

A Business Plan for the Vegetarian Bistro Fresh Bowls in Zlín, Czech Republic

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Zhodnoťte finanční stránku záměru a jeho rizika.

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Rozsah bakalářské práce:

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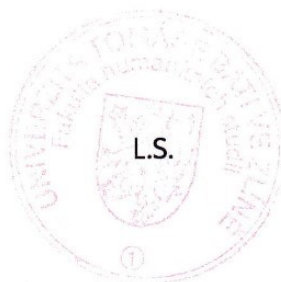
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ABSTRAKT

Cílem této bakalářské práce je vytvoření podnikatelského plánu pro malé bistro se specializací na vegetariánskou kuchyni. Práce je rozdělena na dvě části – teoretickou a praktickou. První část popisuje převážně účel a strukturu podnikatelského plánu. Kromě toho jsou zde popsány jednotlivé formy podnikání v České republice. Druhá část obsahuje konkrétní podnikatelský plán, jehož součástí jsou i marketingové analýzy okolí společnosti – analýza potenciálních zákazníků, konkurence a dodavatelů, PEST analýza a SWOT analýza.

Klíčová slova: bistro, podnikatelský plán, formy podnikání, situační analýza, finanční plán

ABSTRACT

The aim of this bachelor thesis is to create a business plan for a small bistro specializing in vegetarian gastronomy. The thesis is divided into two parts – theoretical and practical. The first part focus mainly on description of the purpose and structure of a business plan. Besides, there are described a legal forms of business in the Czech Republic. The second part contains actual business plan for a new company, which includes also analysis of the company's environment – analysis of potential customers, competitors, and suppliers, PEST analysis, and SWOT analysis.

Keywords: bistro, business plan, forms of business, situational analysis, financial analysis

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One cannot think well, love well, sleep well, if one has not dined well.”

Virginia Woolf

CONTENTS

INTRODUCTION	11
I. THEORY.....	12
1 BUSINESS PLAN	13
1.1 DEFINITION.....	13
1.2 PURPOSE.....	13
1.3 FORMAT AND CONTENT.....	14
1.4 PRINCIPLES OF WRITING.....	14
2 BUSINESS PLAN STRUCTURE.....	16
2.1 TITLE PAGE.....	16
2.2 TABLE OF CONTENT.....	16
2.3 EXECUTIVE SUMMARY.....	17
2.4 GENERAL COMPANY DESCRIPTION.....	17
2.4.1 Location.....	17
2.4.2 Legal Form.....	17
2.4.3 Ownership.....	17
2.4.4 Mission Statement.....	18
2.4.5 Vision Statement.....	18
2.4.6 Goals and Strategies.....	18
2.5 DESCRIPTION OF MARKET OPPORTUNITY.....	18
2.6 MARKETING PLAN.....	18
2.6.1 Situational Analysis.....	19
2.6.2 SWOT Analysis.....	23
2.6.3 Marketing Mix.....	23
2.7 PRODUCTION PLAN.....	26
2.8 RISK PLAN.....	26
2.9 FINANCIAL PLAN.....	27
2.9.1 Balance Sheet.....	27
2.9.2 Income Statement.....	27
2.9.3 Cash Flow Statement.....	27
3 LEGAL FORMS OF BUSINESS.....	29
3.1 SOLE PROPRIETORSHIP.....	29

3.2	BUSINESS CORPORATIONS	30
3.2.1	General Commercial Partnership.....	30
3.2.2	Limited Partnership.....	31
3.2.3	Limited Liability Company	32
3.2.4	Joint Stock Company	32
II.	ANALYSIS	34
4	TITLE PAGE	35
5	TABLE OF CONTENT.....	36
6	EXECUTIVE SUMMARY	37
7	GENERAL COMPANY DESCRIPTION.....	38
7.1.1	Mission Statement.....	38
7.1.2	Vision Statement.....	38
7.1.3	SWOT	38
7.1.4	Legal Form.....	38
7.1.5	Ownership.....	38
7.1.6	Location	39
7.1.7	Goals	39
7.1.8	Strategy	39
8	DESCRIPTION OF MARKET OPPORTUNITY.....	40
9	MARKET ANALYSIS	42
9.1	ANALYSIS OF CUSTOMERS	42
9.1.1	Target Market Definition	42
9.1.2	Segmentation	42
9.1.3	Questionnaire	43
9.1.4	Target Customers	43
9.2	ANALYSIS OF COMPETITORS.....	43
9.2.1	Direct Competitors.....	44
9.2.2	Indirect Competitors	47
9.3	ANALYSIS OF COLLABORATORS.....	48
9.4	PEST ANALYSIS	49
9.4.1	Political Factors	49
9.4.2	Economic Factors	50
9.4.3	Social Factors.....	51

9.4.4	Technological Factors	51
9.5	ANALYSIS OF COMPANY	52
9.5.1	Strengths	52
9.5.2	Weaknesses	52
10	MARKETING MIX.....	53
10.1	PRODUCT	53
10.2	PRICE	54
10.3	DISTRIBUTION.....	54
10.4	PROMOTION	55
11	OPERATION PLAN	57
11.1.1	Opening Hours	57
11.1.2	Preparation Process	57
11.1.3	Interior and Equipment	57
11.1.4	Personnel.....	58
12	FINANCIAL PLAN	60
12.1.1	Initial Costs	60
12.1.2	Initial Balance Sheet	61
12.1.3	Operating Costs.....	61
12.1.4	Expected Revenues	64
12.1.5	Income Statement	64
13	RISK PLAN.....	66
	CONCLUSION	67
	BIBLIOGRAPHY	68
	LIST OF ABBREVIATIONS	71
	LIST OF PICTURES.....	72
	LIST OF TABLES.....	73
	APPENDICES.....	74

INTRODUCTION

The subject of this bachelor thesis is a business plan for a new restaurant. Specifically, a business plan is concerned with a vegetarian bistro offering fresh salads, juices, healthy desserts, and organic coffee. The inspiration to establish a modern vegetarian bistro comes from restaurants, such as, Spring Green, Deliciously Ella, Pressed Juicery, and others. The aim of this work is to analyse a market, and to assess the feasibility of this type of bistro in a city Zlín in the Czech Republic.

I have chosen this topic because of two reasons. The first reason is my personal interest in a vegetarian lifestyle, which is characterized by a compassion for animals, respect for the planet, and interest in a healthy lifestyle. In my opinion, this is a meaningful philosophy that should be more promoted. Thus, at some point in my life I would like to open my own vegetarian bistro.

The second reason is the wide practical applicability of a business plan. This topic covers the range of disciplines from marketing and law to accounting and finances. I believe that even if the business plan for a vegetarian bistro would not be realized, there will be number of other opportunities when I will use the information gained from this project.

This bachelor thesis is divided into two parts. The first part is the theoretical background, which will deal with the concept of business plan - its definition, purpose, format, principles of writing, and structure. Moreover, there will be described the legal forms of business in the Czech Republic.

The theoretical part is followed by the practical part (analysis) which will contain a detailed elaboration of individual parts of the business plan for a fictional vegetarian bistro in Zlín. The most important part will be a marketing plan and financial plan which will reveal the important data for evaluation of a business idea.

I. THEORY

1 BUSINESS PLAN

A business plans are written by entrepreneurs who are starting a business as well as by those who are running an established one. The goal of a theoretical part is to provide an information about a business plan for a start-up entrepreneur.

1.1 Definition

Firstly, to answer the question of what a business plan actually is, we will draw attention on a few definitions from business literature.

One of the most common definitions that is used by many authors, such as Koráb (2007, 11), Veber (2012, 95) or Hisrich (1996, 108), define a business plan as: “a written document describing all the essential external and internal factors related to the business.”

Considering a web page Entrepreneur.com (2018) a business plan is: “*a written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement.*”

Rhonda Abrams (2010, 14), a successful author of many books about a business plan, emphasis that a business plan: “*clearly, concisely defines the mission, values, strategy, and measurables — objectives and key results.*”

Many authors, such as Srpová (2011, 14) or Hisrich (1996, 108), compare a business plan to the road map, which give us the answers to the following three basic questions:

- **Where are we now?** The answer to this question is the result of analyses of external and internal environment of a company.
- **Where do we want to go?** The answer to this question should be covered in specific objectives and detailed future scenarios.
- **How do we get there?** Here, it is necessary to specify individual strategies to achieve specified business objectives.

1.2 Purpose

According to Srpová (2010, 59-60), a business plan has got two roles – internal role and external role. Internal role means that a business plan serves as a planning tool, a control tool, and a tool for decision-making for founders and managers. An external role means that a business plan serves as a communication tool with external entities, such as, banks, potential investors, partners, and employees.

Primarily, for a start-up company, a business plan serves as a fund-raising tool. When the entrepreneur ask for a financial support, investors usually require the business plan. It

enables them to evaluate the entrepreneur's creditworthiness. Only a well-written business plan helps the entrepreneur to obtain a capital. (Mariotti, 2013, 44)

Another purpose of a business plan is to objectify entrepreneur's idea. If the entrepreneur wants a long-term business, it is not enough to have a business idea in the head, but it is necessary go through a proper planning process to avoid a future mistakes. (Hisrich, 1996, 110) As Abrams (2010, 30) says *"it's the PLANNING and not the PLAN that's really important. The process of developing a business plan is what helps you succeed."*

Last, but not least, purpose of a business plan is to provide a feedback. A business plan allows to compare an entrepreneur's plans with reality, and thus reveals smaller or bigger deviations. The entrepreneur needs to know these deviations – either strengths or weaknesses – to make the right decisions. (Mariotti, 2013, 44)

1.3 Format and Content

The format and content of a business plan is not exactly defined. Neither legal documents nor literature mention one common structure for everyone. The format and content of a business plan depends on a number of issues, such as, the size of the company or type of the product. (Hisrich, 1996, 109)

According to Koráb (2007, 39), the content and format of the business plan is mainly influenced by a purpose of a business plan. He says, that for the purpose of a start-up, we don't need a detailed business plan, but, for example, ongoing company in a period of growth needs a very detailed and complex business plan.

Also, the format and content depends on an audience. As Srpová (2011, 14) states, angel investors are usually satisfy with a short business plan. On the contrary, banks may require a detailed document with a lot of information.

It is obvious that as there are different businesses, there are also different business plans. However, as Koráb (2007, 39) rightly states, a business plan must always provide information about: market, product, management, and finances. Those four elements create a core of all business plans and the entrepreneur can vary them only to present his/her business idea more clearly.

1.4 Principles of Writing

There are some basic principles which the business plan must follow to be successful. Srpová (2010, 60) recommends that a business plan should be:

- **Innovative** – It is important to highlight the competitive advantage of the business.

- **Comprehensible and brief** – It is recommended to write simple sentences and do not use a large amounts of ideas. For better comprehensibility, it is recommended to use bullet points and visuals, such as, graphs, charts, illustrations, and photos.
- **Logical** – The text should be linked to each other and the ideas should not contradict each other.
- **True and real** – A business plan is not only for external entities but also for company's internal use. Therefore, if the entrepreneur presented false data, he would be against himself/herself.
- **Respecting the risks** – A presentation of the risks and suggestions to eliminate them increases the credibility of a business plan.

Based on Abrams (2010, 36-37), a business plan should be also:

- **Accurate** – A business plan should be based on the facts, which are correct and attributable to a reputable source.
- **Error-free** – It is necessary to avoid a typing mistakes and grammar mistakes.
- **Attractive** – A business plan should not be boring and vague. It should be interesting reading. Our goal is to inspire the idea of a stable and profitable business that is managed by a competent manager. Abrams recommends that especially three sections – the executive summary, the financial plan, and the management plan – should: *“spark enough interest and inspire sufficient confidence.”* It is because those three sections are read by potential investors in the first place.

2 BUSINESS PLAN STRUCTURE

As it was said, there is not one common structure for everyone. For the purpose of this thesis, it was created the structure that is relevant for a small business venture. The structure has got the following components:

- Title page
- Table of content
- Executive summary
- General company description
- Market opportunity description
- Marketing plan
- Operation plan
- Financial plan
- Risk plan

2.1 Title Page

The title page should include basic information about a company. According to Hisrich (1996, 112), the following information should be noted:

1. name of a company;
2. registered office of a company;
3. name of entrepreneurs;
4. contact information (e-mail, telephone number, website addresses, or CV of entrepreneur) ;
5. description of a company (scope of business, legal status) ;
6. amount of capital required;
7. proprietary statement. For example, Katz (2014, 227) proposes: *“This document contains confidential and proprietary information belonging exclusively to (company name). Do not copy, fax, reproduce, or distribute without permission.”*

The content of a title page does not fulfill an important function, so the emphasis is on a formal design. (Vodafone.cz, 2018) It is recommended to write a company name in a large type and use a logo if company has one. (Katz, 2014, 227)

2.2 Table of Content

As different readers search for different information in a business plan, it is recommended to include a table of content to make a searching easier. If the content is not included it can

disturb a reader. The content should be short (one page is enough) and there should be heading only up to third grade. (Veber, 2012, 98)

2.3 Executive Summary

The executive summary is the most important part of a business plan. The aim of this part is to catch attention of potential investors and arouse their curiosity to explore the whole document. The summary ‘sumps up’ all key information, which are described in detail on the following pages of the business plan regarding a general company description, marketing plan, management plan, and so on. The summary should be brief (2 pages at most), clear, and motivating. Despite the fact that this part is at the beginning of a business plan, it is written after the overall business plan has been completed, because it reflects the results of all the planning. (Abrams, 2010, 54-57)

2.4 General Company Description

This part provides a summary of basic information about a company. Here, it should be included information about company name, legal status, location, product, management, history, and financial status. The business philosophy (mission statement, vision statement), goals and strategies should also be noted. (Veber, 2012, 99) The goal is to provide the reader: *“the background for understanding the rest of the plan”*. (Mariotti, 2013, 47)

2.4.1 Location

Our potential investors will be interested in a description of a location especially when we want to open a retail shop. For a retail shop, the location can be very important factor of success. (Koráb, 1996, 114) When describing the location, there should be included: position, size of the shop, shape of the stock, and ease of access for customers and suppliers. (Hughes, 2016, 235-236)

2.4.2 Legal Form

It should be specified a legal form of business and it should be mentioned the reasons why this form of ownership works best for our business. (Abrams, 2007, 30)

2.4.3 Ownership

Next, there are included the entrepreneurs and key business partners. Especially, there should be mentioned entrepreneur’s motives for establishing a company, their experience in a relevant business as well as the resources they can bring to the business. (Abrams, 2010, 75)

2.4.4 Mission Statement

The business overall purpose and philosophy is usually declared in a mission statement. It usually has got two parts: the first part says what a company do and the second part says why a company do it. A quality mission statements should be clear, concise, unique, and memorable. (Katz, 2014, 219)

2.4.5 Vision Statement

The vision statement is a very simple sentence, or better yet a tagline, that expresses company's goal. (Katz, 218) Unlike mission statement, the vision statement is only for internal use. The vision is one of the motivational factors that help to inspire a team to achieve the company's goal. (Srpová, 2010, 130)

2.4.6 Goals and Strategies

Last part of general company description should include the goals of a company, the ways through which they will be achieved (through which resources), the period of time in which they should be achieved, and persons responsible for their achievement. There should be defined both strategic goals (which are long-term) and specific goals (which are short-term and should be SMART – Specific, Measurable, Acceptable, Realistic and Timed). (Veber, 2012, 99)

2.5 Description of Market Opportunity

A market opportunity is based on market analysis and it is defined as: *“a newly identified need, want, or demand trend that a firm can exploit because it is not being addressed by the competitors.”* (Businessdictionary.com, 2018)

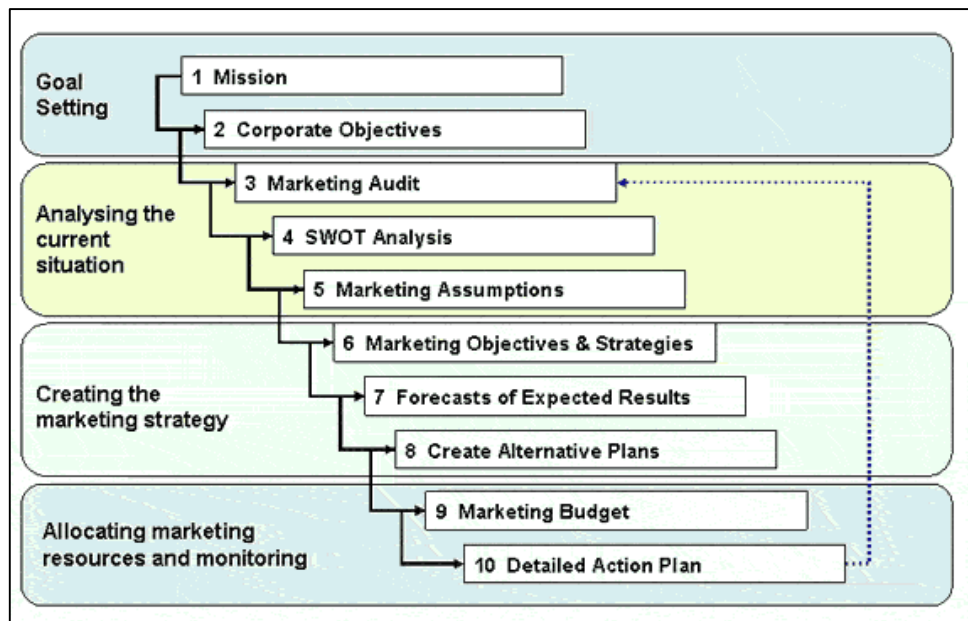
In this part of a business plan, it is necessary to clarify what customer's needs and desires we want to satisfy and what customer's problems we want to solve. (Katz, 228) Then, it must be described the target market – its trends, growth potential, and strategic opportunities. Finally, if there are comparable competitors on the market, it is necessary to describe our competitive advantage – what makes our product unique. The competitive advantage can be in the form of brand equity, economies of scale, technological development, etc. (Veber, 2012, 100)

2.6 Marketing Plan

A marketing plan is a separate, comprehensive plan from which the business plan draws on the information. The aim of this section of a business plan is to provide an evidence of a

market opportunity and define a strategic position of a company. Marketing plan is considered by potential investors the most important part of the whole business plan, therefore it is recommended to pay special attention to it. (Hisrich, 1996, 117)

Considering marketing literature, a marketing plan is: *“the key output from the overall strategic marketing planning process.”* (Baines, 2003, 157) This process consists of many steps, typically:



Picture 1: Phases of marketing strategic planning process (McDonald, 2012, 60)

However, in a small company it is not necessary go through all phases as many of them are covered in different parts of a business plan. Katz (2014, 400) recommends that a small start-up company should particularly focus on the planning phase of the marketing process, which consists of analysis of current situation and marketing strategy.

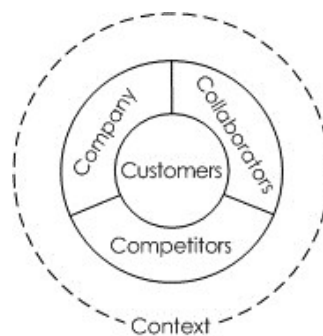
2.6.1 Situational Analysis

The marketing planning process starts with a situational analysis or also called analysis of environment. Using situational analysis, an organizations collects information about their strengths and weaknesses, opportunities and threats. The goal of the situational analysis is to: *“examine the nature of the marketing environment, determine environment-related issues, and provide a context for developing marketing strategies.”* (Baines, 2013, 36)

The situational analysis can be divided into analysis of external environment and analysis of internal environment. Furthermore, external analysis can be broken down into analysis of macro environment and analysis of micro environment. On the one hand, there is the external

environment, which is out of entrepreneur's control. On the other hand, there is the company's internal environment, which an entrepreneur can control. (Bednarčík, 2007, 24) One of the most popular and useful frameworks used for understanding external and internal environment is 5C analysis, which defines five main factors of the environment: company, collaborators, customers, competitors, and context. (Chernev, 2011, 15)

It is necessary to start the analysis by customer analysis as: *“The choice of target customers is fundamental to defining the other aspects of the target market: It determines the scope of the competition, the range of potential collaborators, the core competencies and assets of the company that are necessary to fulfill the needs of target customers, and the specific context factors pertinent to the chosen target market.”* (Chernev, 2011, 16)



Picture 2: The 5-C Framework (Chernev,2011, 16)

Customers

The success of every company depends on ability to satisfy customer's needs and desires. Customer's needs and desires are very diverse and it is not possible to develop a product (or service) that satisfy all customers. In order to allocate company's scarce resources effectively and to develop useful marketing strategy, the target customers must be defined. (Kotler, 2004, 323-378) The best way to do it is through the segmentation process, which is the marketing method by which: *“a mass market is divided into identifiable and distinct groups, or segments, each of which has common characteristics and needs, and displays similar responses to marketing actions.”* (Baines, 2003, 166)

The process of segmentation has got the following steps:

1. The first step is to clearly define and describe a market in which the company is interested. McDonald (2012, 126) recommends to define a market based on geographical criteria.

2. After defining the market, it is necessary to get as much information as possible about customers on this market. The basic tool for gathering information about customers is a questionnaire. (iPodnikatel, 2018)
3. The next step is a segmentation of customers (in the defined market) into similar groups (or segments) based on different criteria. There are, for example, physiographic criteria (quantitative characteristics, qualitative characteristics, and others), behavioural criteria (product attitudes, brand fidelity, usage rate, purchase frequency, user status, and more) or socio-psychological criteria (social class, lifestyle, personality, and others). (Srpová, 2010, 197)
4. Once the segments have been created, they are then evaluated. When evaluating the segment the following questions are asked:
 - Is the segment reachable?
 - Is it large enough?
 - Is it measurable?
 - Is it different enough from other segments? (Bednarčík, 2007, 53-54)
5. Finally, the segments that are the most viable and profitable for the company are chosen and segment profiles are developed. The segment profile is a description of a typical customer on the given segment. Each segment can be named according to the dominant distinguishing characteristics. (McDonald, 2012, 123)

Competitors

Every business has got its competitors and it is important to know their strengths and weaknesses. It is proven that: *“organizations that pay particular attention to their competitors generally perform better than those who do not.”* (Baines, 2003, 135-136)

It is recommended to analyse direct competitors as well as indirect and potential competitors. Direct competitors are those businesses that offer same or similar product (or service) on the target market. Indirect competitors are those businesses that offer substitute. Potential competitors are those companies that do not exist yet on the market but can be a future threat for us. (Srpová, 2011, 22)

When gathering information about competitors, it is recommended to take into account those criteria: range of products, quality of product, technology, sales volumes, prices, distribution channels, advertising, image, goals, strategies, and much more. Furthermore, what should

be take into consideration is not only what competitors do but also what they do not as it can help us to find out our competitive advantage. (Baines, 2003, 136)

The results of the competitive analysis should be demonstrated in a chart or table where chosen factors of our company are compared with factors of the competitors. In such a chart or table we should use numbers from 1 to 4 to evaluate the factors. (Veber, 2012, 100)

Collaborators

“Collaborators are the external stakeholders who team up with the organization in a mutually beneficial partnership.” (Smsstudy.com, 2018) The collaborators of a company are suppliers of raw materials as well as banks, insurance companies, tax consultants, financial consultants, marketing agencies, or lenders. (Koráb, 2007, 68-71) In the analysis of collaborators, it is recommended to focus on their quality of service, prices, delivery time, etc. (Hirsch, 1996, 126)

Climate

The climate, or macro environment, of the company consists of factors, such as, political factors, economic factors, or social factors. Those factors are out of entrepreneur’s control. However, it is important to monitor them and analyse them as they are the source of opportunities and threats. The aim of analysis of macro environment is to examine only those factors that are important for the company.

The macro environment can be analysed by PEST or PESTLE analysis that deal with the following factors:

- **Political factors** – tax policy, labour law, environmental law, trade restrictions, tariffs, political stability, etc.
- **Economic factors** – economic growth, interest rates, exchange rates, inflation rate, etc.
- **Social factors** – the cultural aspects and health consciousness, population growth rate, age distribution, career attitudes, emphasis on safety, etc.
- **Technological factors** – automation, technology incentives, rate of technological change, R&D activity, etc.
- **Legal factors** – discrimination law, consumer law, antitrust law, employment law, health and safety law, etc.

- **Environmental factors** – weather, climate, climate change, etc. (Jakubíková, 2013, 99-101)

Company

The internal environment of a company comprises of all factors within the company's boundaries, including a human resources, physical resources, financial resources, image, brand, culture, etc. Unlike the external environment, a company has control over these factors.

The main idea of the internal analysis is to evaluate company's resources and capabilities in order to find out company's strengths and weaknesses. The evaluation can be done by comparison of company's internal factors with competitor's internal factors. This method is called benchmarking. The evaluation must be realistic and accurate. An important aspect of the process is to look at the company's situation through eyes of both customers and employees. (Bednarčík, 2007, 66-67)

2.6.2 SWOT Analysis

SWOT analysis is one of the most common tool for analysing the environment. Actually, SWOT matrix provide a recapitulation and summary of both internal and external analysis of environment. Its name is derived from the following words: strengths, weaknesses, opportunities and threats. The purpose of the SWOT analysis is not only to sum up all previous analyses, but most importantly it should be used to define goals and strategies of the company. (iPodnikatel, 2018)

According to Jakubíková (2013, 130-131), a company can choose from four strategies, which are based on SWOT analysis:

- SO strategy – maximize strengths to exploit opportunities.
- WO strategy – overcome weaknesses to be able to take advantage from opportunities.
- ST strategy – exploit strengths to overcome potential threat.
- WT strategy – minimize weaknesses to avoid potential threat.

2.6.3 Marketing Mix

Once, the company has clarified its target customers, it is time to decide how the company will motivate the customers to purchase its product. Therefore, another important step in the marketing planning process is to choose appropriate marketing mix.

“Marketing mix is a set of marketing tools that the firm uses to pursue its marketing objectives in the target market.” (Kotler (2004, 105) Basic marketing mix consists of 4 P’s, namely: Product, Price, Place and Promotion. The four P’s are variable elements that the entrepreneur use to influence demand on target market.

In addition to 4 P’s, there are also extended marketing mixes, such , 5 P’s, 6 P’s, 7 P’s, or 8 P’s that include several other elements like People, Packaging, Positioning, or Politics. There is also an alternative 4 C’s that take into account customer point of view. Nevertheless, the marketing mix is most commonly executed through the 4 P’s. (Kotler, 2004, 107)

Product

All products consist of three levels: core product, actual product and augmented product. (Kotler, 384-387) Core product is the dominant benefit or satisfaction that a customer expects from a product. For example, the major benefit of a car is the ability to move. The actual product is the physical product itself that one can touch and use. Here, marketers think about design, a quality level, a brand name and a packaging. Augmented product is again the non-physical part of the product that includes extra features, benefits, or services that make a product better and more attractive. Considering a car, the augmented product could be a warranty. Each level of the product increases its value for the customer. Therefore, all levels must be considered when the product strategy is planning. (Marketingteacher.com, 2018)

In a business plan, a description of product should include all levels of the product - its features, benefits, design, function, etc. (Srprová, 2010, 233) It is not necessary to overload the reader with details and technical specifications that the reader might not understand. However, if the product is an innovation, the detailed description is required. Also, if the company has got a large line of products, it is not necessary to describe each one of them, but it is preferable to describe only general categories and a whole detailed product description include in the attachments. It is also advisable to supplement the product description with a photo documentation, graphics, diagrams or brochures that help a reader to visualize the product. (Abrams, 2007, 34)

Price

Price is one of the most important elements of a marketing mix – it is a profit generator whereas other elements of marketing mix are a cost generators. When setting a price of a product the following factors must be considered:

- company goals;
- pricing strategy goals;
- competition prices;
- variable and fixed costs;
- demand;
- product life cycle;
- legal requirements.

The goal of the pricing strategy may be, for example, maximizing profits. In this case the price is set to bring maximum profit. Or the company choose different goal of pricing strategy and it will focus on survival. Then company set a price based on customer preferences. This is however a short-term strategy. The goal of the company can also be the largest market share. Then the price must be lower than competition price. (Srpová, 2011, 24)

Place

The distribution (or place) is about decision how and where the product will be sold. There are two possible ways (distribution channels) that can be used to pass the goods to the customer: direct and indirect. Every business selects the distribution channels according to the goods it offers but also according to the needs and wishes of customers. The goal of the distribution is to deliver the product in the right way to the place that is the most advantageous for customers at the time they want to have the products available in the quantity they require. (Kotler, 2004, 603)

Promotion

The last part of a marketing mix is a promotion. The promotion is usually defined as a form of communication between customer and seller. According to DRIP model, there are four tasks of promotion:

- To differentiate (brand or organization)
- To reinforce (brand memories and expectations)
- To inform (to make aware and educate customers)
- To persuade (customers to buy a product) (Baines, 2003, 279)

In order to achieve the goals of promotion, the company can use some of the following tools known as a promotional mix:

- **Advertising** – mass media, outdoor advertising (billboards, posters), leaflets, guerrilla marketing, etc.
- **Sales promotion** – bonuses, coupons, bonuses, loyalty programs, etc.
- **Public relations** – charitable donations, sponsorship, lobbying, press conferences, articles in magazines, etc.
- **Personal selling** – acquiring future customers through personal dialogue
- **Direct marketing** – mail, email, telephone, fax, etc.
- **Interactive/internet marketing** – social media, banner advertising, pop-up advertising, etc. (Jakubíková, 2013, 300-326)

2.7 Production Plan

This part of a business plan provides information about the entire production process. If the production will be provided by subcontractors, they must be mentioned here. If the production will be provided by the company itself, there must be mentioned information about required the equipment and materials, suppliers of materials, track of inventory, quality control, personnel, etc. If the company needs more employees, we should mention the organizational structure and specify the employee's business policy – what kind of people is needed, what qualifications and experiences they should possess, how they will be found on a job market, and how they will be rewarded. Ideally, a job descriptions should be included in the attachments. (Koráb, 2007, 77)

According to Abrams (2014, 189-217), a retail shop should answer, for example, those questions:

What kind of equipment is needed and how much it costs?

Who will be our suppliers?

How will our inventory control system works?

How big storage space will be needed?

How production process will be working?

How long it takes to produce a unit?

How you will deal with potential problems such as rush hours?

What quality standards and legal regulations is required to follow?

2.8 Risk Plan

All businesses take risks. There are potential risk of new competitors, new legal regulations, low revenues, higher prices of materials, etc. An entrepreneur should describe the biggest

risks and develop a strategies to eliminate them. (Koráb, 2007, 38) Broadly, there are 4 strategies to eliminate a risk:

- **Transference or sharing** – insurance, hedging, forfaiting, factoring, leasing, etc.
- **Acceptance** - to be aware that the risk exists, and prepare for situations where the risk can occur.
- **Reduction** – to measure and miligate the plan to reduce risk.
- **Avoidance** – to avoid situation that involve risk. (Smejkal, 2010, 130)

2.9 Financial Plan

A financial plan transforms the previous parts of a business plan into numerical form. In other words, it demonstrates the feasibility of a business plan from a financial point of view. There are several outcomes of the financial plan. The most important ones are the opening balance sheet, income statement, and cash flow statement. It is recommended to supplement the individual outputs with appropriate comment/analysis. (Veber, 2012, 104)

2.9.1 Balance Sheet

The balance sheet presents company's assets and liabilities. The assets include, for example, cash, accounts receivable, inventory, and equipment. The liabilities include, for example, accounts payable, wages and salaries, taxes, rent and utilities, and loan balances. As the name of the statement indicates, the assets must be in balance with liabilities. (Abrams, 2010, 309-310)

2.9.2 Income Statement

The income statement summarizes the company's revenues, expenses, and profits for a particular period of time. Revenues are company's sales and other sources of income that can be influenced by seasonality or periodical events such as holidays or cultural events. Expenses can be divided into fixed and variable. Fixed expenses are those which does not change, for example, a rent of the building. Variable expenses are those which depend on the size of a production or sales, for example, a material for production of a product. (Koráb, 2007, 132) For a start-up company, it is recommended to forecast revenues and expenses for every month of the first year. (Abrams, 2010, 291)

2.9.3 Cash Flow Statement

The cash flow statement shows incomings and outcomings of cash during a certain period of time. The cash flow statement of a company can be broken down to:

- **Operating cash flow** – cash activities related to net income.
- **Investing cash flow** – cash activities related to noncurrent assets (long-term investments; property, plant, and equipment; and the principal amount of loans made to other entities).
- **Financing cash flow** – cash activities related to noncurrent liabilities and owners' equity. (Synek, 2015, 281-283)

3 LEGAL FORMS OF BUSINESS

Before starting a business, it is important to choose a legal form of a company. It is an important decision with long-term economic, legal and tax consequences. It is not an irreversible decision and during the existence of the company the legal form of business can be changed. However, such a change can be complicated and it is better to avoid it. (Veber, 2012, 69)

There are certain criteria, which help the start-up entrepreneur to choose a right legal form. According to Veber (2012, 70), the main criteria are, for example:

- number of founders;
- difficulty of establishing of the company (initial expenses, administrative difficulties);
- tax burden;
- member's liability for the company's obligations (business risk);
- rights and duties of management (possibility of external representation, participation in a decision-making process);
- participation in profit;
- credibility of the company (financial opportunities);
- obligation of disclosure of information.

3.1 Sole Proprietorship

The sole proprietorship is a type of business that is owned by only one physical person, who is unlimitedly responsible for all company's debts and is entitled to all profits of the business. Unlike other forms of business, a sole proprietorship has no separate existence from its owner.

A person, wishing to start a business as a sole trader, must obtain a trade licence issued by the Trade Licensing Office. A person must meet general and special conditions required by Trade Licencing Act. The general conditions include legal capacity and absence of criminal records. The special conditions include education, practical training or other form of professional certification.

According to different conditions for obtaining a licence, the trades are divided into two categories – declared trades and licensed trades. Firstly, there are declared trades, which can only be notified to the Trade Licensing Office. These are further divided into free trades,

craft trades and regulated trades. Secondly, there are licensed trades for which a state licence (a concession) is required. (Srpová, 2010, 67),

The advantage of this type of business is a low financial costs for establishing a company and simple registration. Also, the interruption or termination of the activity is very simple. Other benefits of this business form include simplified accounting and the possibility of applying lump sums.

The disadvantage of this business form is that the entrepreneur is liable for all debts of the company by his personal property. Moreover, this type of business is taken by potential investors and partners as a low credible one. Accordingly, there is difficulty to obtain a foreign financial resources. The disadvantage is also a limited lifetime period. (Veber, 2012, 71)

3.2 Business Corporations

Compared to sole proprietorship, a business corporations are forms of business that have separate legal existence from its owners. A Business Corporation Act divides business corporations into:

1. Commercial companies
 - Partnerships
 - General commercial partnership
 - Limited partnership
 - Capital companies
 - Limited liability company
 - Joint-stock company
 - European company
 - European economic interest grouping
2. Cooperatives
 - Cooperative
 - European cooperative society (Srpová, 2010, 77)

In this bachelor thesis, the attention will be paid to partnerships and capital companies.

3.2.1 General Commercial Partnership

A general commercial partnership is established by at least two persons (natural or legal), who are jointly and severally liable for company's debts with all their property. The company may be established for the purpose of carrying on a business activity or for the purpose of

managing of personal property. The initial deposits of shareholders may be of a monetary or non-monetary nature, but they are not required by law at all. If the member is a legal person, his rights and duties must be exercised only by its agent, who may be only a natural person. (Act no. 90/2012 Coll., §95-§117)

Advantages are:

- relatively easy registration;
- low initial deposit;
- the credibility of investors in this legal form;
- possibility of adaptation of rules and duties in a partnership agreement (partners can regulate investment contributions, the decision-making process, profit distributions, etc.).

Disadvantages are:

- a personal liability of all members for the company's debts;
- dual income taxation (company profit and dividends of shareholders are taxed individually). (Veber, 2012, 78)

3.2.2 Limited Partnership

A limited partnership is a type business entity, which can be established by at least two partners. At least one of the partners is liable for the company's debt with entire property (general partner) and at least one of the partners is liable for company's debts up to the amount of the unpaid parts of all initial deposits (limited partners). A company may be established for the purpose of carrying on a business activity or for the purpose of managing of personal property. The limited partner must contribute an initial deposit, which may be of a monetary or non-monetary nature and its minimal amount is not set by law. (Act no. 90/2012 Coll., §118-§131)

Advantages are:

- limited liability of some partners;
- credibility of investors in this legal form,
- possibility of adaptation of rules and duties in a partnership agreement (partners can regulate investment contributions, the decision-making process, profit distributions, etc.).

Disadvantages are:

- the statutory body is represented only by general partners,
- unlimited liability of some partners;

- possibility of conflicts between limited partners and general partners, as they are involved in different level of risk;
- dual income taxation (company profit and dividends of shareholders are taxed individually). (Veber, 2012, 73)

3.2.3 Limited Liability Company

A limited liability company is a type of business entity which can be established by only one person (natural or legal). All members (from 1 to 50) are liable for the company's debts up to their unpaid investment contributions. The minimum amount of an initial deposit is 1 CZK. It may be of monetary or non-monetary nature. This is the most popular legal form in the Czech Republic. (Act no. 90/2012 Coll., §132-§242)

Advantages are:

- easy registration process;
- low initial deposit;
- limited liability of all members;
- possibility of adaptation of rules and duties in a partnership agreement (partners can regulate investment contributions, the decision-making process, profit distributions, etc.).

Disadvantage is:

- dual income taxation (company profit and dividends of shareholders are taxed individually). (Veber, 2012, 74)

3.2.4 Joint Stock Company

A joint stock company is a type of business entity in which a registered capital is divided into a certain number of shares with a specific nominal value. The company can be established by one and more persons (natural or legal), which are not liable for company's debts. The initial deposit is required and it must be at least 2 000 000 CZK or 80 000 EUR. (Act no. 90/2012 Coll., §243-§551)

Advantages are:

- easy ownership changes;
- limited liability of all members.

Disadvantages are:

- high initial deposit;
- complicated registration process;

- state control (it is not possible to modify rights and duties of members easily);
- the obligation of disclosure of many information;
- dual income taxation (company profit, dividend of shareholders). (Veber, 2012, 75)

II. ANALYSIS

4 TITLE PAGE



Picture 3: Logo (own creation)

A business plan for a vegetarian bistro

Fresh Bowls s.r.o.

Scope of business:	Innkeeper's trade
Legal form:	Limited liability company
Residence of the company:	Náměstí Práce 2523, 760 01 Zlín
Created by:	Aneta Fialová
Contact on founder:	Podlesí 4950, 760 05 Zlín Mobile: 777 111 222, E-mail: aneta.fialova@gmail.com
Mission statement:	Our mission is to prepare a quick, and tasty meals, which contribute to the health of the customers as well as health of the planet.
Slogan:	Eat better, feel better.
Initial deposit:	100 000 CZK
Required loan:	1 400 000 CZK

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5 TABLE OF CONTENT

- Executive summary
- General Company Description
 - Mission statement
 - Vision statement
 - SWOT
 - Legal status
 - Ownership
 - Location
 - Goals
 - Strategies
- Market opportunity
- Market analysis
 - Analysis of customers
 - Analysis of competitors
 - Analysis of collaborators
 - Analysis of climate
 - Analysis of company
- Marketing Mix
 - Product
 - Price
 - Distribution
 - Promotion
- Operation plan
 - Opening hours
 - Preparation process
 - Interior and equipment
 - Personnel
- Financial plan
 - Initial costs
 - Operating costs
 - Expected revenue
 - Initial balance sheet
 - Income statement
- Risk plan

6 EXECUTIVE SUMMARY

This document provides information about a new start-up company located in Zlín in the Czech Republic. The company name should be Fresh Bowls and the legal form should be the limited liability company.

Fresh Bowls s.r.o. will be a small casual eating establishment, which will follow a concept of bistronomy: high-quality and affordable meals setting in a friendly and familiar atmosphere. Fresh Bowls intends to provide a modern menu based on fresh and local ingredients to vegetarians and those who are interested in healthy eating. The whole idea of a project is based on the current food trends like vegetarianism, healthy food and sustainability.

The long-term goal of the company is to generate a profit as well as to raise awareness about vegetarianism and healthy lifestyle. The strategy of company is to provide customers with wide range of healthy food like salads, vegetable soups, desserts and drinks in a convenient and fast manner. Inspiring by trends of budha bowls and poke bowls, all meals will be served in bowls, which will differentiate the bistro from other restaurants.

To motivate customers to buy products of a company, different tools of promotional mix will be used, such as, leaflets, discount coupons, loyalty cards, accounts on social media and attractive product packages.

Based on market analysis, included in this business plan, the company is aware of its strengths and weaknesses. The strengths of the company are excellent location in the city centre, modern atmosphere and good knowledge of competitors. The main disadvantages are inexperience of founder with management, no reputation of a company, and a low capital.

To start a business, it is necessary to obtain a foreign sources of financing. The amount of money required is 1 500 000 CZK. The loan could be provided by Komerční banka, which offer a product for a start-up entrepreneurs with an annual interest rate of 5,9%. With such a debt, it is realistic to assume that a company will generate a profit 38 634 CZK after the first year of operations.

7 GENERAL COMPANY DESCRIPTION

7.1.1 Mission Statement

A mission of the company is to prepare a quick and tasty vegetarian meals, which contribute to the health of the customers as well as health of the planet.

7.1.2 Vision Statement

A vision of the company is to become a prosperous company with thousands of satisfied customers. This will be accomplished by quick, tasty, nutritious meals prepared from high-quality ingredients by qualified and trained personnel.

7.1.3 SWOT

Strengths	Weaknesses
Excellent location	Inexperience of founder
Competition knowledge	No reputation
Modern atmosphere	No capital (seeking investors)
Healthy product	
Opportunities	Threats
Growing interest in vegetarianism	Competitors who offer similar product
Growing interest in healthy lifestyle	Economic decline
Potencial for grow via modern technology	Rising costs of ingredients
Participation in cultural events in Zlín	New legal amendments
Develop a franchise	Lack of customers

Table 1: SWOT matrix (own creation)

7.1.4 Legal Form

The restaurant will be established as limited liability company (in Czech společnost s ručením omezeným). This legal form have been choosen, because of several reasons. Firstly, there is not required high initial deposit. Secondly, there is no personal liability of members for company's debts. Thirdly, it is possible to delegate rights and duties to another partner in case the company will be growing.

7.1.5 Ownership

The only owner and founder of Fresh Bowls s.r.o. will be Aneta Fialová, who will be responsible for the most important aspects of the business, such as, negotiating with third parties, representing the company, recruiting, and marketing activities. The founder has a long-term passion for a vegetarian gastronomy, and she decided to establish her own bistro to inspire others to vegetarian eating.

7.1.6 Location

A company would like to be situated in a department store Prior, which is situated in the city centre of Zlín. Currently, there are available small premises of 58,2 m², which could be suitable for our bistro. This place was selected because of strategic reasons. This is one of the busiest places in the city, where the thousands of people are concentrated every day. Another reason is that the department store is currently in a reconstruction and completely new premises are designed for restaurants and cafés. As the web page Obchodnidumzlin.cz (2018) states, the first floor of the department store will offer: “*wide range of gastronomy in a healthy lifestyle*”. This is without doubt a perfect opportunity for Fresh Bowls, because there will be a chance to get those premises.

7.1.7 Goals

The company set up long-term as short-term goals. The short-term goals will be specified during the first month of company's operations.

Long-term goals: Become a prosperous company.

Raise awareness about vegetarian lifestyle.

Hire people who are vegetarians, friendly and enthusiastic.

Keep good relationships with suppliers.

1st year: Generate a profit at least 10 000 CZK.

Buy a kiosk.

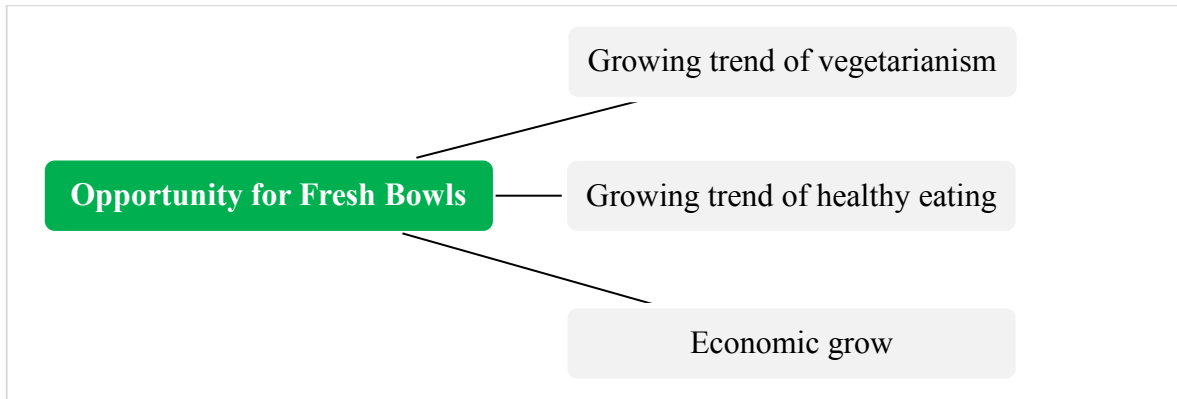
2nd year: Increase net profit by 10%.

7.1.8 Strategy

Based on SWOT analysis it was decided that a dominant strategy of Fresh Bowls will be WO strategy, which minimize the weaknesses to maximize the opportunities. In order to minimize the weaknesses, the following steps must be follow:

- To visit owners of restaurants to get new information about running a business before starting a project.
- To initiate promotion through leaflets and social networks in order to develop a brand awareness.
- To use the opportunity of crowdfunding websites like Startovač to raise funds.

8 DESCRIPTION OF MARKET OPPORTUNITY



Picture 4: Market opportunity (own creation)

1. Growing trend of vegetarianism

In recent years, a growing trend toward vegetarianism has arisen among people all around the world. Although, there are no official statistics from last years, we can see a rising demand for vegetarian products. As evidence we can use the chart from Google trends which show high increase in searching a word vegan¹.



Picture 5: Increase in searching the world vegan (Trends.google.com, 2018)

2. Growing trend of a healthy lifestyle

On the one hand, there is a growing trend of vegetarianism, on the other hand, the estimated number of vegetarians is only about 4% (ČSVV.cz, 2018). If Fresh Bowls were only oriented only to vegetarians, there would not be enough customers and the company would not be profitable. Nevertheless, our survey confirmed the fact that vegetarian restaurants are mostly visited by people who eat meat. The first chart below shows that respondents in our survey were by 99% meat-eaters. However, as the second chart shows, more than 50% of respondents are visiting vegetarian restaurants. The last chart shows that 68% of respondents

¹ vegan diet is one of number of vegetarian diets

are more or less interested in a healthy lifestyle. Accordingly, we can conclude that demand for vegetarian products is caused mainly by interest in a healthy lifestyle.

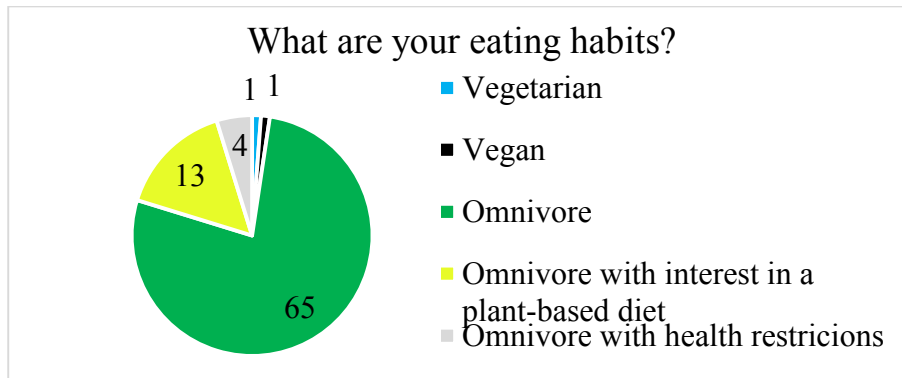


Chart 1: Market opportunity – eating habits (own creation)

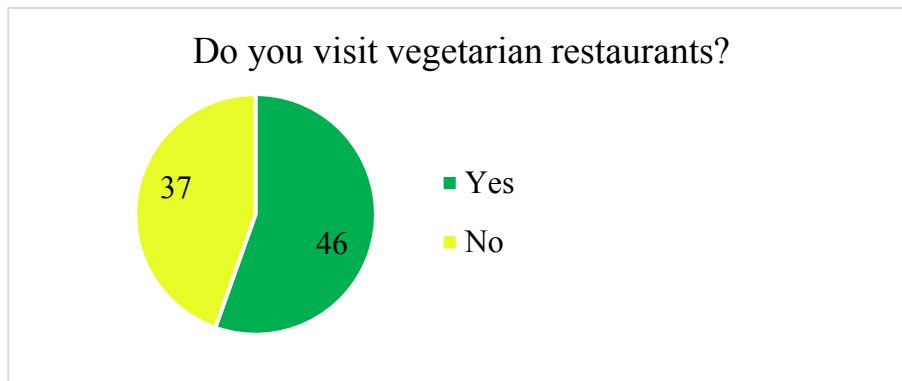


Chart 2: Market opportunity – visit of vegetarian restaurants (own creation)

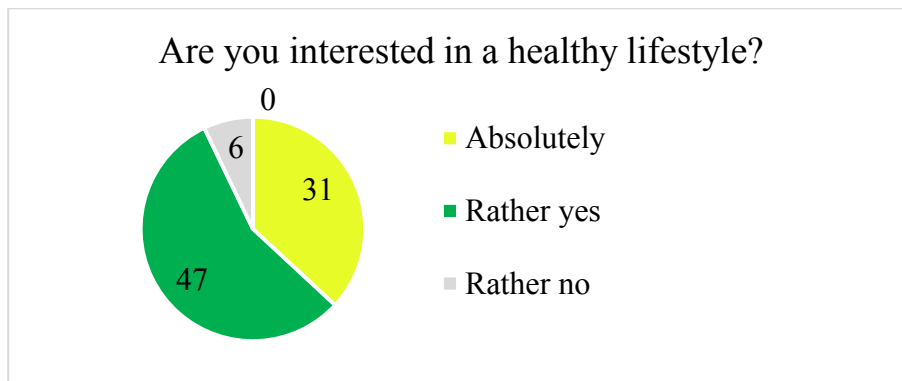


Chart 3: Market opportunity – interest in a healthy lifestyle (own creation)

3. Economic grow

The industry of healthy food is driven by higher disposable income and greater confidence in economy. With this in mind, we analysed economic situation in the Czech Republic, and fortunately for us the data has shown that Czech economic is growing and the trend is predicted to continue. For details about Czech economy see a PEST Analysis in the next section.

9 MARKET ANALYSIS

9.1 Analysis of Customers

9.1.1 Target Market Definition

Bistro Fresh Bowls will be located in a city Zlín in the Czech Republic. Zlín is a statutory city, university seat and business centre. It has got 191 725 inhabitants and it is a seat of 290 companies and institutions. Regularly, there take place supranational cultural and sport events, such as, Barum Czech Rally Zlín, or Zlín Film Festival, which attract thousands of visitors. According to statistics Zlín is growing city, and it is supposed to be a perfect place to start a new business. (Zlin.eu, 2018)

9.1.2 Segmentation

Age and gender will play a role in target customer definition. The charts below show demographic data in Zlín based on survey performed in 2016. (Czso.cz, 2018) According to the survey more woman (51%) than man (49%) live in Zlín, and there live people in different age. The most numerous segment is made of people in the age range 40 - 49.

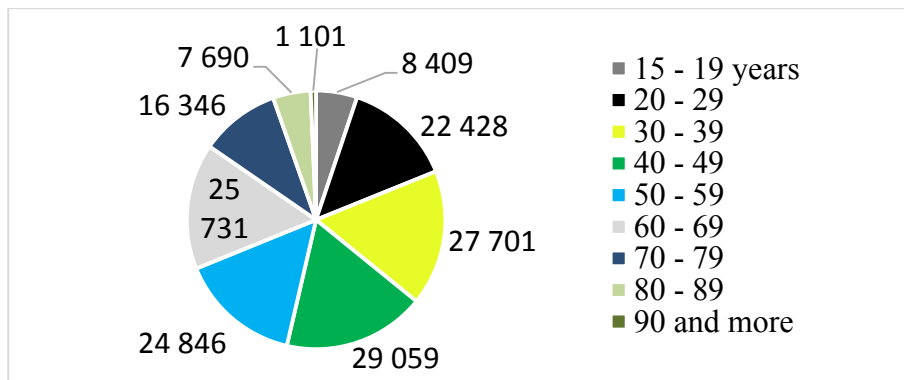


Chart 4: Age of inhabitants of Zlín (own creation)

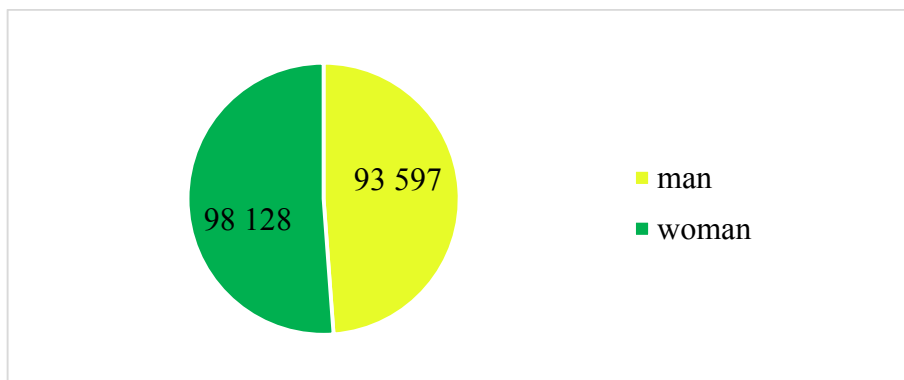


Chart 5: Gender of inhabitants of Zlín (own creation)

9.1.3 Questionnaire

A questionnaire is the most important tool for analysis of customers. Therefore, the author of this work created a structured questionnaire focusing on the requirements, preferences and behaviour of potential customers. The questionnaire was created in a Google Form and it was distributed through social network Facebook among author's friends, students of Tomas Bata University, and other inhabitants of Zlín. The questionnaire consisted of 13 closed questions and it was anonymous. It was completed by 83 respondents in total. For the results of the questionnaire see the appendix P II.

9.1.4 Target Customers

The results of the questionnaire have shown that the target customers will be young girls in the age range 20 - 30. This segment has shown the biggest interest in healthy lifestyle and in plant-based diet. Moreover, this segment is interested in visiting of vegetarian restaurant more than other segments. That is why our company will focus on this group in the first place. However, the questionnaire has also revealed that young girls visit a restaurants or fast foods very rarely. They rather prepare a meal at home or they visit school canteens. For this reason, we will focus on more segments. Another segment, we will target, are young men in the age range 20 - 30. Even though they are not very interested in vegetarian restaurants, they are also interested in healthy lifestyle and they are quite often searching for a quick snack on the way.

9.2 Analysis of Competitors

During writing of this business plan, the potential competitors of the company were analysed. The survey was conducted by observing and testing the products of the competitors.

In the first part of this analysis, there are described direct competitors. Direct competitors are restaurants situated in Zlín providing vegetarian or healthy gastronomy. Those restaurants represent an alternative to Fresh Bowls. The analysis has shown that there are only two vegetarian restaurants in Zlín, one restaurant that is vegetarian friendly and four restaurants focus on healthy gastronomy.

In the second part of this analysis, there are described indirect competitors. Indirect competitors are restaurants in the close environment of the potential premises that should be the biggest threat for Fresh Bowls.

9.2.1 Direct Competitors

Prašád

Opening hours:	Monday–Friday (10:30–16:00) Saturday (11:00–14:30) Sunday (closed)
Location:	Vavrečkova 5262, Zlín 760 01
Description:	Prašád was the first vegetarian restaurant in Zlín. It is a self-service restaurant. It means that food is served in a public area and customers with plates serve themselves. Price of main dish is based on quantity (50 CZK for 160 grams). The menu usually consists of 2 soups, 3 main dishes, 2-3 salads, 2 desserts, 3 fresh juices, and 3 smoothies. The weekly menu is regularly updated.
Strengths:	Delivery service, catering, location, relaxed atmosphere, web page, takeaway, and sales after 15:00.
Weaknesses:	Not always healthy food (fried robi).

Pranaya

Opening hours:	Monday–Friday (10:30–14:30) Saturday–Saturday (closed)
Location:	Bartošova 40/3, Zlín 760 01
Description:	Pranaya is another vegetarian restaurant situated in the city centre. As Prašád, it is a quick service restaurant. Price for the main dish is 25,90 CZK for 100 grams. The restaurant offers a pleasant and bright interior with 46 seats. The menu usually consists of 1-2 soups, 2 main dishes, salads, and homemade desserts. Drink section offers fresh juices, smoothies, non-alcoholic beer, coffee, hot chocolate, and tea. The weekly menu is regularly updated.
Strengths:	Location, relaxed atmosphere, sitting area, web page, and takeaway.
Weaknesses:	Opening hours, not always offer healthy food (dumplings).

Zralé Bistro

Opening hours:	Monday–Thursday (7:30–16:00) Friday (7:00–15:00) Saturday–Sunday (closed)
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Location:	Kvítková 540, 763 14 Zlín
Description:	Zralé bistro is a small restaurant focusing on healthy vegetarian meals. Menu consists usually from vegetarian and vegan options, but sometimes they serve also meat. Bistro is very small (about 15 seats). They offer healthy breakfasts, lunches (2 options everyday plus soup for free), vegetarian wraps, healthy desserts, and healthy drinks.
Strengths:	Affordable prices, tasty meals, nice waiting staff, outside seating in summer, delivery service, take away.
Weaknesses:	Small eating area, out of centre, not accept a card payment.

FitFoodie

Opening hours:	Monday–Thursday (10:00–21:00) Friday (10:00–23:00) Saturday (11:00–23:00) Sunday (11:00–17:00)
Location:	Vavrečkova 7074, Zlín 76001
Description:	A restaurant offers a modern and healthy gastronomy. The restaurant has also a lot of vegetarian meals on the menu. The menu consist of basic menu and lunch menu. The lunch menu is always made up of two main dishes (one is always vegetarian), free soup, and weekly specialties. The basic menu offers starters, soups, salads, meat and fish dishes, light snacks, snacks for children, specialties, and healthy drinks. The price of salads are from 189 CZK. The restaurant offers fit sweets and gluten-free cakes.
Strengths:	Modern interior, location, nice and professional waiting staff, fit cake shop, professional web page, quality food.
Weaknesses:	High prices (but for food of excellent quality).

Jogurtovna

Opening hours:	Monday–Friday (8:30–20:00) Saturday–Sunday (9:30–20:00)
Location:	Náměstí Míru 64, 760 01 Zlín
Description:	The restaurant offers healthy food and drinks. Menu consists of healthy breakfasts, snacks and lunches. The speciality of the company

is a frozen yoghurt, which the customer can serve by oneself to a cup. The price of yogurt is based on the weight. Another interesting thing is a salad bar, where the buyer can choose ingredients for the salad.

Strengths: Location, children corner, actions for children, modern interior, healthy food.

Weaknesses: High prices, long waiting time.

Polévkárna

Opening hours: Monday–Friday (9:30–16:30)

Saturday–Sunday (closed)

Location: Třída Tomáše Bati 199, 760 01 Zlín

Description: Polévkárna is a small restaurant located in the centre of Zlín. They offer a large selection of soups (46 CZK for 0,45l), salads (89 CZK for 350g) with dressing (5 CZK), meat or fish (24 -30 CZK), or baked vegetable (50 CZK for 200g).

Strengths: Location, professional waiting staff, healthy food, delivery service (through Dáme jídlo).

Weaknesses: High prices, not accept a card payment.

UGO salaterie

Opening hours: Monday–Sunday (9:00–21:00)

Location: Náměstí Míru 174, 76001 Zlín

Description: Ugo salaterie is located in the shopping centre Golden Apple. The concept is known for its fresh juices and smoothies. From April 2018, they are moved to bigger premises and they offer also salads, soups, healthy breakfast and healthy snacks. There are also vegetarian items on the menu. Ugo is a very successful concept that expands rapidly throughout the country.

Strengths: Location, healthy food, promotion (loyalty programs, detox packages, web page).

Weaknesses: Small portions for high prices.

9.2.2 Indirect Competitors

There are many eating establishments located in the surrounds of a department store Prior. However, only few of them provides healthy or vegetarian meals. Based on my research there are two main competitors in this area. The first one is a fast food Barty's food, because it offers similar products and services as our potential company. The second competitor is a restaurant Makalu, because it offers vegetarian meals for affordable prices.

Potential competitors in this area will be also new restaurants situated in a department store. Nevertheless, we have not got enough information about those competitors so we can just expect that they will offer healthy meals. Probably, they will be a big threat for us.

Barty's food

Opening hours:	Monday–Friday (07:00–23:00) Saturday–Sunday (10:00–23:00)
Location:	Náměstí Práce 1099/1, 760 01 Zlín
Description:	Barty's food is a fast food (or bageterie) that specializes on burgers and bagettes. They offer breakfasts, stuffed baguettes, home burgers, fresh salads, creamy vegetable soups, Italian coffee, non-alcoholic drinks, desserts, and ice-cream. Besides a basic menu, there is an opportunity to create own product based on the individual taste. They provide also vegetarian and vegan options. Products are made from fresh ingredients. Barty's food is established company that is popular among students. It will be the main competitor of Fresh Bowls.
Strengths:	Delivery service, catering, location, well known company among students, royalty cards, accept card payment.
Weaknesses:	High prices.

Makalu

Opening hours:	Monday–Friday (12:00–22:30) Saturday–Sunday (12:00–23:00)
Location:	Náměstí Práce 1099/1, 760 01 Zlín
Description:	Makalu is Indian restaurant that offers classics and specialities of Indian and Nepalese cuisine. They provide basic menu and lunch menu. The basic menu offers a huge selection of different dishes, including both meat dishes and vegetarian choices. From Monday to

Friday they provide lunch menu which consists of three meals and soup. There are always two meals with meat and one meal which is vegetarian. Also, there is always an option to have a mix of all three meals on one plate. The prices of lunch meals are from 95 CZK. The soups are for 16 CZK. Lunch menu is served from Monday to Friday from 11 to 15 o'clock.

Strengths: Reasonable prices (95 CZK for lunch menu), comfortable interior, interesting menu, nice waiting staff.

Weaknesses: No takeaway or delivery service.

9.3 Analysis of Collaborators

The aim of the bistro is to offer fresh and high-quality products. Thus, the right choice of suppliers of raw material is crucial part of operation plan. We expect that our suppliers deliver the goods on time, at proclaimed quality and quantity to the desired location. Below is a table of our potential suppliers we have found on the internet. Those suppliers which will offer the best prices will be chosen for long-term partners.

Potencial suppliers of food	
Company	Products
Fruwe	frozen fruit and vegetable
Dione	frozen fruit and vegetable
Makro	wide range of food
Tekoo	fresh local fruit and vegetable
Čerozfrucht	fresh local fruit and vegetable
Potencial suppliers of organic coffee	
Power coffee	organic coffee
Tchibo	organic coffee, coffee machine for loyal partners
Double shot	organic coffee
Potencial suppliers of gastro equipment	
Gastromania	customized kitchen equipment
Gastro Novotný	kitchen equipment
Frigomat	ice cream machines
Projuice	blenders, ice cream machines
Bemeta design	stainless facilities for kitchen
Lino design	design furniture for restaurants
Storyous	cash registers and their systems
Eko-plasty	ecological packaging material

Table 2: Potential collaborators (own creation)

9.4 PEST Analysis

9.4.1 Political Factors

In the Czech Republic, the entrepreneur who wants to start a restaurant business must follow several legal acts:

- Income Tax Act;
- Business Corporation Act;
- Civil Code;
- Trade Licensing Act;
- Decree no. 137/2004 Coll., about hygiene requirements for food services and hygiene principles and operational activities of the epidemiological importance;
- Regulation of the European Community (EC) no. 852/2004, about the hygiene of foodstuffs.

Business Corporation Act

According to Business Corporation Act, to set up a limited liability company, the following steps must be taken:

1. To create a deed of foundation in form of a notarial deed.
2. To pay an initial deposit (at least 1 CZK).
3. To submit a trade registration at the Trade Licencing Register.
4. To submit an application for entry to the Commercial Register.
5. To register a company at the Financial Office.

Trade Licensing Act

According to the Trade Licensing Act, it is necessary to obtain a trade license for carrying on innkeeper's trade. A person requesting a trade licence must meet the following requirements:

- minimum age of 18 years;
- legal capacity;
- unimpeachable character (absence of a criminal record);
- professional qualification, including practical training.

If a person has not got a professional qualification (or practical training) in the field, it is possible to operate a business via a responsible representative who fulfills the special conditions.

Tax legislative

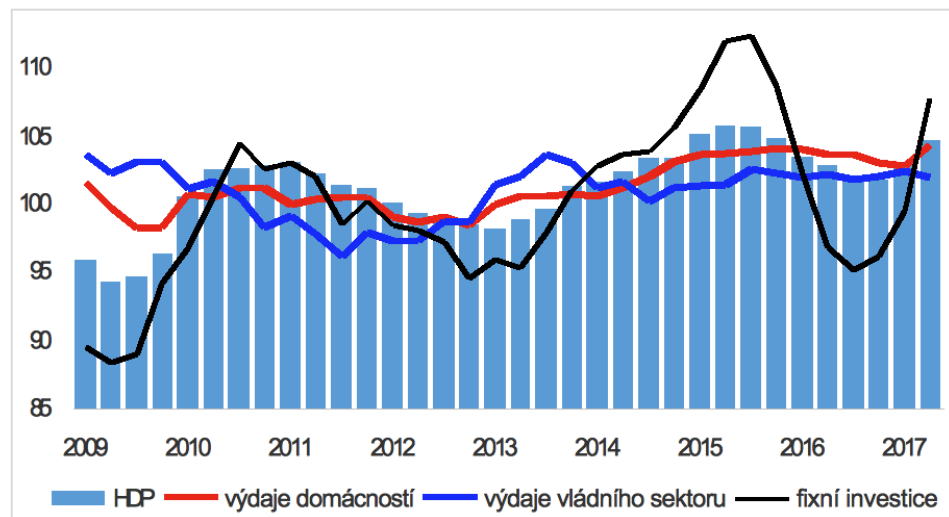
The legal person is obligated to pay 19% income tax rate. Moreover, in case the profit is paid on dividends than 15% withholding tax is also applied. Additionally, employer's social taxes (25%) and health taxes (9%) must be paid.

Hygiene requirements

Restaurants and other eateries can only be provided in an establishment meeting hygienic requirements. In order to meet hygiene requirements, the analysis and control system called HACCP (Hazard Analysis and Critical Control Points) is required to implement in every eating establishment.

9.4.2 Economic Factors

The main economic factors influencing the activities of the restaurant can be considered GDP rate, unemployment or inflation. Fortunately, all those macroeconomic factors are developing in a positive trend in the Czech Republic. In 2017, GDP growth was 4,5 %, which was the highest growth since 2007. There are two reasons why the Czech economy is successful. First of all, an export from the Czech Republic is growing. The companies are successful and they invest more and more into the production. Secondly, the companies, due to the shortage of workers, have to raise wages to keep people, so as wages are constantly growing the households can spend more money.



Picture 6: GDP in the Czech Republic (source: Socr.cz, 2018)

The financial analytics expect that positive economic situation will continue also in the following years 2018 and 2019. The main driver of economics will be still household consumption that will be supported by income growth, by a decline in the rate of savings, by

a reduction in the tax burden on families with children, and by an increase in social security spending. (Mfcr.cz, 2018)

9.4.3 Social Factors

The social factor that interests us is eating habits of Czech people. Unfortunately for us, the Czech cuisine is considered meat-based and far from healthy nutrition. Czechs like large portions, hearty soups and sweetened drinks. The most popular dishes are goulash, marinated sirloin, schnitzel or baked mincemeat. (iDnes.cz, 2018)

However, the latest international food survey (Endenred.cz, 2018) has shown that Czechs are slowly but surely starting to eat healthier. The survey has shown some positive information for us:

- The second most important decision criterion for buying a lunch is a preparation time (after a taste).
- The price is not important decision criterion for buying a lunch.
- There is an increase in interest of nutritional value of lunch.
- 66% of Czechs eat in restaurants and fast foods during a lunch time, which is the high number of people compared to other European countries.

9.4.4 Technological Factors

There are three key components that improve the satisfaction of guests: human factor, quality raw materials and kitchen equipment. Modern gadgets or cooking devices can ease the production process and save the money, which can result in increase of profit. Therefore, it is necessary to know the possibilities of modern technology.

Today, the hit number one in gastronomy is so called convection oven which is based on circulation of the hot air over and around the food. The advantages of this technology are time saving and minimal nutritional loss of meals. However, the benefits of this technology are reflected in a price that is around 100 000 CZK.

Except kitchen equipment, another important factor influencing restaurant business is a network technology. Website, delivery applications, POS system, or wireless internet at the restaurant are the newest trends of this century that strongly influence customer satisfaction. Especially young customers want restaurant technology that is convenient, innovative, and helpful. (Storyous.cz, 2018)

9.5 Analysis of Company

9.5.1 Strengths

Excellent location

The company will be located in a department store in a city centre which is one of the most frequented places in the city. In the surrounding area of the premises, there are many potential customers from neighbouring offices and from Thomas Bata University as well as other schools.

Knowledge of competition

The company identified its potential competitors. We know their products and, in most cases, prices and accompanying services. The founder of the company often visit some of the competing businesses, so she is aware of strengths and weaknesses of the competitors.

Modern atmosphere

Based on marketing research our target group will be young people, who are usually interested in relaxed restaurants with modern atmosphere. Modern interior and photogenic dishes should attract customers at the beginning. Sooner or later the company will introduce an attractive modern technology – self-ordering kiosk.

Healthy product

The company will offer fresh and high-quality products, which are also very healthy. Our products will be suitable for people with different kind of eating habits – vegetarians and vegans, people on diet, people with health restrictions, but also for everyone who want to eat healthy.

9.5.2 Weaknesses

Limited funds

To set up a company a minimum investment of 1 400 000 CZK will be needed. It can be very risky to start a business with a big debt without certainty that the business will be profitable.

No experience

The founder has no experience with running a business. The lack of experience can lead to fundamental mistakes in the company's operations.

No reputation

The company has no history so far and customers have no knowledge of it. This will certainly lead to the high initial promotional costs to attract customers.

10 MARKETING MIX

10.1 Product

The main concept of the company is to offer customers a healthier option of fast food. The menu will consist of dishes that are easy to prepare and are delivered within 3 minutes.

There will be an emphasis on the fact that the food contains a minimum of fat, sugar, and salt. Instead of unhealthy oils and a big amount of salt used in a typical fast food, we will use just basic herbs and olive oil to make our dishes tasty. In the case of sweet dishes, white sugar will be replaced with cane sugar or various natural syrups. All beverages will be free of artificial flavours and preservatives.

Our basic menu will consist of salads, soups, healthy vegetarian snacks, and drinks. Every day we will offer a different lunch menu, which will include four pre-designed salads and two soups. For details about products see a table below.

Lunch	
Superfood salads	premium salads with quinoa, kale, avocado, sweet potatoes, nuts or pomegranate
Classic salads	Greek salad, Caesar salad, lentil salad, chickpeas salad or pasta salad
Soups	vegetable soups (pumpkin soup, peas soup, mushroom soup, minestrone soup)
Quick snack	
Ice cream bowl	soft serve frozen dessert with additional granola, fruits or topping
Smoothie bowl	thick smoothie made of frozen fruit with granola, fruits or topping
Fruit bowl	mix of seasonal fruits (chopped) with seeds
Chia bowl	chia seeds with almond milk (alternative to yogurt) with fruit, granola or seeds
Tapioca bowl	tapioca pudding made of coconut milk (alternative to yogurt) with fruits and granola
Healthy fries bowl	baked potatoes fries with vegetable dip
Hummus bowl	veggies (sliced) with creamy hummus
Drinks	
Juices	fresh juices from fruits and vegetables
Coffee	organic coffee
Tea	hot teas, bottled cold teas, matcha tea

Table 3: Description of products (own creation)

The main product

The most important item of the menu will be a salad. Fresh Bowls will offer a wide range of pre-designed salads and there will be also an opportunity for customers to choose their own salad from a scratch. Salad ingredients will be in a cooling and heating buffet-style tables, which will be displayed in front of customers, so we will prepare the salads in front of their

eyes. There will be a variety of ingredients to choose from. The ingredients will be divided into five sections – base, vegetable, protein, extra ingredient and sauce. Every day we will offer different type of ingredients.

Packaging

The company will also focus on a packaging of the products. Inspiring by trends of budha bowls and poke bowls, all meals will be served in bowls of various sizes, which will differentiate the bistro from other restaurants. As the company will sell mostly take away products, we have decided to buy packaging material from ecological material. On every bowl it will be written that it is made of the compostable material, so we will tell our customers that we are a business that is interested in the environment. This message is important because vegetarians care about environmental issues a lot. Of course this material is more expensive than plastic material. However, sustainability will be one of the company's core values.

10.2 Price

Pricing strategy

Prices will be determined according to the results from a questionnaire and according to operating costs. The average prices of individual products are contained in *Table 16*. Prices are only indicative and they have been set with respect to the market we want to enter. The goal of the company is to keep prices which are lower or the same as competitor prices.

Sales

The aim of the company is to offer fresh products, so the founder decided to sell finished products, such as, desserts or salads at lower prices (30 % discount) from 19:00 p.m. This option will be widely advertised, as its key message is that all products are freshly prepared every morning, and there is no recycling of unsold goods. We will also regularly distribute a 10% discount coupons around the city to attract customer's attention.

Payment options

It will be possible to pay only by cash. In case of customer interest, payment via payment cards will be introduced.

10.3 Distribution

Products will be distributed to customers through direct sale. A customer will choose a product from a simple menu situated at the store (chalkboard) and he/she will tell the requirements to the waiting staff. Then, the waiting staff will prepare a dish in the required

quantity and quality. A dish should be prepared within three minutes. After payment, a customer will receive a receipt.

A customer will have an opportunity to consume the dish in the dining area or take it away. The dining area will offer 8-10 seating places indoor and 15 places outdoor. Due to the low number of places to sit, we will focus on a possibility of takeaway.

10.4 Promotion

Logo and visual identity

The visual identity of a company will be required (professional logo, design of leaflets, and design of aprons for staff). Professional corporate design will appropriately complement and support the image of a company, and it will demonstrate its credibility and stability.

Leaflets

To inform customers about a new bistro, attractive leaflets will be printed and distributed to schools, offices, sports centres, language centres, etc. The leaflets will be also placed to public transport links in Zlín. This way of promotion will be used during a month before the opening day.

Opening day

On the first day, we will provide our first customers with a special offer 1+1 gratis. Every customer who will buy our product will get 1 product for free according to his/her choice. The aim of this promotion is to lure the customers to the bistro and simultaneously inform them about the products of the company.

Loyalty program

To retain customers, they will be offered a royalty paper cards to collect stamps for coffee, salad, or ice cream. After 10 purchases a customer will get one product for free. The aim of the loyalty program is to give our customers a rewards to make them feel special. It is also advantageous for us - we will collect information about customer behaviour.

Social networks

At the beginning, the most important marketing tool will be social networks. The owner will create a profile for Fresh Bowls on Facebook, Instagram, and Tripadvisor, and she will actively take care of them. She will post photos of meals, new offers, or various events and loyalty programs. We do not consider to introduce a web page for the first year of operations. We take into account the fact that most people in our target group use social networks on daily basis, so this form of promotion will be very effective.

Kiosk

As soon as we will generate enough money, we will buy a digital kiosk (small touch pad), which will present photos and videos of our products, their prices, and nutritional information. Besides, kiosk will allow customers to create customized orders, pay for their meals, and create a personal account to be involved in a royalty program. The advantage of this technology will be suggestions of upsells and cross-sells, which will encourage customers to order more. Also, we will collect information about customers through personal accounts.

In the following table, there are shown promotional costs:

Initial costs	Price
Print of leaflets A5 (1000 pieces)	1 900
Print of leaflets A4 (100 pieces)	790
Advertising in a public transport	4 600
Social media	0
Opening day	5 000
Company clothing	2 500
Logo and corporate identity design	10 000
Total	24 790
Costs per month	Price
Loyalty programs	500
Sales	500
Total	1 000
Expected costs in the next year	Price
Kiosk + software	30 000
Total	30 000

Table 4: Promotional costs (own creation)

11 OPERATION PLAN

11.1.1 Opening Hours

Day	From - to
Monday	08:00 - 20:00
Tuesday	08:00 - 20:00
Wednesday	08:00 - 20:00
Thursday	08:00 - 20:00
Friday	08:00 - 22:00
Saturday	closed
Sunday	closed

Table 5: Opening hours (own creation)

11.1.2 Preparation Process

Meals will be prepared daily from fresh ingredients, except dressings, which will be prepared the day in advance. Cooked vegetables and soups will be prepared in the morning before opening hours. Desserts and other snacks will be prepared during a day.

11.1.3 Interior and Equipment

The interior will consist of open kitchen and small dining area. The modern interior of the bistro will be bright and minimalist with emphasis on natural materials and colours (green and brown). There will be wooden furniture, the wooden boxes for fruits and vegetables on the walls, and a lot of hanging flowers. On the wall, there will be a chalkboard with a daily menu.

After a discussion with an expert, the basic equipment should consist of technical equipment, furniture, and other operational facilities. All necessary items are listed in the table below.

Technical equipment	Amount	Price
Ice cream machine	1x	130 000
Heating salad bar	1x	126 000
Convection oven	1x	90 000
Fridge	1x	60 000
Cooling salad bar	1x	60 000
Blender	2x	55 000
Juice extractor	1x	40 000
Dishwasher	1x	36 000
Cutting machine	1x	30 000
Extractor hood	1x	25 000
Sink	1x	21 000
Cash register	1x	15 000
Freezer	1x	12 000

Stainless table with shelf	1x	12 000
Stainless table with draining board	1x	10 000
Heating pot for soup	2x	3 000
Grinder	1x	3 000
Coffee machine	1x	0
Total		728 000
Furniture	Amount	Price
Chair	20x	28 000
Table	5x	14 000
Hanger	1x	1 200
Total		43 200
Other property	Amount	Price
Kitchen inventory (pots, cutlery, bowls)		30 000
Accessories	1x	5 000
Flowers		5 000
Software	3x	2 300
Total		42 300
Total equipment costs		813 500

Table 6: Equipment costs (own creation)

11.1.4 Personnel

The company will have five employees – one owner, one chef, three part-time workers, and one external accountant. Each day, two employees will be needed for the morning shift (one chef + one part-time worker) and two employees will be needed for the afternoon shift (two part-time workers). The morning shift will be from 6:00 to 14:00 and the afternoon shift will be from 14:00 to 20:00.

Owner

The role of the owner will be, above all, the strategic management of the company (promotion, recruitment, negotiation with collaborators), but also occasional assistance in the kitchen. The key responsibility of the owner is to develop the project sufficiently and stabilize company's market position. After some time, the owner will be excluded from assistance in the kitchen and she will concentrate on the strategic management only. The owner expects less financial appreciation in the first year.

Chef

The chef will work from 6:00 to 14:00. The main responsibility of the chef will be preparation of soups, side dishes, and cooked vegetables before opening hours and during the morning shift. Except preparation of dishes, the chef will be responsible for compilation of daily menu and for keeping an eye on stock inventory of raw materials. A chef is an important element of the whole business. Without a professional and enthusiastic chef, we

will not be able to provide a quality service. Therefore, we will looking for a cook, who has a lot of experience in the field, but on top of that he/she should be a passionate vegetarian.

Part-time workers

It will be necessary to employ three part-time workers. They will be responsible for serving of dishes and drinks to the customers, and for cleaning the work environment. Part-time workers will be selected based on an interview. They must be friendly and talkative, because they will ensure the quality customer service. For morning shifts there will be one part-time worker and for afternoon shifts there will be two part-time workers. The hourly wage will be 60 CZK per hour plus tips. Their working hours will be six hours per day.

The following table describes monthly salaries:

Employee	Gross salary	Social and health payments	Super gross salary
Owner	14 000	4760	18 760
Chef	13 000	4 420	17 420
Part-time workers	6 750	0	6 750
External accountant	3 000	0	3 000
			45 930

Table 7: Salaries (own creation)

12 FINANCIAL PLAN

In this financial plan, we will set initial costs, operating costs, and expected revenues for the first year of operations. We will also compile two basic financial statements – the initial balance sheet and the income statement. The statement of cash flow, due to the absence of accounting statements from history, will not be compiled. The financial plan looks at the current opportunities that are on the market for start-up entrepreneurs. All information is realistic and is based on the real facts.

12.1.1 Initial Costs

The table below shows all initial costs associated with a start-up phase. The total amount of money that is necessary to open a restaurant is 1 450 378 CZK. There is also included a financial reserve for unexpected expenses, which is 200 000 CZK.

Items	Price (CZK)
Reconstruction	300 000
Equipment	811 500
Promotion	25 790
Rent	20 000
Registration payments	10 000
Final inspection of premises	500
HACCP implementation	4 000
Inventory	78 588
Financial reserve	200 000
Total	1 450 378

Table 8: Initial costs (own creation)

Before the grand opening, first of all, it will be necessary to pay fees for registration (notary service, registration of trade, criminal account statement, land register statement). After registration it will be necessary to buy furniture and technical kitchen machinery (for more detailed calculation see *Table 6*), and do a reconstruction (installation of air conditioning, ventilation, electronics, and kitchen equipment, laying the floor, painting). The reconstruction will be done by professionals as well as family members. We expect that the reconstruction will take one month before the opening, so the rent for this first month must be also included in the initial costs. When reconstruction will be done, we must pay for implementation of HACCP system, which will be done by a special company, and for final inspection of premises. The initial costs cover also costs of promotional materials (for detailed calculation see *Table 4*), and costs for supplies of food and packaging material for the first month (for more details see an optimistic variant in *Table 10*).

12.1.2 Initial Balance Sheet

After calculation of initial costs, it was compiled the initial balance sheet, which pictures all assets and liabilities of the company at the beginning of operations.

Assets		Liabilities	
Long-term assets	807 000	Owner's equity	100 000
Technical equipment	728 000	Registered capital	100 000
Furniture	43 200		
Other property	35 800		
Current assets	693 000	Liabilities	1 400 000
Inventory	65 988	Bank loan	1 400 000
Bank account	617 012		
Cash register	10 000		
Total	1 500 000	Total	1 500 000

Table 9: Initial balance sheet (own creation)

Assets

Assets of the company will consist of long-term assets and current assets. Long-term assets will include technical equipment, furniture, and other property (for detailed calculation see Table 6). Current assets will consist of money in a cash register, inventory (supply of raw material and eco-packaging material for the first month), and money on a bank account (money for promotion, registration payments, reconstruction, and other initial payments).

Liabilities

The other side of the balance sheet represents the coverage of all the assets of a company. As it has been already mentioned, the owner will invest a capital of 100 000 CZK. It is clear that it will not be enough to cover the initial costs, so it is also necessary to secure foreign sources of financing. The bank loan should be provided by Komerční banka. We will apply for a loan of 1 400 000 CZK with fixed interest rate of 5,9 % p. a. and the length of repaying of 96 months (eight years). Monthly loan payment should be 18 482 CZK.

12.1.3 Operating Costs

In the next section of this financial plan, there will be calculated operating costs for a month period as well as for a year period. The estimation of operating costs is important for setting the correct prices of products.

Two common operating costs are variable costs and fixed costs. Variable costs are those costs which depend on sales volume. Typically, supplies of material and energies fall into this category. Since the variable costs change with a number of customers, we will create three variants with different estimation of customers. In a realistic variant, we will calculate

with 150 customers per day. In a pessimistic variant, we will calculate with 120 customers per day (decrease 20% against realistic variant). Finally, in an optimistic variant, we will calculate with 180 customers per day (increase 20% against realistic variant).

Variable expenses	Pessimistic		Realistic		Optimistic	
	Month	Year	Month	Year	Month	Year
Supplies of food	43 992	527 904	54 990	659 880	65 988	791 856
Supplies of material	9 643	115 716	12 054	144 648	14 465	173 580
Energies and water consumption	4 000	48 000	4 500	54 000	5 000	60 000
Total	57 635	691 620	71 544	858 528	85 453	1 025 436

Table 10: Variable expenses (own creation)

Supplies of food

Costs of food are included in a table below. Prices for individual products are based on the wholesale prices of the potential suppliers. The average costs per person is 18,33 CZK.

Product	Costs
Superfood salad	45
Classic salad	30
Soup	8
Dessert (ice cream, pudding, fruit bowl)	11
Juice	9
Coffee with milk and sugar	7
Total	110

Table 11: Product costs (own creation)

Supplies of packaging material

Prices of packaging material are calculated based on the prices of potential supplier Ekoplasty.cz. The average costs per packaging material are 5,33 CZK. The monthly and yearly calculation is based on the expectation that an option of takeaway will be used by 70% of customers.

Packaging material	Costs
Salad bowl + lid + fork	8,73
Soup bowl + lid + soup	7,9
Ice cream bowl + spoon	4,1
Yogurt bowl + lid + spoon	7,35
Coffee cup + lid	4,82
Juice cup + lid + straw	5,43
Dip bowl	1,88
Total	40,21

Table 12: Costs of packaging material (own creation)

Fixed costs

Fixed costs are those expenses that do not depend on sales volume, such as, a rent of the business premises, salaries paid monthly to workers, insurance of business, promotion (sales and royalty program), depreciation of long-term property, monthly loan payments, and other operating costs (Wi-Fi, mobile tariff, hygiene products, etc.).

Fixed costs	Month	Year
Rent	20 000	240 000
Salaries	45 930	551 160
Insurance	3 000	36 000
Promotion	1 000	12 000
Other operating payments	3 000	36 000
Depreciation	x	84 832
Loan payments	18 482	221 784
Total	91 412	1 181 776

Table 13: Fixed costs (own creation)

Rent

The price of rent is not known, because this information is provided only to applicants with a business plan (based on e-mail communication with a person responsible for a rent). However, we did a research, and based on the prices of similar business premises in a busy locations, we estimate the cost of rent at 20 000 CZK (excluding energies and water consumption).

Salaries

Labour costs include salaries for chef, part-time workers, accountant, and owner. Besides, the labour costs include the payments for health and social insurance. According to current legislation, the company will pay 25% for social insurance, and 9% for health insurance. (For detailed calculation of labour costs see *Table 7*.)

Depreciation

Long-term assets will be depreciated in a straight-line manner. Our long-term assets are included in the 2nd depreciation group, so they will be written off for five years. For the first year of depreciation, the rate is set at 11%, and for the following years the rate is set at 22,25 %. An overview of depreciations is shown in a table below.

Year	Technical equipment	Furniture	Total
1	80 080	4 752	84 832
2	161 980	9 612	171 592
3	161 980	9 612	171 592
4	161 980	9 612	171 592
5	161 980	9 612	171 592

Table 14: Depreciation (own creation)

12.1.4 Expected Revenues

Estimated revenue is calculated by multiplying of the average cost per customer and the expected number of visitors.

Period	Pesimistic	Realistic	Optimistic
Day	7 800	9 750	11 700
Week	39 000	48 750	58 500
Month	156 000	195 000	234 000
Year	1 872 000	2 340 000	2 808 000

Table 15: Expected revenues (own creation)

The average spending on one customer was calculated based on individual product prices (Table 16). These prices have been set based on questionnaire results as well as operating costs per unit. The average price of one product is 65 CZK.

Product	Price
Superfood salad (350 g)	120
Classic salad (350 g)	90
Soup (300 ml)	55
Desserts (ice cream, pudding, fruit bowl)	50
Juice (2 dl)	45
Coffee with milk and sugar	30
Total	390

Table 16: Prices of products (own creation)

12.1.5 Income Statement

The income statement is the most important part of the financial plan as it reveals if the company is able to make a profit or not. The income statement is based on operating costs and expected revenues. As previously mentioned, the calculation is in three variants. The opening of the company is planned from January 2019, so the calculation covers all 12 months of the year.

	Pesimistic	Realistic	Optimistic
Variable expenses	691 620	858 528	1 025 436
Supplies of food	527 904	659 880	791 856
Supplies of packaging material	115 716	144 648	173 580
Energies + water consumption	48 000	54 000	60 000
Fixed expenses	1 181 776	1 181 776	1 181 776
Rent	240 000	240 000	240 000
Wages	551 160	551 160	551 160
Marketing	12 000	12 000	12 000
Other operating costs	36 000	36 000	36 000
Loan payments	221 784	221 784	221 784
Insurance	36 000	36 000	36 000
Depreciation	84 832	84 832	84 832
Total expenses	1 873 396	2 040 304	2 207 212
Total revenues	1 872 000	2 340 000	2 808 000
Profit/loss before tax	-1 396	299 696	600 788
Tax 19%	x	56 942	114 150
Profit/loss after taxes		242 754	486 638

Table 17: Income statement (own creation)

According to our calculation, a company will not generate a profit in a pessimistic scenario. If this will happen, some changes need to be made in marketing communications, pricing strategy or product policy. In a realistic and optimistic variant, the company will generate a profit.

13 RISK PLAN

All the risks and the provisions for their elimination are listed in a table below. We consider the low attendance the biggest threat for us. It is true that, in restaurant business, it usually takes a long time to become profitable. However, if the company will not generate a profit for a long period it could have a very negative effect. To eliminate this risk we will regularly do a research to know customer's needs and wishes. Then, we will be able to offer customers the right products. What is also crucial is a correct selection and timing of promotional activities.

Risk	Provision
Property damage, loss of property	Insurance
Poorly selected staff	Training, motivation, personal checks, staff selection exclusively on recommendation
Theft by the staff	Inspection, inventory, electronic cash register
Bad supplier selection	Regular control of goods, backup suppliers
Low attendance	Increase promotion activity (events, tastings, loyalty programs), market research
Rising prices of raw material	Slow rise of product prices
Contamination of raw materials	Compliance with HACCP, order control at the workplace
Inability to repay commitments	Financial reserve
Lack of experience with business	Consultation with experts from the industry, hire a consultant
New legal amendments	No defence
New competitors on the market	Analysis of competitor, discounts to keep existing customers

Table 18: Risks and their provisions (own creation)

CONCLUSION

The aim of this bachelor thesis was to develop a business plan for a new company and to assess the feasibility of such a project on a given market (a city Zlín). To accomplish the goal, the author of this thesis used several research methods. Firstly, it was realized a literary research based on different kind of literary and online sources from economic, marketing, and law field. Secondly, using information from theoretical part, it was conducted a situational analysis of environment, which focus on 5 C's: customers, collaborators, climate, competitors, and company.

The work is divided into two parts: theoretical and practical. The aim of theoretical part was to determine what information is necessary for an entrepreneur to create a successful business plan. Accordingly, the theoretical part discuss business plan definition, purpose, format, and structure. Besides, there are described common types of business forms in the Czech Republic.

The aim of practical part was to compile a concrete business plan for a vegetarian bistro. Accordingly, there were described in detail all important elements of a business plan, such as, executive summary, general company description, market opportunity, market analysis, marketing plan, operational plan, financial plan, and risk plan.

The results of a questionnaire research has shown that there is a demand on the market for a healthy reasonable priced food, and the results of a financial plan has shown that a company would be profitable in a realistic scenario. Therefore, we can conclude that this project would be feasible.

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LIST OF ABBREVIATIONS

Etc.	Et cetera
CV	Curriculum vitae
p.a.	Per annuity
CZK	Czech crowns
s.r.o.	Společnost s ručením omezeným
m ²	Square metre

LIST OF PICTURES

<i>Picture 1: Phases of marketing strategic planning process (McDonald, 2012, 60) ..</i>	<i>19</i>
<i>Picture 2: The 5-C Framework (Chernev,2011, 16)</i>	<i>20</i>
<i>Picture 3: Logo (own creation)</i>	<i>35</i>
<i>Picture 4: Market opportunity (own creation)</i>	<i>40</i>
<i>Picture 5: Increase in searching the world vegan (Trends.google.com, 2018).....</i>	<i>40</i>
<i>Picture 6: GDP in the Czech Republic (source: Socr.cz, 2018).....</i>	<i>50</i>

LIST OF TABLES

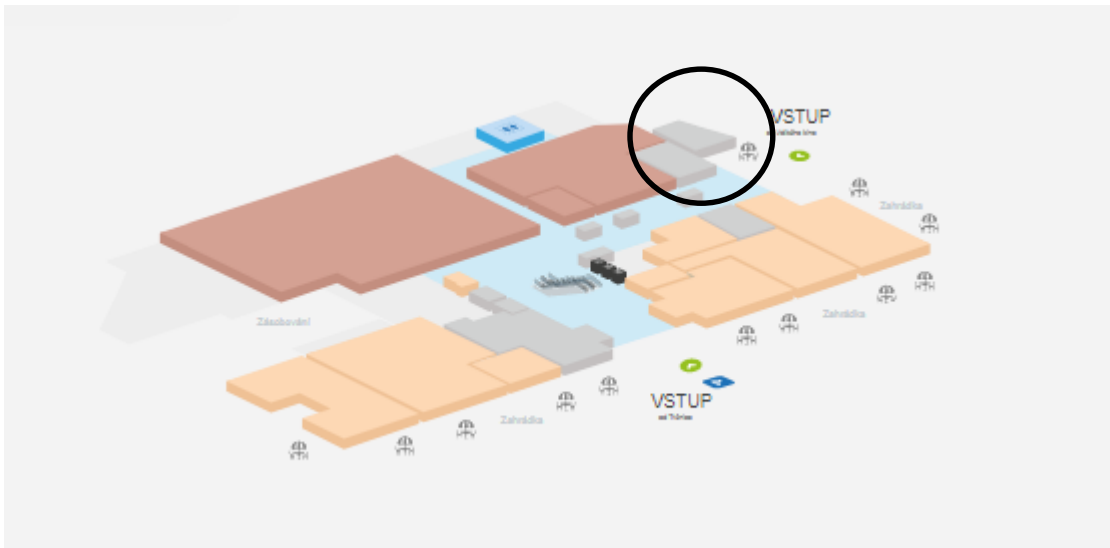
<i>Table 1: SWOT matrix (own creation)</i>	38
<i>Table 2: Potential collaborators (own creation)</i>	48
<i>Table 3: Description of products (own creation)</i>	53
<i>Table 4: Promotional costs (own creation)</i>	56
<i>Table 5: Opening hours (own creation)</i>	57
<i>Table 6: Equipment costs (own creation)</i>	58
<i>Table 7: Salaries (own creation)</i>	59
<i>Table 8: Initial costs (own creation)</i>	60
<i>Table 9: Initial balance sheet (own creation)</i>	61
<i>Table 10: Variable expenses (own creation)</i>	62
<i>Table 11: Product costs (own creation)</i>	62
<i>Table 12: Costs of packaging material (own creation)</i>	62
<i>Table 13: Fixed costs (own creation)</i>	63
<i>Table 14: Depreciation (own creation)</i>	64
<i>Table 15: Expected revenues (own creation)</i>	64
<i>Table 16: Prices of products (own creation)</i>	64
<i>Table 17: Income statement (own creation)</i>	65
<i>Table 18: Risks and their provisions (own creation)</i>	66

APPENDICES

P I Potential premises

P II Questionnaire

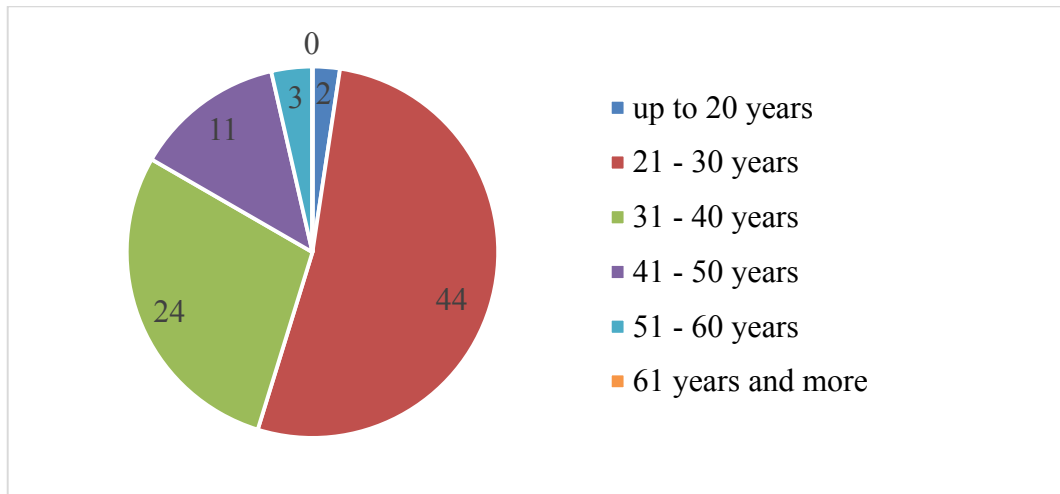
APPENDIX P I: POTENCIAL PREMISES



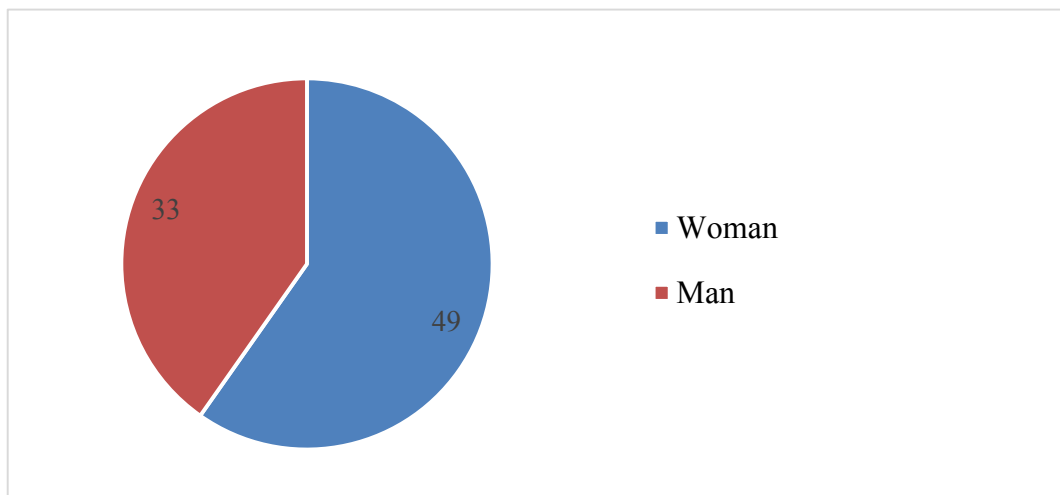
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APPENDIX P II: QUESTIONNAIRE

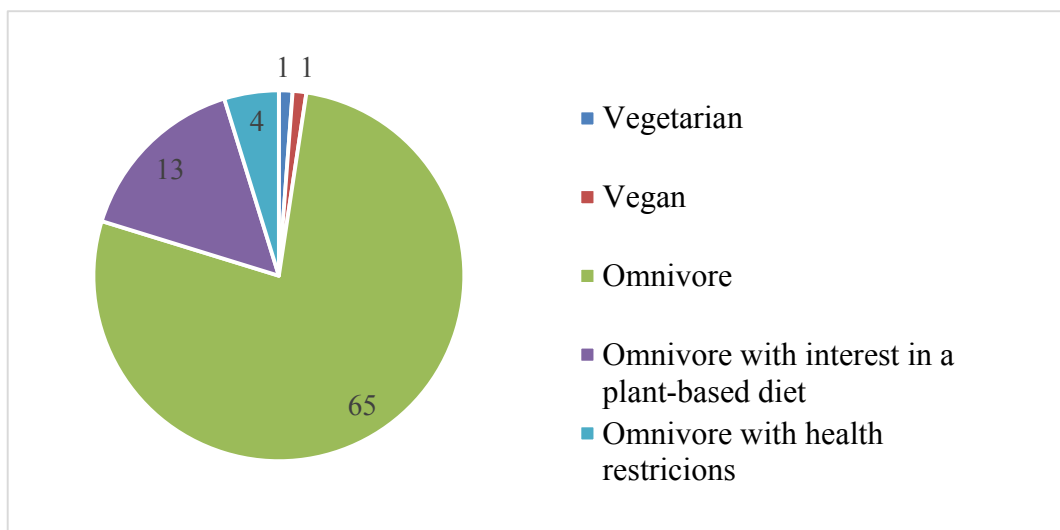
1. Age of respondents:



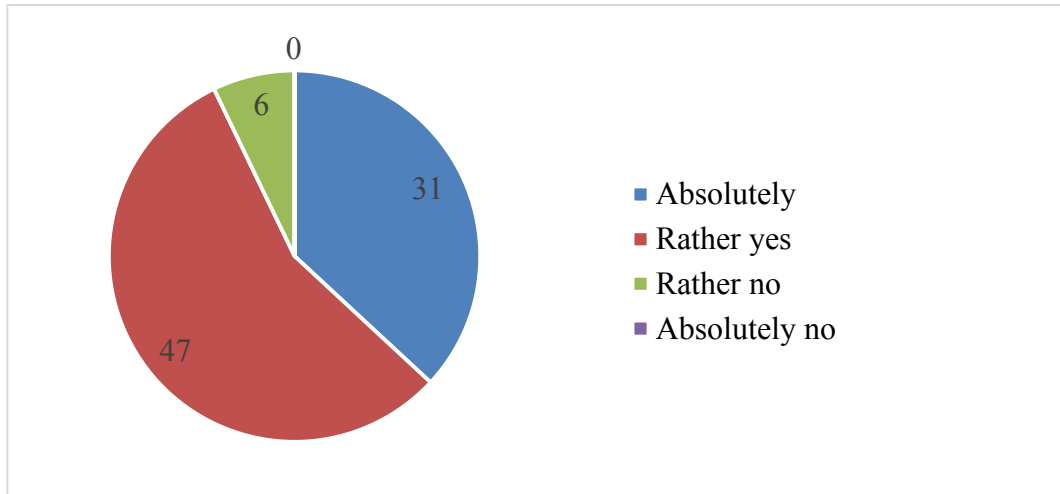
2. Gender:



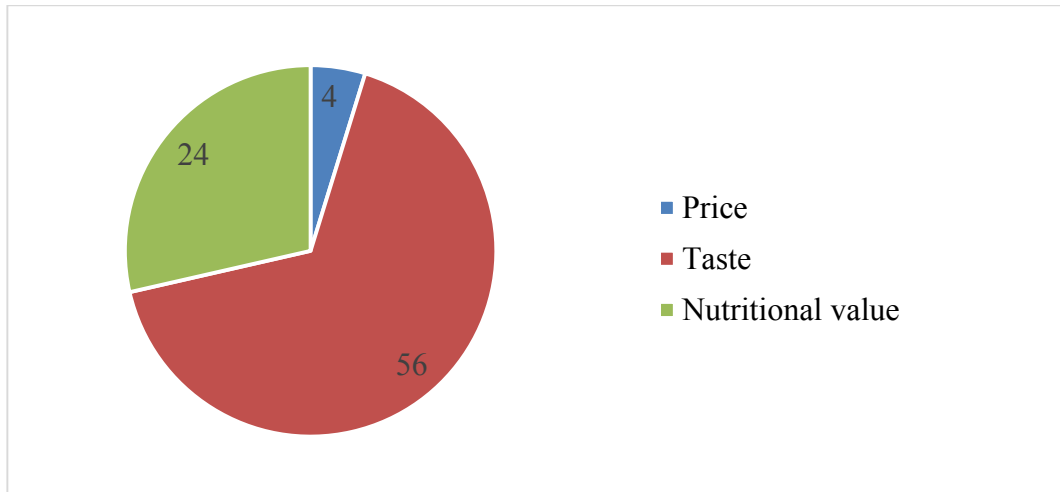
3. What are your eating habits?



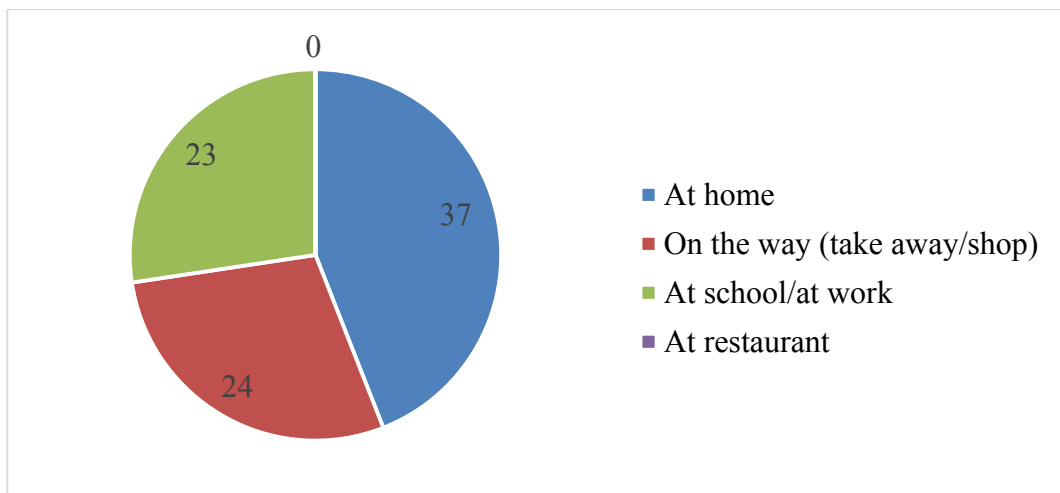
4. Are you interested in a healthy lifestyle?



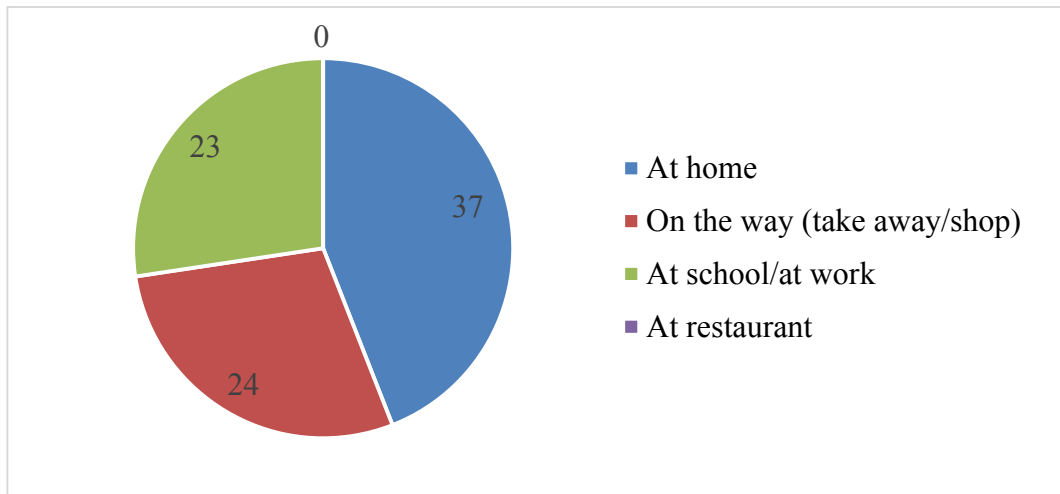
5. What factor is crucial, if you buy a lunch?



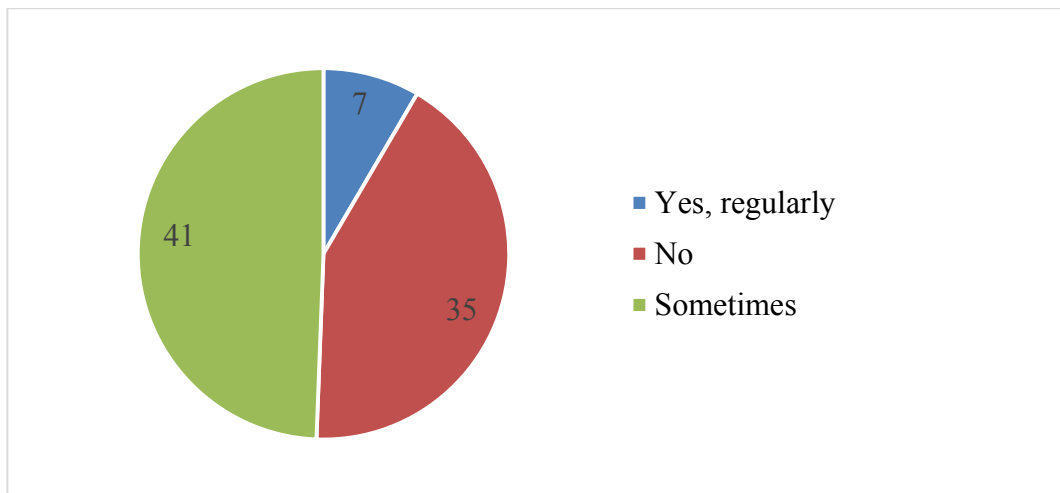
6. Where do you usually get your lunch?



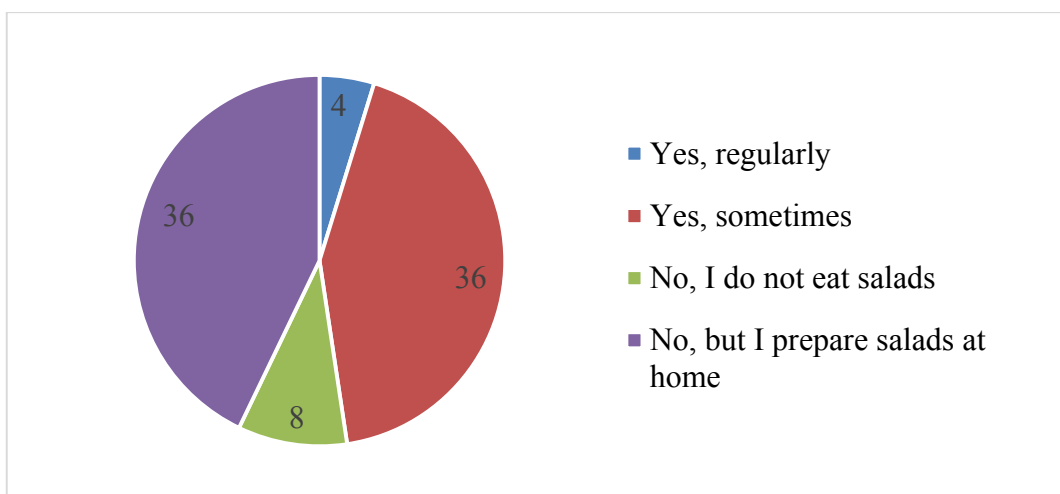
7. Where do you usually get your snack?



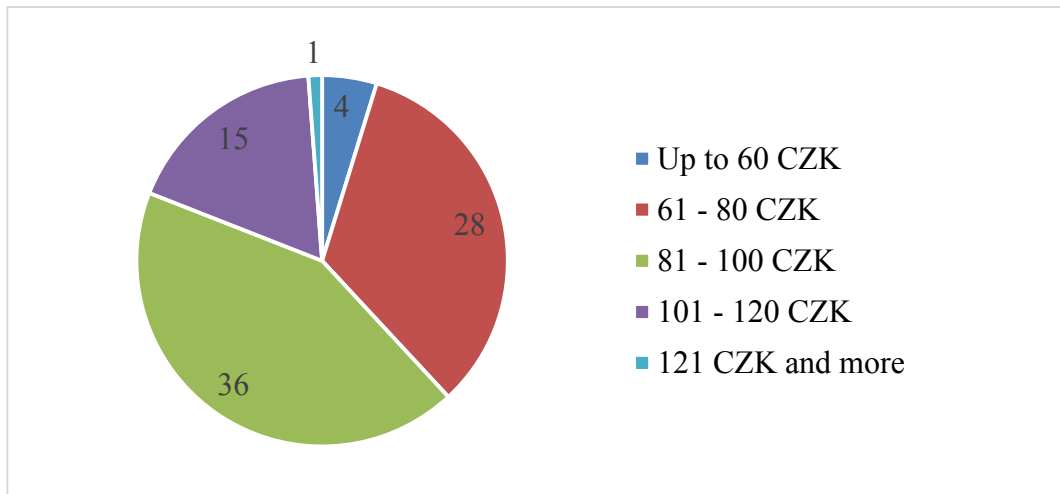
8. Do you use a delivery service?



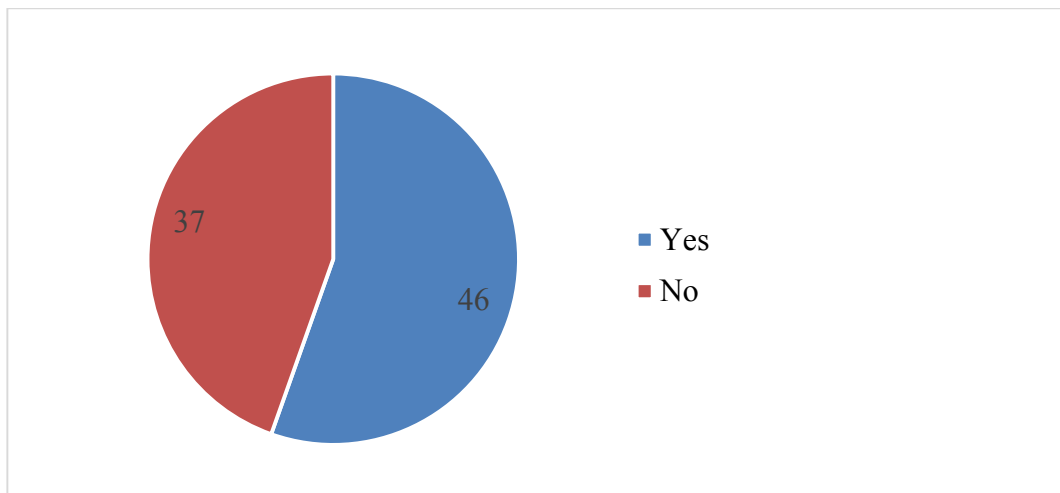
9. Do you buy the salads?



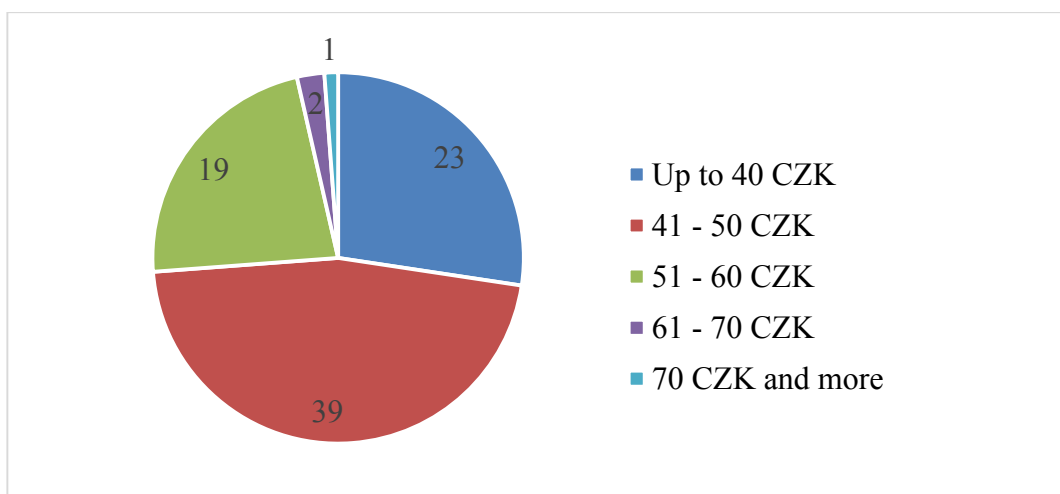
10. How much money are you willing to give for a salad? (picture of salad)



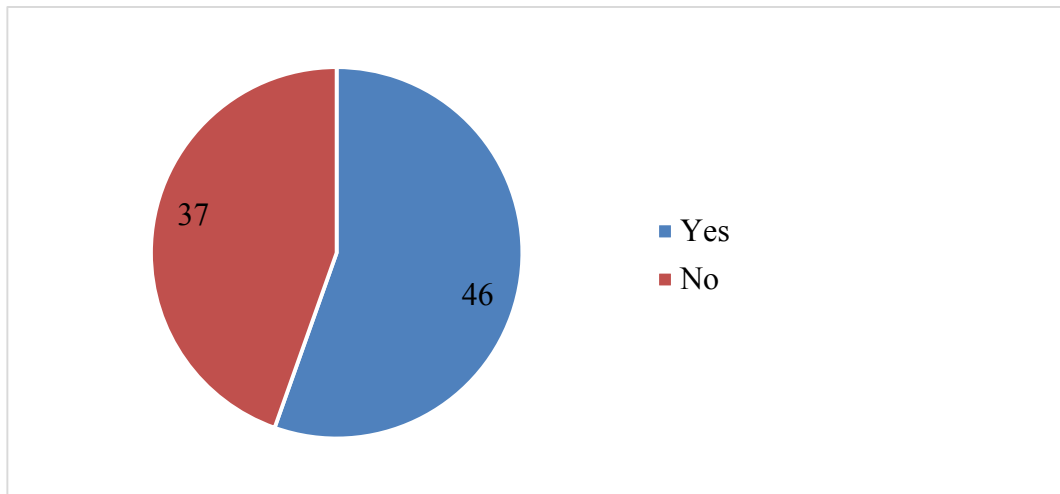
11. Would you buy a healthy ice cream?



12. How much are you willing to pay for healthy ice cream? (picture of ice cream)



13. Do you visit vegetarian restaurants?



14. How often do you visit a department store Prior?

