice price list (own creation)</i> .....	35
Figure 3 - <i>SPORTKLUB Eva price list (own creation)</i> .....	37
Figure 4 - <i>Monster Gym price list</i> .....	38
Figure 5 - <i>Initial balance sheet (own creation)</i> .....	41
Figure 6 - <i>Balance sheet at the end of the third month of entrepreneurship (own creation)</i> .....	42
Figure 7 - <i>Other operational expenses (own creation)</i> .....	42
Figure 8 - <i>Marketing expenses (own creation)</i> .....	42
Figure 9 - <i>Planned profit and loss account for the first year of entrepreneurship</i> .....	43
Figure 10 - <i>Planned cash flow for the first year of entrepreneurship</i> .....	43



