

A Business Plan: Shopping Mirror

Marek Sklenář

Bachelor's Thesis
2018



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně
Fakulta humanitních studií
Ústav moderních jazyků a literatur
akademický rok: 2017/2018

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Marek Sklenář**
Osobní číslo: **H15759**
Studijní program: **B7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**
Forma studia: **prezenční**

Téma práce: **Podnikatelský plán: Online zrcadlo v nakupování**

Zásady pro vypracování:

Rešerše odborné literatury a sběr informací k zakládání nového podnikatelského subjektu
Analýza možností financování podnikatelského záměru
Vytvoření dotazníku, distribuce mezi respondenty a vyhodnocení
Sestavení podnikatelského plánu
Formulace závěru

Rozsah bakalářské práce:

Rozsah příloh:

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

Seznam odborné literatury:

Abram, Rhonda. 2014. Successful Business Plan Secrets & Strategies: America's Best-Selling Business Plan Guide. Palo Alto: PlanningShop.

DeThomas, Arthur. 2008. Writing a Convincing Business Plan. Hauppauge: Barrons Educational Series.

Gattis, Chris. 2010. Business Plan Template: How to Write a Business Plan. Hustonville, AL: Blue Point.

Kawasaki, Guy. 2008. Reality Check: The Irreverent Guide to Outsmarting, Outmanaging, and Outmarketing Your Competition. New York: Portfolio.

Sutton, Garrett. 2012. Writing Winning Business Plans: How to Prepare a Business Plan that Investors Will Want to Read and Invest In. Scottsdale: BZK Press.

Vedoucí bakalářské práce:

Ing. Šárka Papadaki, Ph.D.

Ústav podnikové ekonomiky

Datum zadání bakalářské práce:

10. listopadu 2017

Termín odevzdání bakalářské práce:

4. května 2018

Ve Zlíně dne 8. ledna 2018


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




PhDr. Katarína Nemčoková, Ph.D.
ředitelka ústavu

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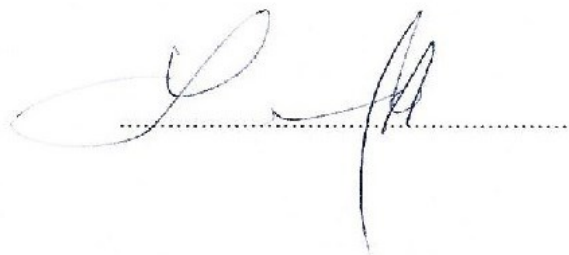
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ABSTRAKT

Cílem této bakalářské práce je vytvořit kvalitní podnikatelský plán se všemi jeho náležitostmi. Obsahem bude fiktivní založení a možná budoucí reálná aplikace programu, umožňující zákazníkům e-shopů s módou vyzkoušet si oblečení na svých vlastních postavách přímo na internetu a vidět se jako v zrcadle. Práce se skládá ze dvou na sebe navazujících částí, a to teoretické a praktické. V teoretické části je pojednáváno o informacích ohledně samotného podnikatelského plánu a návodu, jak strukturovat takový dokument. Důraz je kladen na význam plánu, pojmy týkající se podnikatelské činnosti, na rozdílné techniky a rady pro podnikatele a další. Zároveň bude sloužit jako návod k vytvoření obchodního projektu. Praktická část zahrnuje poté již samotný kompletně vypracovaný podnikatelský plán programu Shopping Mirror, zkoumá jednotlivé obchodní možnosti v daném odvětví, vývoj programu a obsahuje nezbytné součásti takového dokumentu. Cílem tohoto projektu, je analyzovat odvětví a prozkoumat možnosti vytvoření programu a jeho aplikaci v e-shopech s oblečením.

Klíčová slova: podnikatelský plán, význam podnikatelského plánu, Shopping Mirror, zisk, distribuce produktu.

ABSTRACT

The goal of this bachelor thesis is to create a complex business plan with all of its necessary parts. The content of this work is a fictive establishment with a possible real implementation of a program which would allow the customers of e-shop's with fashion to put on the clothes they offer on their own figures online. The work is composed of two interconnected sections—theoretical and practical. In theoretical part the focus is put on the information about business plan and how to structure such document. There are discussed various techniques and advice for constructing a business template, the guide for creating a plan, terms related to entrepreneurship and more. Practical section then deals with the complex business plan of the program Shopping Mirror and opportunities in this field, the very development of the program and contains all essential section of the plan. The goal of this project is to analyse the business branch of fashion and research the possibilities concerning the very programming of the product and its application on the online shops with clothing.

Key words: Business plan, importance of a business plan, Shopping Mirror, profit, marketing of the project.

ACKNOWLEDGEMENTS

I hereby declare that the print version of my Bachelor's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical. Then I would like to express my gratitude to my advisor Ing. Bc. Šárka Papadaki, Ph.D who was very patient and provided helpful comments on how to structure a business plan. I also want to thank to Mgr. Roman Trušník, Ph.D. for vast knowledge he presented during the seminar for bachelor thesis. I want to appreciate all other lecturers I had a chance to encounter with as well. Many thanks to the whole Tomas Bata University and its study department which was always there and prepared to help with necessary paperwork during studies.

Motto:

“Who wants to, will find a way; who doesn't, will find an excuse.”

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INTRODUCTION

A business plan in its basic essence represents a planning process, which is necessary in order to set desired goals. Nevertheless, the importance of a plan in general, provides the fundamental tools and ability allowing to actually reach the final destination. It also helps to eliminate false assumption that an amazing idea is sufficient to succeed. Once an entrepreneur works out this type of a business document, they might realize that their amazing idea is in fact impracticable. Therefore the business plan represents one of the most crucial documents that start-up must deal with. There were some splendid ideas that even famous companies failed due to the fact of inappropriate planning process. This process includes timing, dividing the market into segments, determining the right marketing strategies, financial projection and more. One of the best ways to explain the necessity of a plan when establishing a business of any kind is an extract from the conversation between Alice and Cat by Lewis Carroll as it is also mentioned later on:

“Cat: Where are you going?

Alice: Which way should I go?

Cat: That depends a great deal on where you are going.

Alice: I don't care.

Cat: Then it doesn't matter which way you go.”

To plan means to be prepared and the purpose of this document is to provide information and methods that are essential when creating a start-up business. In the same time, the practical section presents an implementation of the research and gathered data for the internet program called Shopping Mirror, which will allow its clients to put on the clothes from their favourite brands right at their internet website thanks to the Shopping Mirror personal profile. The first part of the bachelor's thesis serves as guide and provides the content the business plan should follow. The practical part doesn't only describe the necessary sections of the business document but also outlines advice and obstacles that may occur along the way of establishing a business entity.

The second, analytical part of this document contains also detailed procedure and approach of how to structure a business plan, concretely how to conduct a market research, analyse competition, how to calculate financial projections and also how to construct a sales strategy. All in all, the content and information provided inside of this document create a complex and coherent structure of how the business plan should look like and what kinds of mistakes an entrepreneur ought to avoid.

I. THEORY

1 BUSINESS PLAN

Every day, new innovative ideas change the world and often also save lives. To find out, whether a business is worth it, is to do a research and write a detailed business plan. Business plan is a document describing how a new business will achieve its set goals. (DeThomas 2008) Put simply, it says what is planned to do and how is it planned to do it. Business plans are inherently strategic projects which means that you start here and now with certain resources and possibilities and your goal is to get there. (Entrepreneur, 2018) Business plan is a roadmap, strategy statement, operational model or a business forecast from academic viewpoint. From the point of view of an entrepreneur it is a document which he wants to sell to potential venture capital holders, banks or other investors. Nonetheless, it doesn't sell product nor service, it does sell an entire innovative idea and complex project of the new business entity. (Mascarenhas, 2009)

The goal is to first of all show the knowledge and belief in the presented plan to investors. Show the solid evidence based on research and experience supporting the arguments that business could be beneficial. Present innovative idea in a best possible way, however it cannot be unreal, exaggerated or inconsistent with reality. Best attributes of a business plan are attractiveness, demonstrability, credibility and also must be promising and must worth investing money into. All points mentioned above should generate a complex, realistic focus to the business document. (Mascarenhas, 2009) The plan only represents a summary of your thoughts, research and expected performance of your business. It is presented in a format that makes it easy reading for bankers and other investors. Plan is a summary of what was learnt about the industry, competition, customers and your plan to make profit. How detailed the writing of plan will be dependent on the type of the business. In general, small business with little cash needs will require less details than a plan for a huge complicated corporation with urge of significant funding. (Gattis 2010, 47)

1.1 Types of Business Plans

As the content of the plan depends on the type of business, there are also as many types of business plans as there are as many types of businesses. But according to Gattis, plans in general can be broken down into three categories: formal, informal and summary.

1.1.1 Formal Business Plan

A formal business plan is what most entrepreneurs think of as a plan. It is the most coherent and comprehensive form of the plan. The goal of this plan is the presentation to the bankers,

investors or other business partners. While all business plans are summaries of the research, conclusions, goals and objectives, the formal plan gives the most detail. The plan of this format requires detailed analysis of the industry, competition and customer. Also SWOT analysis and financial projections. Collected data are then best presented backed up with graphs, charts and evidence supporting them.

1.1.2 Informal Business Plan

An informal business plan summarizes the same research, conclusions, goal and objectives as the formal plan but in a more summarized fashion. This type plan is usually used for the management team to guide planning and budgeting and to lead the performance measurements thinking of this group. This is more of a strategic plan. It gives lots of details in the marketing and promotion areas as well as in operational details that speak to changes in operations or manufacturing. The informal plan will not have a big financial projection sections. Since this plan is primarily designed for the management of the firm.

1.1.3 Summary Business Plan

The summary business plan is used especially for marketing purposes where a detailed information about the business is unnecessary. It might be useful during recruiting potential employees or to give vendors and trade partners an indication of the overall goals and plans of the organization. Therefore confidential and proprietary information will not be included in this type of plan. In this case kind of plan it also depends on the situation and audience it is presented to. Nevertheless, it is essential to understand that research, conclusions, goals and objectives are completed before writing the plan and they don't change based on the type of plan you write. (Gattis 2010, 48)

1.2 Importance of a Business Plan

Alan Gleeson once stated in his article, "If you don't know where you want to go then it is pointless to bother with writing a business plan." In life if there is a goal it is essential and much simpler to follow particular structure and by achieving little checkpoints along the way, it is more likely to get to the desired destination.

"Would you tell me, which way I ought to go from here?" Asked Alice.

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where," said Alice.

"Then it doesn't matter which way you go," said the Cat. (Lewis Carroll, Alice in Wonderland)

Without a plan or certain template a business is rudderless and may even end up hazardous in contrast to those businesses implementing a well thought out business plan. (Gleeson, 2011) There is no doubt that the business plan or a plan in general is fundamental part of success, however one of the aspects of building a business is patience. As Vince Lombardi stated, “winning isn’t everything, but waiting to win is.” It is a big step to make a decision to turn a dream into a business plan. The truth is that most people’s fear of failure is more powerful than desire to live their dreams, which is fine but it limits their lives. Successful entrepreneurs automatically embrace the challenge of making their dream a reality. By learning to build a successful business, people with the real business spirit will develop a profession which only few will ever achieve. The fact is that nine out of ten new businesses fail despite plans that create an opportunity. Most businesses don’t fail because of poorly written plans but because their owners are not ready for the real world of business. It is critical to answer two key questions right at the beginning:

- How bad does an entrepreneur want to win?

It is the first question to ask when beginning a path of transforming a dream into business plan. If the motivation and inner-drive to start a business aren’t sufficient, than the know-how of the plan doesn’t matter.

- Are they mentally prepared to own business?

Dreams provide a great inspiration and with business plan, inspiration meets perspiration. Starting own business will take everything from an entrepreneur. It is common issue that all novice business people underestimate the time, energy, experience and money that new plan is able to consume (Sutton 2012, 154)

Benjamin Franklin said, “By failing to prepare, you are preparing to fail” and creating a winning business plan is necessary whether an entrepreneur needs an outside investors or not. The very process of writing the plan forces to spend significant amount of time on thinking about the business. (Sutton 2012, 201)

1.3 Before Writing a Business Plan

It is important to ask the right question before beginning with any project and explore focused answers to a number of key factors. For example, it is necessary to investigate current financial position by giving answer to some simple questions (Blaney 2002, 57):

- “*Where are you now?*” Here it is essential to find out if the business has the needed amount of money to start or if it requires a borrowing from a bank. Who will be

addressed – venture or angel capitalists? A beginning business must realize the current business status – the state of insolvency, ability to pay all bills and debts and so on.

- “*How did you get there?*” How was reached the current business status? Do you have right now any negative net cash flow? What was the best performance achievement right after innovations and new product introductions?
- “*Where are you going from here?*” How much cash does the business have in long-term, what are the sales, profit and loss, balance or security forecast? How is the forecast done, how objectively and realistically? How and why did were chosen particular targets?
- “*How do you know that you will reach your targets?*” How will the business find out whether or not the goals were reached? How is performance gauged? What is the risk of the business when the goals are not reached? What will be the impact of such case on profits and financial portfolio?

The business plan should be able to cover all of these questions in the form of sales, receivables, payables, inventory, cash, cash flow, forecast, cash flow statement, management, cash budgeting, raising capital and all other information about cash that will help to give answers for the questions. The most important tool for building new companies or saving the dying ones is the deft management of cash flow (Abrams, 2014).

New products in many cases end up to be *cash traps*. Bruce Henderson, the originator of the Boston Consulting Group, warned managers some time ago: “The majority of products in most companies are cash traps. They will absorb more money forever than they will generate.” Lots of new products, as far as five out of nine, don’t generate enough cash and financial returns even if the enormous investments are concentrated to them. For example, Apple Computer stopped making the prominent G4 Cube in less than a year after its launch in 2000 because company was losing too much money in this investment. Proctor & Gamble made half of its sales in 2002 and even a bigger share in profits from only twelve out of its 250 products of the year. (Andrew and Sirkin 2007:77). Innovation and creativity only, will not do. A failing company needs innovations that turn into good markets and good markets that turn into a good cash and financial returns – that is the *innovation-to-cash-chain* (Andrew and Sirkin 2007: 78).

1.4 Business plan Basics

Orison Marden once stated, “We live in an age of haste, some people look at an egg and expect it to crow.” As was mentioned above, patience is an important aspect of planning. An

entrepreneur might be in a hurry and push the plan forward. There is a difference between the frenetic blur of activity and thoughtful preparation. Winning business plans map out the major W's of the proposed business – who, what, when, why and where – to help figure out the most important H – how. Who are the big players? Who owns the business, who is personnel, advisors, customers, competition and even the target audience of the plan? What is wanted to achieve and what is sustainable advantage of the business. Why implementing of the plan is done and why should the customers desire a product or service offered? (Sutton 2012, 298)

1.4.1 Business Plan Function

A business plan helps to clarify, focus and research business' development and prospects. Planning does not mean predicting the future but rather it means to be aware of a wide number of likely negative outcomes and being prepared for them as they occur. A business plan provides the framework to create company's mission, goals and key strategies. (Sutton 2012, 337)

1.4.2 Business Plan Segments

In general, there are as many outlines for business plans as there are business plans, with each of them being with minor differences from each other. They all are basically the same and tend to be comprised of four main segments.

- 1) The business, also called a business strategy or business description may include subsections as business opportunity, organization and operations, legal structure, business model, operating procedures, operation description, management, personnel, strengths and weaknesses, core competencies and challenges, business accomplishments, location, product offering, product or service, records and insurance. By the time a reader completes this section, they should have a thorough and concrete understanding of the business. This section discusses all pertinent aspects of the business. It covers every aspect of production from idea to service after the sale, including the management, personnel, equipment, paperwork and property involved. For service businesses the product is the service.
- 2) The marketing. Also called market strategy and including subsections such as target markets, customers, competition, distribution, relationships, advertising, pricing, industry and market trends, strategy and market strategy. The marketing section is a thorough discussion of the industry and your business' place in it. It covers all the forces that come to bear on your business. From the customers to the competition, advertising

to pricing, industry trends to global economics and this section gives the reader a thorough understanding of how your business will deal with getting the product to potential buyers.

- 3) The financials which might also be called financial data or the deal and includes subsections such as uses of funds, income statements, cash flow statement, balance sheet, cash flow forecast, profit and loss forecast, income projection, sales revenue forecast, income forecast, capital spending plan, assumptions, budget and break-even analysis. The financial section is all about the numbers. The past, present and future are all represented. You will include tables that lay out the money side of your business. Short-term and long-term costs and revenues are presented in ways that will help management and financial experts to determine the risk of your business idea.
- 4) The supporting material used will depend upon the type of business for which you are planning as well as the contents of the rest of your plan. Common supporting documents include resumes, letters of reference, credit reports, legal documents, agreements and contracts. This is information that needs no textual introduction or explanation or that is introduced or explained in the previous sections of the plan.

In addition, most business plans have separate cover sheet, a table of contents, an executive summary and some text introducing the business mission, vision and goals, each of which averages one page. (Sutton 2012, 406)

1.5 The Business Planning Process

It is crucial not to confuse business plan with business planning process. Lots of hopeful entrepreneurs think that if they do the work and investigate necessary to write a business plan, then that's it. It is fundamental to keep in mind that a business plan is a summary of all planning and research. There's really no substitute for doing a research.

The business planning process according to Gattis should include following steps:

- Developing the Business Model
- Developing the Marketing Plan
- Making the Revenue Projections
- Rinse and Repeat
- Writing a Business Plan

1.5.1 Developing the Business Model

Defining the process by which the business will operate and provide products or services to the market. The process of choosing the right partners, selection of the location of the business and determining what resources will be needed.

1.5.2 Develop the Marketing Plan

This part starts with understanding the customer, industry, and competitors. It includes developing a strategy for interacting with the customers and using industry trends to an advantage. It includes developing distribution channels and a promotion and pricing plan. It includes understanding how the competition operates in the marketplace and how the strengths and weaknesses can be leveraged against the opportunities and threats of that marketplace. It's far more than just creating a Facebook page.

1.5.3 Making the Revenue Projections

This is the single hardest part of the whole process. It is necessary to base it on research and discussions with other business owners and mentors. Finally, it is possible to make a prediction: how many units of product or service can be sold if everything goes according to plan?

1.5.4 Rinse and Repeat

In case of not liking the outcome from using the tools, which is nothing unexpected for the first iteration of the plan, it is possible to modify those tools. They are used to shape the plan. Starting with income statement. If the prediction there isn't appealing, go back and make changes in the business model that will give a different income statement outcome. After making as many choices as is necessary to business model to give you and income statement that meets goals, move on to the flow which will be based on income statement.

1.5.5 Writing a Business Plan

Only now it is possible to write a business plan. Many people don't understand why writing a business plan is so difficult, but then it is evident that the research is missing. There is no chance to write a summary of business planning process without a proper research. After the business planning, business plan is simple. (Gattis 2010, 119)



Figure 1 – *The Planning Process* (McKenzie 2010)

2 ENTREPRENEUR

An entrepreneur is an individual who, instead of working for an employer, prefers running their own business, accepting all the risks and rewards of the venture. The entrepreneur is commonly described as an innovator, providing new ideas, goods, services and procedures. Entrepreneurs are important for the economy. They have the skills and initiative needed to anticipate the needs and wants and come up with new ideas to market. Successful entrepreneurs in taking on the risks of a start-up are rewarded with profits and growth opportunities. Those who fail suffer losses and become less prevalent in the markets.

(Investopedia, 2017)

2.1 Forms of Entrepreneurship in Czech Republic

One of the most important choices every entrepreneur must do is to define a form of entrepreneurship. This should be considered after the elaboration of the business plan. Although it is possible to change the form of entrepreneurship later on, it brings complications and more importantly extra costs. The entity that will be created is a big decision because it will affect the future financial situation of the business. (Srpova & Rehor, 2010) Donseifer in his book discusses following types of entrepreneurship in Czech Republic.

2.1.1 Sole Proprietorship

A sole proprietorship is a business owned by only one person. It is easy to set-up and is the least costly among all forms of ownership. The owner faces unlimited liability; meaning, the creditors of the business may go after the personal assets of the owner if the business cannot pay them. The sole proprietorship form is usually adopted by small business entities.

2.1.2 Partnership

A partnership is a business owned by two or more persons who contribute resources into the entity. The partners divide the profits of the business among themselves. In general partnerships, all partners have unlimited liability. In limited partnerships, creditors cannot go after the personal assets of the limited partners. (Donseifer 2005)

2.1.3 Corporation

A corporation is a business organization that has a separate legal personality from its owners. Ownership in a stock corporation is represented by shares of stock. The owners (stockholders) enjoy limited liability but have limited involvement in the company's

operations. The board of directors, an elected group from the stockholders, controls the activities of the corporation. In addition to those basic forms of business ownership, these are some other types of organizations that are common today:

2.1.4 Limited Companies (Ltd)

Ltd. is a share offer based company which may be established by one person who can be either a natural person or a legal entity. There is not an ultimate amount of associates. This type of enterprise may be established by accepting the laws of such institution. There are two forms possible to come across – dualistic and monistic. In the dualistic model the management is divided into two bodies – directorship and board of directors, while monistic only consist of one – board of directors. The minimal initial capital must amount to 2 000 000 CZK and the company uses all its properties as a collateral.

2.1.5 Incorporated Companies (Inc)

Incorporated company is a capital based organization that can be established by one person – natural person or legal entity and they must construct a certificate of organization. The amount of associates isn't limited and in case of more than one founder, the associate agreement must be concluded. The minimal initial capital is 1 CZK and before entering the trade registry at least 30 % of the initial deposit must be paid. The highest authority is the general meeting which consists of founders of the organization.

2.1.6 General Partnership

To establish this type of business it is necessary to have at least 2 persons, natural person or legal entity. The general partnership is established by concluding the deed of incorporation. There is no obligation for minimal amount of initial capital. The statutory body consists of each associate unless the deed of incorporation states otherwise. The debts of the organization are guaranteed by all members with unlimited liability. The profit and loss is split between the members in equal parts. (Donseifer 2005)

2.1.7 Limited Partnership

Limited partnership is established by concluding the deed of incorporation between at least two members. One of which is a general partner and another a limited partner and those may be like natural persons like legal entities. The deposit only concerns the limited partners and they fulfill their deposit duty according to the agreement. Statutory body are all general

partners who run the organization unless the agreement states otherwise. The profit and loss is divided in half between the general partners. (Donseifer, 2005)

The Forms of Entrepreneurship in Czech Republic in 2016

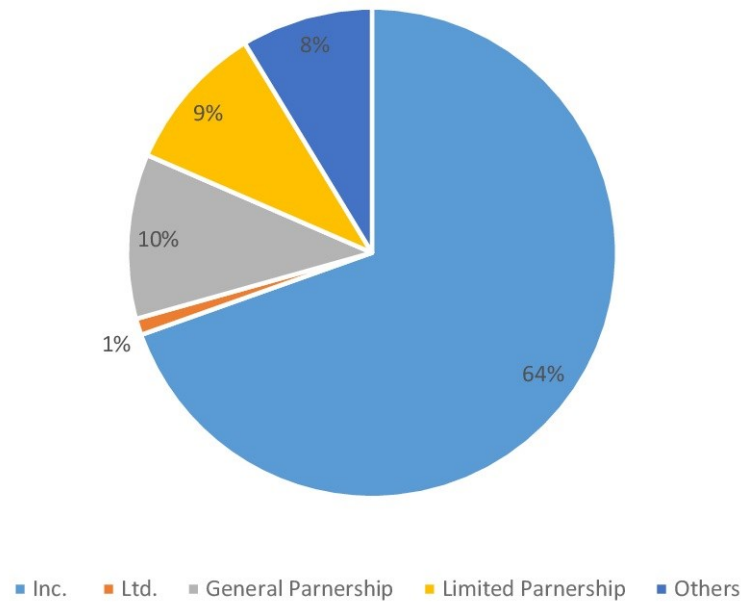


Figure 2 – *The Forms of Entrepreneurship in Czech Republic (Hospodarske Noviny 2016)*

3 TYPES OF BUSINESSES

A business entity is an organization that uses economic resources or inputs to provide goods or services to customers in exchange for money or other goods and services. Business organizations come in different types and different forms of ownership. Robert Vaux in his article describes four major types of businesses:

3.1 Service Business

A service type of business provides intangible products (products with no physical form). Service type firms offer professional skills, expertise, advice, and other similar products. Examples of service businesses are: salons, repair shops, schools, banks, accounting firms, and law firms.

3.2 Merchandising Business

This type of business buys products at wholesale price and sells the same at retail price. They are known as "buy and sell" businesses. They make profit by selling the products at prices higher than their purchase costs. A merchandising business sells a product without changing its form. Examples are: grocery stores, convenience stores, distributors, and other resellers.

3.3 Manufacturing Business

Unlike a merchandising business, a manufacturing business buys products with the intention of using them as materials in making a new product. Thus, there is a transformation of the products purchased. A manufacturing business combines raw materials, labor, and factory overhead in its production process. The manufactured goods will then be sold to customers.

3.4 Hybrid Business

Hybrid businesses are companies that may be classified in more than one type of business. A restaurant, for example, combines ingredients in making a fine meal (manufacturing), sells a cold bottle of wine (merchandising), and fills customer orders (service). Nonetheless, these companies may be classified according to their major business interest. In that case, restaurants are more of the service type – they provide dining services. (Vaux 2018)

4 USEFUL TIPS

In the business sphere money follows management. Venture capitalist and other investors typically look in the first place at the people involved in the company. What is education, experience and other track record of management and advisors makes a great impact. Ideally, a business plan is a crossroad of everything inside the company (COGS, products, services, personnel, etc.) and also everything outside the business (market trends, political forces, competition). Forces inside the company meet the forces outside and a business plan is born. A winning business plan silhouette goals and clearly communicates strategies and sets up plans for both the best and worst scenarios that might hit your firm. In the best business plan, it is not only about selling a business concept, but also about selling yourself. The spirit of entrepreneur and passion are crucial factors for potential money providers. It is necessary to communicate experiences your team has, abilities and again track record that will take you even further. The key circumstance is to show how the experience and abilities will support your business and that will help you to excel. (Sutton 2012, 312)

- First chance to impress your audience is with the executive summary, therefore it creates a first impression and that's the reason why it should be powerful. The key to success is people and mainly people so it is essential to emphasize you and team's track record in the executive summary.
- Most plans that will be used to get funding will include a capital equipment and supply list, balance sheet, break-even analysis, income projection statements, cash flow statements and a loan application. (Sutton 2012, 525)

4.1.1 Find Invisible Gorilla

Daniel J. Simons from Illinois University and Christopher R. Chabris from Harvard held an experiment where students were supposed to observe two teams of players which were passing the basketball to each other. The goal was to count passes of each team. After 35 seconds a guy dressed up like a gorilla went through the teams. It is interesting that 50% of students haven't noticed gorilla guy being there at all. It means that it is necessary to find the right business partners. (Kawasaki 2012, 205)

4.1.2 Sell it, Don't Provide a Possibility to Purchase it

I-pod sells because people come to the shop with the intention to buy it. They have already decided. But products and services of most companies are sold, not purchased. When you don't have a product similar to I-pod, you will have to make effort and obtain personal

contacts. Just advertisement isn't enough and therefore most firms applies methods proven by generations as seminars, presentations and interviews. (Kawasaki 2012, 206)

4.1.3 Find those Who Influence Others

In general, people higher in the firm's hierarchy, are not necessarily those with the highest intelligence. Do what you can to find those who really influence the course of organisation. Usually they possess lower functions, like secretary, administrative advisor, an administrator of the database or the leader of the H&R. These people typically do the real job and know which products or services are important and management asks them for recommendations. You will find them by asking where people go when they need something or when troubles occur. (Kawasaki 2012, 206)

4.1.4 Realistic Goals

It seems as a trifle but some entrepreneurs still do it. Most of them concentrates on the fast initial public offering or fast profit. To explain: venture capitalists aren't necessarily all good guys who want change the world. But entrepreneurs who know why they do or why they try to change something usually make money. For venture capitalists there is nothing more tempting than a firm that could possibly achieve something huge. (Kawasaki, 52) To achieve focusing on the realistic goals it will help to use the SMART method introduced by George Doran.

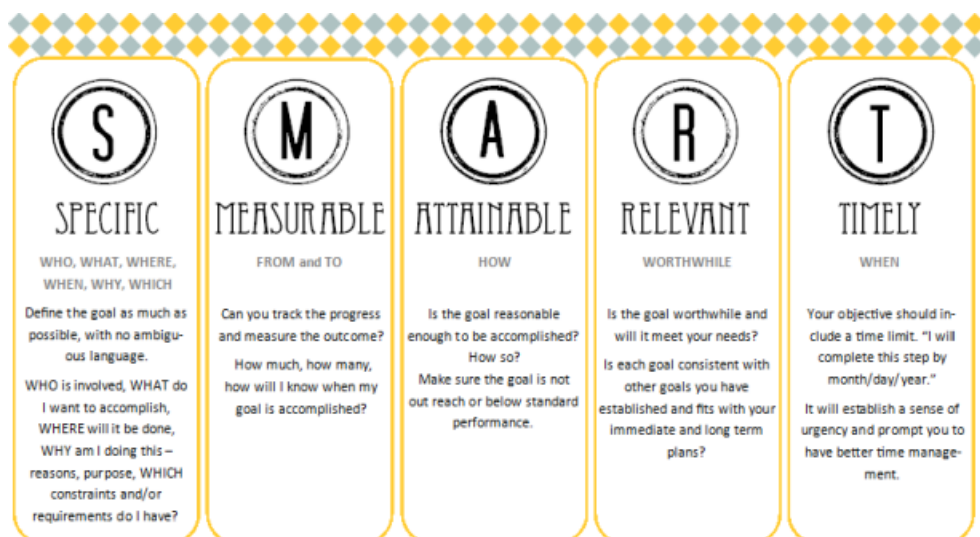


Figure 3 – Smart Goals (Pinterest)

4.1.5 Make a Meaningful Partnership

Many entrepreneurs make an agreement of partnership only to impress investors, journalists, customers or parents. Therefore lots of them is useless. Whether the partnership is worth it or not is possible to find out from the changes in the balance sheet, if they are in profits or in costs. The Kiva Company has 76 partners in microfinance. These organizations look for the entrepreneurs for creditors. (Kawasaki 2012, 447)

4.1.6 Start with Why

According to Synek's Golden Circle it is essential to start answering the question why you do it at first. Everyone on the planet knows what they do. Some know how they do it, how they create USP, how they reach target audience and so on. But only very few people or organizations know why they do it. The concept of the answer for this question is deeper than just making profit. But it is the awareness of the purpose, cause, belief and very existence of the organisation. The communication with the customer should follow the inside out concept. For example, Apple Computers' message starts with why and because of that is inspiring, they say, "Everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. We just happen to make great computers." This example proves that in nowadays marketing world people don't buy what you do but why you do it. (Synek 2016)

The Golden Circle

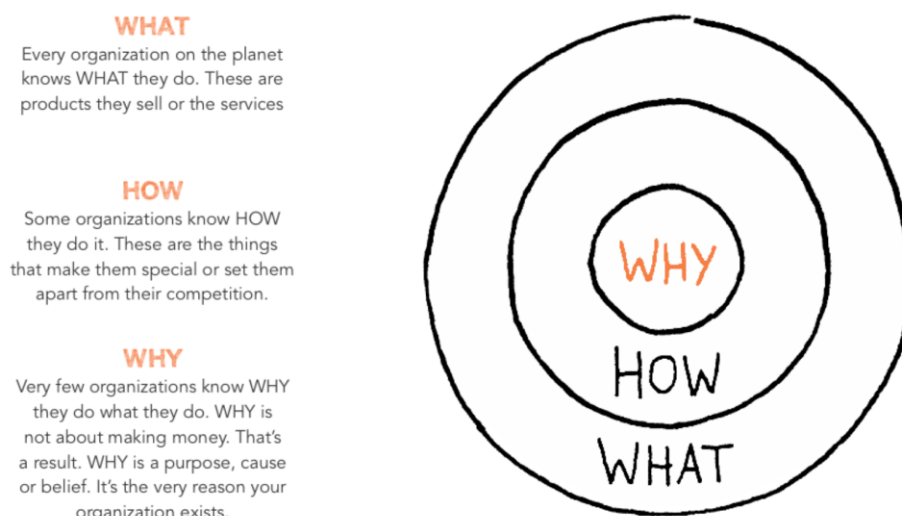


Figure 4 – *The Golden Circle* (Chaffey 2015)

4.1.7 Count the Costs

Once the development of the business idea has started it is recommended to add up how much it will cost. It is needed to factor in every business expense necessary to launch and operate. Costs to keep in mind include location, rent, supplies, marketing, and more. Entrepreneur should come up with the most realistic number. It's better to be over prepared than short on funds when bills start to roll in. When thinking about the cost to start a business, it is essential not to forget about the personal budget. Looking at how much money is needed to live, including rent, food, gas, healthcare, etc. is important. Then it's necessary to lay these expenses out in order of which ones it is obligatory to pay (e.g., mortgage) to ones that can slide if the money runs out (e.g., entertainment). Once there is a grasp on all expenses, start to create a business budget. At first, there might be a need to get some outside capital to make ends meet, like a small business loan. (Kappel 2017)

4.1.8 Know the Legal Requirements for Starting a Small Business

Starting a business is exciting. Laws are not. But it is essential to understand the rules that come with opening a business. Failing to follow government regulations could result in steep penalties. From forming a legal structure to setting up an accounting system it is necessary to follow laws. There is a need to register the business with the state. It is also fundamental to take care of business-specific tax liabilities. (Kappel 2017)

4.1.9 Balance Passion with Wisdom

One of the most important ingredients in a successful business idea is passion. Passion will consistently drive an entrepreneur to improve the process so that the business grows. That said, letting the passion take over all decisions isn't wise. Passion will move the business forward, but knowledge will point the right direction. Conduct market research on particular industry and talk to target customers to find out the business's potential. It is highly advisable to ask experts questions about launching a startup. Reaching out to professionals that can help with certain areas of business, such as financial advisors and lawyers. As the business starts to come together, think of it like driving a car. Let the passion hit the gas pedal and the mind control the steering wheel. That way, it is possible to be confident about the direction the business is headed and sustain the momentum needed to get there. (Kappel 2017)

5 BUSINESS PLAN STRUCTURE

Whether it is planned to open a shop that makes the best coffee around or it is wanted to sell eco-friendly office supplies, it is necessary to explain why the business is useful and how it will differ from its competitors. That's where the business plan comes in. It provides investors, lenders and potential partners with an understanding the company's structure and its goals. According to DeThomas business plan should contain the following parts.

5.1 Executive Summary

The executive summary should appear first in the business plan. It should summarize what is expected to accomplish. Since it's meant to highlight what is intended to discuss in the rest of the plan, the Small Business Administration suggests that this section is written as last. A good executive summary is compelling. It reveals the company's mission statement, along with a short description of its products and services. It might also be a good idea to briefly explain why the company is starting and include details about the experience in the industry being entered.

5.2 Company Description

The next section that should appear in the business plan is a company description. It's best to include key information about the business, goals and the customers planned to serve. The company description should also discuss how the business will stand out from others in the industry and how the products and services provided will be helpful to the target audience.

5.3 Market Analysis

Ideally, the market analysis will show the knowledge of the ins and outs of the industry and the specific market planned to enter. In that section, it is important to use data and statistics to talk about where the market has been, where it's expected to go and how the company will fit into it. In addition, it must to provide details about the consumers marketed to, such as their income levels.

5.4 Competitive Analysis

A good business plan will present a clear comparison of the business to the direct and indirect competitors. It is needed to show that the awareness of their strengths and weaknesses and knowledge of the business will stack up. If there are any issues that could prevent from jumping into the market, like high upfront costs, it's best to say so. This information will go in the market analysis section.

5.5 Description of Management and Organization

Following the market analysis, the business plan will outline the way that the organization will be set up. It will introduce the company managers and summarize their skills and primary job responsibilities. It is possible to create a diagram that maps out the chain of command. It is necessary to keep in mind to not to indicate whether the business will operate as a partnership, a sole proprietorship or a business with a different ownership structure. If a business has a board of directors, it will need to identify the members.

5.6 Breakdown of the Products and Services

If there aren't incorporated enough facts about the products and services into the company description (since that section is meant to be an overview), it might be a good idea to include extra information about them in a separate section. Whoever's reading this part of the business plan should know exactly what is planned to create and sell, how long the products are supposed to last and how they'll meet an existing need. It's a good idea to mention the suppliers, too. If it is known how much it'll cost to make the products and how much money is hoped to bring in, those are great details to add. It is necessary to list anything related to patents and copyright concerns as well.

5.7 Marketing Plan

In the business plan, it's important to describe how is intended to get the products and services in front of potential clients. That's what marketing is all about. As pinpointing the steps that are going to be taken to promote the products, it will be needed to mention the budget required to implement the strategies.

5.8 Sales Strategy

This part discusses the issue of how are the products going to be sold. It is the most important question to answer when describing sales strategy. It's best to be as specific as possible. It's a good idea to throw in the number of sales reps who are being planned to be hired and how are they going to be found and brought on board.

5.9 Request for Funding

If there is a need for funding, the entire section can be devoted to talking about the amount of money needed and how it is planned to use the capital that is being tried to raise. In case of necessity of extra cash in a year or two to complete a certain project, that's something that's important to disclose.

5.10 Financial Projections

In the final section of the business plan, it is advisable to reveal the financial goals and expectations that are set based on market research. The anticipated revenue for the first 12 months and your annual projected earnings for the second, third, fourth and fifth years of business have to be reported. If an entrepreneur is trying to apply for a personal loan or a small business loan, it is always possible to add an appendix or another section that provides additional financial or background information. (DeThomas 2008, 34)

6 PUTTING THE PLAN TO WORK

When it comes to this point the process of developing a business plan and the forces that might affect success should be fully understood. Business plan is a working document and an entrepreneur most likely has an idea of how to use it. The business plan is used either as a tool for raising funds, internal reference document to guide the company's development, or as a recruitment tool for key personnel. In a "Successful Business Plans" Abrams explain the procedure of putting the plan to work.

6.1 Preparing the Plan for Distribution

The business plan is supposed to look at least as good as the very business. It is important to avoid the scenarios like turning down a plan merely because of the insufficient representation of the company by business plan. Here is the time for editing and proofreading the document. First of all it is necessary to realise that the plan represents entrepreneur and their firm therefore must be also visually appealing. Final parts and touches of the document than according to Abrams contain:

6.1.1 Cover Sheet

The first page should be clear and simple cover sheet. It should make a positive impression. It is advisable for the plan to be uncluttered and business-like. Include the following information on the plan's cover sheet: The words "Business Plan", the name of the company, the date, a copy number, a disclaimer or confidentiality statement, the name address, phone and email of the contact person, name of the division or department and contact person and company logo.

6.1.2 Table of Contents

Thanks to the table of contents benefit all plans with more than 10 pages and it is supposed to appear at the beginning. Right before the executive summary. These should be simply titled as "Contents", and should contain sections and page numbers on which each section begins.

6.1.3 Date

It is essential to update the date of a plan with all potential investors because a reader who in November receives a plan from March is likely to assume that the plan met only rejections for months. Thus, it might be a good idea to include just year on the cover sheet: "Business Plan 2018." (Abrams 2014, 333)

6.1.4 Disclaimer

When circulating the business plan to outside funding sources it is advisable to make certain of avoiding the legal issues. Obstacles may arise when an entrepreneur offer ownership in their company in return for an investment, in fact, it means selling stocks in the firm, and the sale of stocks is regulated by law. (Abrams 2014, 333)

6.2 Layout, Design, and Presentation

The total number of pages in the business plan document is limited and entrepreneurs are tempted to fill in each from top to bottom, however it is wise to resist such urge. The pages crammed with too much text intimidates and may annoy reader. People often complain in their minds how hard it is to read a page, so it is good idea to leave sufficient amount of blank space on the pages to make the text more inviting to read. It is necessary to use charts and graphs to support claims and to engage the reader. (Abrams 2014, 338)

6.3 The Final Step: Editing the Plan

It is advisable to eliminate unneeded words. Generally in business it is better to replace passive verbs and jargon to clear active language. For example, instead of saying “Profitability will have been reached in three years,” better is to be more direct: the business will show a profit by year three.” A business plan must inspire trust which is achieved by avoiding misspellings, typographical errors and improper grammar. (Abrams 2014, 338)

6.4 Preparing an Electronic Presentation

For most investors it is important that an entrepreneur is prepared for a computer presentation. A slide presentation is an amazing way of conveying the fundamental message and aspects of the business in a short period of time. It is a good idea to take an advantage of the electronic device and consider implementing of a video or audio into the slideshow. The content of the presentation may include a demonstration of how the service will be performed or simply anything that could make the plan more comprehensible and professional. It is necessary to be ready for investor’s questions, therefore it is better to challenge assumptions and mention the most important points early in the slides. In example, deal with the major competitor at the beginning before the investors asks. (Abrams 2014, 340)

6.4.1 Critical Slides

Of course, when delivering a presentation, there are some more and some less important slides, however all should be worked out professionally. But in reality the most important slides are listed below.

- Title Slide – Company's name, a short company description, name of presenter if presenting in person.
- Elevator Pitch – slide describing what is being done. A succinct description of the products or services, market and competitive advantage. Use formal and professional language and if possible, include a video demonstrating the product or service.
- The Opportunity – this slide is what investors want to know. To what size can the company potentially grow and what are the plans for the future development.
- Target Market – what is specific target customer, who are they and what needs and wants they have will the product or service meet.
- Competition – division of the market share, how does our product do compared to the competition. The value proposition in comparison to the competition's and what are the barriers of entry.
- Business Model – business model shows how will be the distribution of the product performed, it discusses the pricing strategies and how will be reached the target customers.
- Milestones – timeline that outlines when is it expected to reach key achievements.

Abrams (344)

7 REACHING THE TARGET AUDIENCE

There are so many social networks nowadays, and according to different sources, each one is the most important to the business. In nowadays, a busy sole entrepreneur, or even as a digital marketing manager facing the time and budget constraints, there comes up a question on where to invest the resources. It is impossible to be online on each network or it would be very inefficient, unproductive and, most likely, unsuccessful. Lesya Lia in her article describes the methods below of how to reach desired audience.

7.1 Define the Target.

There is no getting away from the basics. If it is wanted to have a successful business, it is essential to know who is being served and where they can be reached with the business' messages. Once the major demographics is outlined, it is necessary to dig deeper and zoom in on the customers' needs, wants, preferences, lifestyles and pain points. The answer to the question why they need your offering in the first place is fundamental. This will not only help effectively find customers online, but also powerfully craft the business' messages.

7.2 User Demographics on Different Networks.

When it is determined who is being looked for, it is possible to find them online. There are a lot of both anecdotal and statistical data online about major demographics for each respective network. In case of having a highly aesthetic product that is geared towards women the best media choice is definitely Pinterest. If desired audience are millennials, Instagram is the best bet. To catch up with older populations, Facebook is becoming the network of choice. The best idea is to start with two platforms and begin shaping the presence there. One of the key factors is to make sure that the brand experience is true and aligned with the audience, so that they feel an instant connection and want to follow an entrepreneur's business.

7.3 Looking at the Insights.

It is important to remember not to forget to dive into the audiences' statistics once in a while. Many major networks, such as Facebook, Twitter, Pinterest and Instagram, offer at least basic insights into the business' following. It is possible to see how effective the business in attracting the right "tribe." If the product is for middle-aged women and the following group mostly consists of young men, there must be something wrong. It could be the messages, the branding, or both. (Liu 2017)

Plus, many of those same networks offer an insight into the audiences' interests, which presents a sea of opportunity to the brand. This information could be used to "branch out" with content being shared. For example, people interested in healthy eating oftentimes are interested in fitness as well. People interested in fashion are usually also interested in beauty products. It is simple to make an experiment with new topics, so that the business has more touch-points with the consumers and more ideas for creating content. Another way to leverage this information is by examining what other brands and competitors' your audience is interested in. Then it is possible to:

- See what those brands are doing online,
- Target their followers with your messages and ads,
- Reach out to create a strategic partnership.

It is fundamental to leverage that knowledge to the business' benefit by following the strategies outlined above.

7.4 Keep refining.

If the close attention is to insights, it is possible to find a lot of room for refining the firm's targeting. For example, it is likely to find new age brackets or interests to overlay. There are two ways that will paint a picture for the business. The first strategy is to pay attention to engagement rates. If one Snap or Pin outperformed all other content, it is good idea to take some time to examine what exactly triggered that response. Also, outline any overarching trends noticed, like media formats, topics, visuals, etc. Those preferences and topics usually hint at their media consumers. The second strategy lies in tracking the website traffic. The highest contribution from your customers is reached on your site, paying for the products or services. (Liu 2017)

8 SUMMING UP THE THEORY

The information and knowledge gained from the theoretical part proves the importance of the planning process when establishing a business. It also divides people into two groups, those who do and those who don't because who isn't able to create this document, most likely won't be able to establish a business and make it a sustainable entity. The theory describes and shows that it is not only about a great idea, but also hard work and timing that an entrepreneur must possess. Planning is a process of other planning divided into the smaller sections and each of them is immensely important. It gives an overview of different types of business and when to apply each of them, it is focused on the obstacles that entrepreneur may encounter with and last but not least it gives important advice on what to avoid or what definitely not to leave out in a business plan.

Theoretical part, as well provides the information about different types of business entities and the amount of them in Czech Republic and the structure each of them has. Each section describes various topics that are essential when setting up a business and gives an entrepreneur a general overview of what kind of procedure is important to follow.

II. ANALYSIS



CONFIDENTIAL

SHOPPING MIRROR

ONLINE SHOPPING WITH PRECISION

Business plan

Prepared 30.4.2018

Contact Information

Marek Sklenar
sklenarmarek@centrum.cz
+420-604-690-605

Albert Uchytíl
+420-725-136-856
FlowUp s. r. o.

9 EXECUTIVE SUMMARY OF THE SHOPPING MIRROR

The Shopping Mirror is an innovative program that uses the newest technology and serves the fashion e-shops with the virtual mirror available for their online customers. The research shows that many people prefer shopping in regular stores rather than online because of the impossibility to find out whether the products are comfortable and whether they fit well. This fact creates a market opportunity and Shopping Mirror brings an answer and solution for this unfulfilled want.

9.1 Mission

The unique shopping mirror program provides an exclusive chance for its customers to live through the clothes shopping experience as in the real life. It is designed especially for the internet shopping lovers who prefer not to visit overcrowded shops with fashion. Potential customers have the opportunity to create their own self on the internet and therefore enjoy fast, comfortable, realistic and entertaining online shopping. Create your own combination of clothes that you prefer and see how such outfit looks on your own figure. Finally, customers don't have to wait in queues in shops to pay or to get to the fitting rooms. Shopping clothes has never been easier.

9.2 The Company and Management

The firm owning the Shopping Mirror is headquartered in Czech Republic, in the city of Brno. The owner of the idea and proud representative is Marek Sklenar, however the program will be owned by the FlowUp s.r.o. in Brno – Albert Uchytíl's company. Thanks to his education in IT and programming and Marek's general knowledge of business and administration it is natural for them to provide professional marketing expertise of the project as well as innovative methods in IT.

9.3 The Benefits of the Program

Although the clients of the program will be fashion firms in the form of subscription of licences, targeted segments of customers are females and males especially in the age ranging from 15 to 30 years old. This service will be useful for those who enjoy and are interested in buying clothes and do not like waiting in the stores. This program enables men and women to shop and put on clothes from various shops from their own home comfort. Shopping mirror offers a unique service on the market and it includes:

- Realistic figures

- Combining different kinds of products
- Shopping from home
- Returns of products
- Cooperation with well-known fashion brands

9.4 The Market

Across the Czech Republic the Shopping is believed to have an explosive growth of clients during few years, online shops only have to pay for the licence of the Shopping Mirror and FlowUp with its team will do the rest. Because it will be available online and program can work out any kind of body type it can attract anyone willing to create their own self online. Interview research shown that people are very interested in this kind of service and most of them wouldn't hesitate to try it.

9.5 Competitive Advantage

Shopping mirror, thanks to being the only one on the market, has a unique competitive advantage and therefore it shouldn't be a problem to sell licences for the program to e-shops. Research, which was based on couple emails, shows that some fashion clients are already interested in cooperation with Shopping Mirror.

Marketing strategy of the project is to address as many customers as possible as well as the number of shops with clothes and create a prospering and long lasting business idea. In the same time we want to make people happy by making their lives easier and saving their energy thanks to providing a unique service on the fashion market and create not only chance for better online shopping, but also make this shopping pleasant and enjoyable experience. The program will also guarantee its accuracy which will be based on numerous testing.

9.6 Start-up Financing Requirements

The initial capital required is estimated to amount up to 1 550 000 CZK to finance the initial costs connected with the development of the program, marketing or distribution. This money must be collected from outside investors and the following pages show the potential of the project. (Ward, 2017)

10 SHOPPING MIRROR DESCRIPTION

The Shopping Mirror program will be created with the help of the FlowUp s. r. o. – programming company residing in Brno. As it is possible to see from previous information, service provided by Shopping Mirror will be distributed online through the e-shops with fashion. Because of the booming expansion of technologies and internet usage it is more than reasonable to consider targeting the customers in online world. Thanks to the Shopping Mirror, customers won't have to wait on counters and in front of the fitting rooms and simply put on the clothes online and save an immense amount of time and energy.

The Mission Statement

“Because we love fashion and fast spreading technology innovation and also helping others in order to save their valuable time and energy we proudly provide “The Shopping Mirror” and its advantage of connecting people.”

10.1 Business Structure and Owners

The main programmer working on the project will be Albert Uchytíl with his team and they together will handle all the technological issues concerning the Shopping Mirror. Thanks to their IT background it is expected to deliver innovative methods in 2D projections and accuracy provided by Shopping Mirror. The owner of the idea and sales representative is Marek Sklenar who first made a contact with Albert. Even though Marek came up with the idea of the program, it will be owned by and Marek will be taking 30% of the profit.

The Future Vision

The market research and questionnaire distributed between the targeted audiences (researched later on in the document) showed that the interest in such service is highly welcomed. The feedback from some e-shops who are potential partners of Shopping Mirror also responded positively to the offer of cooperation with such project. Therefore the future profits and program's success are believed to come soon after the implementation of the Shopping Mirror with the first e-shop clients.

11 MARKET ANALYSIS

Undeniably, the internet usage and shopping online increases rapidly as long as more and more companies adapt to the online models and begin to market their products at the level of internet sphere. The most purchased products online include health and beauty and right after fashion, free time equipment follows. Women in general buy products more often than man, and so divided 60 to 40. The research also confirms the current trend of more frequent purchases through cell phones. In the Czech Republic it is as much as one third of customers. Only 5% of the respondents returns always to the same e-shop and rather they search for the best prices. (Vanikova 2017)

Milos Malanik from DPD stated: “Even though we are under the European average as far as shopping online is concerned, we see the future of online business positively and we can see the increasing trend annually.”

One fifth of all Czechs visits the e-shops in order to purchase a product, which is supported by the finding of the MasterCard. According to association for e-commerce APEK half of the Czechs shopping online buys clothes or shoes at least once a year. This trend continues constantly from 2013 which means that every second Czech citizen buys t-shirt or jeans on the internet. (Burinska 2017)

Based on the research of Czech Statistical Office, 77% of households and 6,9 million of people over 16 use internet. Over 50% of individuals connect to the internet through their cell-phones and 4,5 million people has stated to at least once purchase a product online in 2017. The information is illustrated in the graphs on the next page.

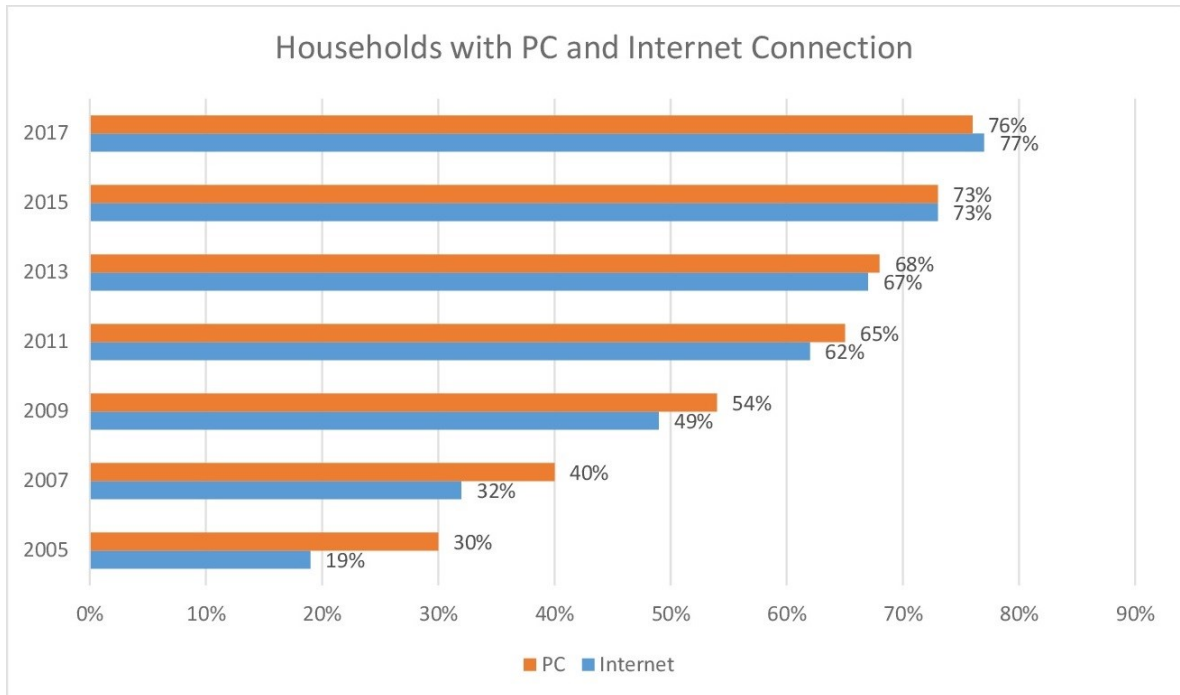


Figure 5 – Households with PC and Internet Connection (Ceska Sporitelna 2017)



Figure 6 – People Shopping Online (Ceska Sporitelna 2017)

Czech Statistical Office also provides the information that women purchase especially clothes and shoes, while man prefer electronics or sport equipment and following figures show the increasing trend in online shopping. (Ceska Sporitelna 2017)

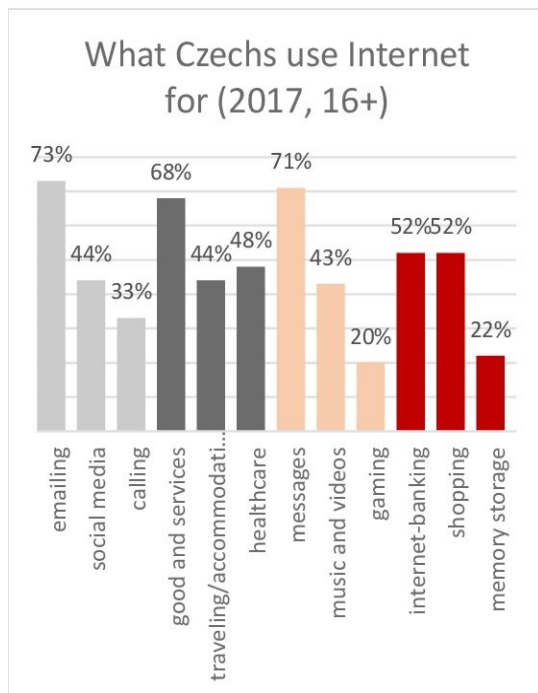


Figure 8 – Usage of the Internet in Czech (Ceska Sportelna 2017)

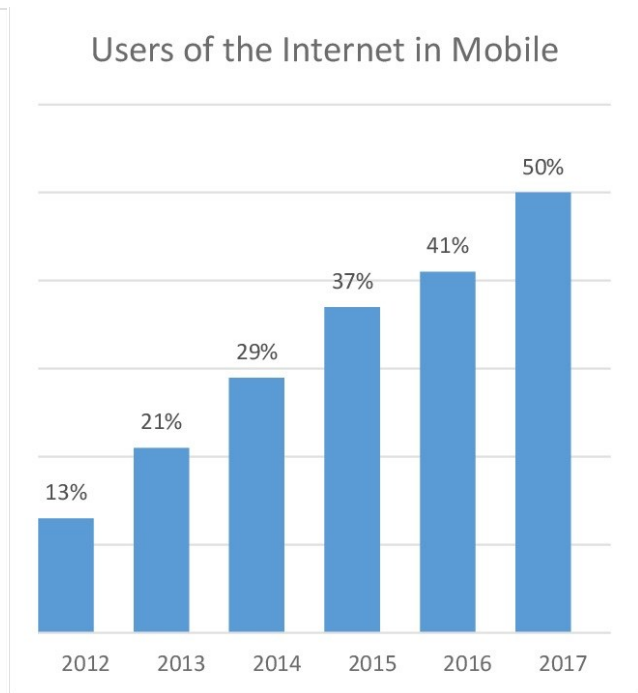


Figure 7 – Internet in Mobile (Ceska Sportelna 2017)

11.1 Demographics and Segmentation

The approach of assessing the market is dependent on the type of business. It is necessary to differentiate small local businesses from those focused on national-size markets. Taking into account the type of the business it is also a good idea to slice the market into different segments.

Volume and Value

The number of potential customers of the Shopping Mirror is believed to be 50% of the current customers of particular fashion e-shops. In example this means that if Zoot receives 500 000 visitors in one month and 50 000 makes a purchase, 25 thousand people are expected to create a Shopping Mirror profile. Even though the success of the project depends also on the customers of the e-shops, the first step is to provide licence for the program to the very online fashion providers. According to the portal Heureka.cz there is more than 5 500 e-shops offering clothes and fashion on the Czech market which creates a huge opportunity for the Shopping Mirror program.

Potential Customer

The entity that would buy the product or more accurately license for the product will be e-shop with clothes, however the research was focused on the final user of the program, which

is a customer of the e-shop. It is believed that e-shops want to do as much as possible to satisfy customer's wishes and wants and the questionnaire shows that customers would highly appreciate if there was an option like Shopping Mirror. Therefore the target customers are especially women in the age between 18 to 30 who are the most common buyers and advocates of online fashion. But also men in the same age. As soon as the program Shopping Mirror is able to create any body type, anyone can become its potential user. More accurately anyone who is able to connect to the internet.

Market Value

Based on the estimation the market value because of the number of 5 500 e-shops with fashion is very high. The license for the program amounts up to 10 000 CZK per month and during the first month it is expected to reach the number of 10 e-shops which creates a market value of roughly 250 000 CZK. The price includes monthly updates and service assistance with any technological issues as well as initial payment of 15 000 CZK, the financial projection is described down inside of the document.

11.2 Market Need

As mentioned in potential customer section the target market is variable. It may be applied to the various profiles as soon as anyone having the internet connection may use it. In nowadays when there is put a lot of pressure on each individual and marketing model, which puts customers at the first place, the time becomes one of the most precious assets. The Shopping Mirror not only helps people to save time but also energy and provides them the opportunity to shop favourite brand from the comfort of their homes. In the business sphere the emphasis is put on the professional service and well-being of the customer and overall buyer's satisfaction. The research made concerning the Shopping Mirror shows that 90 out of 100 potential customers in the age especially between 20 and 30 are interested in this project and would be willing to try it. Moreover 80 out of 100 are willing to provide personal information about their size (height, chest length, waist and so on), which only proves the customers willingness to share facts about them online.

Over the past decade, there has been some attempts to create virtual reality in order to purchase online (Zugara, Fitle, TriMirror, etc.), however those failed due to insufficiently advanced technology, inability to create a profile of a real person and expensive research of 3D technology. Companies trying to invent fashion VR also failed because they tried to create their own fashion brand together with the program instead of focusing on the program development and following cooperation with already existing popular brands. The FlowUp

s. r. o. is willing to do their best to develop the program and considering the timing, it only strengthens the potential of the project as well. They agreed on creating a licensed program and its implementation on existing online fashion businesses. (Gregory, 2017)

12 COMPETITIVE ANALYSIS

The virtual reality experiences a period of expansion, which is caused by constant innovation of modern technologies. Also thanks to more flexible returns policies and offering in store returns or exchange options for online shopping, it is by some people recommended to invest in virtual fitting rooms. In recent years software companies tried to solve the issue of 3D virtual fitting rooms (Virtusize, Fits.me, True Fit and others apart from those mentioned in section Market Need), nevertheless they did not reap the success as long as they only provided customers with the pre-created avatar, only able to approximate real appearance without the possibility to pair customer's face with the avatar. Because of that e-shop clients did not have a chance to feel like looking into the mirror. (Randall 2015)

Sometimes it is unfortunately necessary to realize that technology isn't limitless and accept reality. The 3D projection of a real person will definitely be possible one day, nonetheless, it is not today. Many firms have tried to perfect this concept, however unsuccessfully and interestingly none of them has tried already known, implementation of 2D projection. Customers don't hanker for 3D technology but they would love to see how they look in presented clothes online. They admire models and how they look like wearing particular pieces of clothes so what if they had a chance to admire themselves. Thanks to the Shopping Mirror this possibility comes true.

On the other hand the market of technologies is very creative and highly adaptable so it won't take long until other tech companies start to provide similar kind of service. In Brno only, there is already 1 well known programming firm that is even bigger and more successful than FlowUp. It is believed that thanks to the Shopping Mirror and the fact that FlowUp will be the first company offering this service, it will become much more significant player on the market of technology innovations in Czech Republic.

12.1 Conduction of Competitive Analysis

The research gathered about the competitors is referred to a competitive research and it is a crucial element to the success of the business. It allows an entrepreneur to quickly identify industry trends and to adapt to competitor strategies and campaigns. (Ferenzi 2017) Establishing an edge over the competitors is an essential part of the plan. The research is based on collecting information that are available in the public sources, for example financial documents, reports and so on that accessible online. (Tighe 2017)

12.1.1 Identifying Competitors

The Shopping Mirror will be developed by FlowUp because it requires professional and technological expertise. Therefore the competitors are other programming companies that competes with FlowUp. In Brno the main competitor of FlowUp is Programatori s. r. o. The Programatori s. r. o. offer a wide range of services, some of them are mobile apps, their innovation and then development of software where they offer programming expertise in the area of desktop apps, web services or internal systems. Their biggest advantage is that they offer also already existing solutions to various issues to the customers who rather don't want to invest into their own development (Programatori) However as already mentioned the market of programming innovations is highly adaptable and FlowUp may consider all programming firms offering software development as a competition all over the Czech Republic.

12.1.2 Competitors' Content

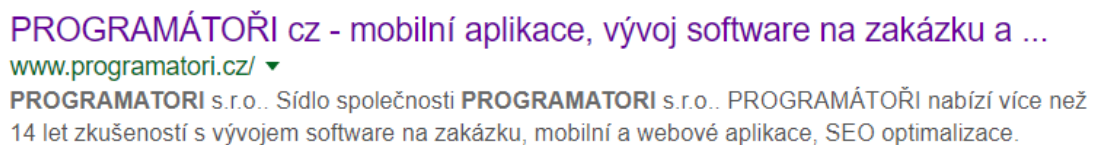
The website and content of the Programatori is very modern and attractive. The design is eye-catching and they receive lots of positive reference. They may pride themselves of the cooperation with firms like Synottip, Tipos or ASPone. It is clear from the structure and the way Proramatori try to communicate with the clients, they are very individually oriented and show the passion for their work. At the homepage it is possible to see titles like “What we do and enjoy doing?” and so on. The webpage is supported by pictures that are taken from the real work they have done and the homepage also shows examples of the positive reference they have received.



Figure 9 – Programatori Homepage (Programatoricz)

12.1.3 The Competitor' SEO Structure

This section includes information about how the competition structure their search engine optimization. The page title of Programatori contains simply the name of the firm “Programatori cz” followed by the services they provide “mobile apps, individual software development” and their URL architecture consist of the following – www.programatori.cz. The form of H1 tags is short and strong, it catches attention and goes straight to the point. The homepage doesn't provide any internal links and meta-description is shown in the picture bellow. The keywords they focus on consist of “Programatori Brno, software development in Brno or mobile apps Brno,” which shows that they focus on local market in the city of Brno. (Programatoricz)



PROGRAMÁTOŘI cz - mobilní aplikace, vývoj software na zakázku a ...
www.programatori.cz/ ▼
PROGRAMÁTOŘI s.r.o.. Sídlo společnosti PROGRAMÁTOŘI s.r.o.. PROGRAMÁTOŘI nabízí více než 14 let zkušeností s vývojem software na zakázku, mobilní a webové aplikace, SEO optimalizace.

Figure 10 – *SEO Structure (Google)*

12.1.4 The FlowUp s. r. o.

To ensure that competition won't start providing the same product, the Shopping Mirror will be developed quietly and released after the first fashion e-shops confirms the satisfaction with the program. Due to this fact FlowUp will be ahead and will have an opportunity to start offering the Shopping Mirror license to all potential clients on the Czech market.

13 BREAKDOWN OF THE PROGRAM AND ITS SERVICE

This section is devoted to the detailed description of the program's function, its features and benefits for the customers in more detail. Unfortunately the program is not created yet, so the following information is provided based on the vision and concept that was put together with the help of the programming team in FlowUp.

When an online shop with fashion signs up for cooperation with Shopping Mirror, it will come to the time when FlowUp programmers implement the program for the client's website. Albert with his co-workers has to create a software that will be saving all customer's private profiles, this profiles will be comparable to a Facebook or a website based on a similar concept. Customers will be able to proceed to checkouts as usually but in addition they have a chance to create their own self right on the website. From now on, for better understanding e-shop Glami.cz will be used as an example. After visiting their website a customer has a possibility to click on the button "Shopping Mirror Profile" and then undergo a series of ordinary questions which will be focused on the information about their physical appearances, all the information from their height, length of arms and legs, waist, chest length, to sharing a photo of their face taken by a cell-phone, afterwards customers just need to upload the information and their 2D figure is ready to put on various clothes. The program is so smart that it is able to calculate the size that you are supposed to wear in order to achieve the most comfortable and best looking match. Men may put on women clothes and the other way around so not only customers have a chance to enjoy trying the clothes they like, but they may also experience amusing moments with their friends. Moreover some e-shops will hold contests where everyone can participate and win vouchers for future purchases. Those will be based on the best ideas for creating the most interesting and appealing combination of clothes. The outfit customers like the most but for any reason cannot afford to buy it at the moment, there is an option to save it for later.


For more detailed information, you may contact programming team at FlowUP or Albert Uchytíl directly.

DRESSING ROOM
HM.COM / DRESSING ROOM






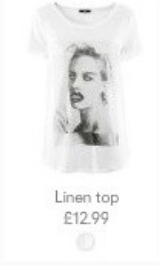



◀ BACK

New Look
Skinny Low Jeans £29.99
Blouse £14.99

Total 44:98
ADD ALL TO BAG



Matching Styles: 753

 <p>Blouse £14.99</p>	 <p>Skirt £19.99</p>	 <p>Jacket £29.99</p>
 <p>Cardigan £24.99</p>	 <p>Skinny Low Jeans £29.99</p>	 <p>Linen top £12.99</p>
 <p>Bag £24.99</p>	 <p>Shirt £29.99</p>	 <p>Jacket £24.99</p>

1/84 ▶

Figure 11 – Online Fitting Room (H&M 2016)

14 MARKETING PLAN

The goal of the Shopping Mirror is to provide everyone with the possibility to save their time and energy and also enjoy fun when buying clothes. Another is to help people create experience they can share with their friends, become more digital and reduce queuing in the retail stores.

Thanks to the fact that the program won't be distributed on its own between the target audiences, it will be much easier to reach customers. The idea is to sell licences to already popular fashion brands, beginning with the smaller ones and trying to reach fashion giants in fast fashion industry like NewYorker, Zara, Bershka, H&M or else. These brands already have a vast number of customers regularly purchasing at their stores like in stores like online. Based on their target customers unfolds the key audience of the Shopping Mirror. Because of the cooperation with such firms Shopping Mirror will be able to save lots of money on marketing, however there is a video planned to go public but that will differ from each brand and for ever one it will be original.

14.1 Swot Analysis

In the following text it will be discussed in detail about the Shopping Mirror's strengths, weaknesses, opportunities and threats Swot analysis will help the business to clearly define them so it is possible to better develop the goals and objectives.

14.1.1 Strengths

The idea of Shopping Mirror, even if some companies tried to develop similar concept, is unique. Apart from unsuccessful 3D virtual fitting rooms (Virtusite, Fitsme, True Fit, Clothes Horse, etc.) there is no direct competition on the market. This fact makes the Shopping Mirror number one strength and increases the possibility of potential success. Thanks to the 2D technology there is a space for saving a lot of money. As long as the 3D research is so expensive it makes definitely one of the pros. Another strength is direct cooperation with well-known successful fashion brands and also thanks to the fact that FlowUp is not a big programming firm the costs for the product development won't be that immense. The team of people working on Shopping Mirror consists of young individuals who cooperate well in together, are supportive, ready to accept new challenges and keep up to date with the competitive environment.

Another strength is communicative skills of sales representative Marek Sklenar who will make a prior contact with clients in fashion industry and will try to negotiate best conditions in advantage of the Shopping Mirror project.

14.1.2 Weaknesses

On one hand the fact of cooperating with FlowUp makes an advantage, it is also a weakness on the other. The company is not well-known and therefore does not have a track record of significant achievements. Another weakness is the fact of not having access to necessary capital but that will be hopefully dealt with thanks to investors.

14.1.3 Opportunities

The nowadays of online marketing and online shopping experiences constantly growing demands for goods purchased on the internet. Thanks to globalization the gate to expand abroad is open and therefore also potential future profits. One of the opportunities also creates the fact of Czech Republic being a part of European Union which makes it easier to enter international market. Most profitable fashion brands like H&M, NewYorker or all Inditex group brands already have a vast amount of loyal customers which could support the usage of Shopping Mirror. From the opposite point of view the Shopping Mirror project could also attract new potential customers who previously would not buy clothes online. As already mentioned, the market of technologies comes up with new devices all the time and this program will be ready for adaptation for any possible opportunity to come in order to improve and develop.

14.1.4 Threats

One of the biggest threats is definitely the possibility of lack of interest from the point of view of fashion brands. There were attempts to implement similar ideas in this industry, however those failed and therefore the clothes providers and fashion shops might not be ready for such service. Nevertheless this will be responsibility of the sales representative to present the Shopping Mirror in the best possible way and show its advantages. Even though the research in the form of questionnaire showed the interest of target audience in experiencing the pros of Shopping Mirror, there is a chance that new customers won't be interested, resulting in insufficient increase in profits of e-shops. That would mean the loss of interest of the brands. Unfortunately, there is no patent for an online program, so there is only a matter of time before other programming firms start providing similar type of service

or even before the very e-shop themselves will hire programming firm for the same purpose. Well, it is said that “if it’s simple it doesn’t worth it.” (Brady 2016)

SWOT ANALYSIS	
Strengths	Weaknesses
Unique idea Cheaper 2D technology Cooperation with famous fashion brand Cheap marketing Young, ambitious team	FlowUp isn’t well known No track record of achievements Insufficient initial capital
Opportunities	Threats
Growing trend of internet usage Growing trend in shopping online Globalization, EU – possible entry to new markets Fashion brands already have loyal customers	Lack of interest of fashion brands Market isn’t ready Insufficient increase in e-shops sales Entry of the competition on the market

Table 1 – *Swot Analysis (Own Work)*

15 SALES STRATEGY

It is essential to have the right sales strategy because it will make or break the start-up. First thing that the project Shopping Mirror must do is to let online shops know that it exists on the market and that it is the only thing they were missing to be more successful and to reach higher profits. Due to the widespread and modern marketing idea of how the companies look and treat their customers, it is supposed that fashion e-shop want to satisfy their customers as much as possible. Therefore it is believed that they will be opened to innovations in order to attract more people and beat competition. The fact that such program is desired by customers of the e-shops is supported by the research in form of mass questionnaire. Getting the attention of potential e-shop clients will be achieved thanks to various marketing techniques, for example cold calling, emailing but also personal contact. Put simply, the clients of the Shopping Mirror will be online shops with fashion, however the final user of the program is the online customer who shops clothes.

To persuade e-shops that they should cooperate with Shopping Mirror will be used the questionnaire that was published online at the portal Survio.cz, which is attached to the business plan together with other files.

Once it is confirmed by client that they are interested in cooperating with Shopping Mirror it comes down to the oral presentation and explanation of how the program works and how it will be compatible with their e-shop. All marketing communication will be done by Marek Sklenar and at the beginning only he will be presenting the functions of the Shopping Mirror. Albert will be also there in case of necessity to explain detailed technological procedure of the program. Once both parties agree on term and conditions of the cooperation the team at FlowUp will start the implementation of the program to the client's e-shop.

Research

- **Identifying the problem or opportunity:** Due to numerous attempts which failed on the journey to create realistic fitting room and also lasting want of the customers it was simple to identify the problem and opportunity. People using internet to shop clothes don't require 3D virtual fitting rooms but they want to have chance to have a realistic picture of how they look in the clothes they order online. A usual real mirror also provides only 2D reflection, which is for regular customers more than enough. Therefore the Shopping Mirror is going to use this opportunity and will provide people with the chance to put the clothes on online and feel like looking into the mirror.

- **Plan research design:** To find out whether the program is desired or not is used primary research which is created by Marek and is supposed to provide the necessary information to come up with the required outcome. The option to reach this result was to distribute online survey through the portal Survio.cz where 100 respondents participated. The outcome of the survey is attached at the end of this document.
- **Selecting sampling procedure:** This section had the purpose of collecting the relevant information from the relevant focus group or target audience. That's why the survey was distributed through online media, especially Facebook whose users correspond with the age of target customers of the Shopping Mirror and its potential clients (brands focusing on people with age between 18 and 30). The age of the respondents is confirmed by the second question in the survey which was obligatory.
- **Collecting data:** Information and responds provided by the participants were automatically collected at the portal Survio.cz and all of them are supported graphs and charts to clearly identify the amount of different opinions of each individual. See attached file at the end of the document.
- **Analyse Data:** Even if the portal Survio.cz provides each question with charts it is not able to analyse the generated data in the context. Therefore each section in the questionnaire it is thoroughly researched in more detail and supported by possible explanation. The outcome of every question is more deeply described in the survey file down the document.
- **Prepare and present:** All gathered data are processed individually in Excel document and then presented in this business plan. Even though it didn't take too much time to prepare the questionnaire it is one of the most important components of this document.
- **Follow Up:** This part will be done after the feedback from the investors. If they will require more information about target audience, then it will come to thinking about how to reach that. However the Shopping Mirror project and people working on it are determined to do the next step and start presenting orally the advantages of the program.
(Margolius 2016)

The questionnaire was created in Czech language because it is focused on Czech citizens and e-shops in Czech Republic. The following figure shows the list of questions that appeared in the survey.

Celkem odpovědí **100** Vyřazeno **0**

- 1 Pohlaví
- 2 Věk
- 3 Jaký způsob nakupování oblečení preferujete?
- 4 Zajímá Vás móda? Váš styl a to jak vypadáte?
- 5 Uvažoval/a jste někdy o nakupování oblečení přes eshop?
- 6 Nakupoval/a byste přes eshop, kdyby jste měl/a možnost ve virtuální kabině zjistit, jak Vám oblečení vyhovuje a jak vypadáte?
- 7 Byl/a by jste ochtěl/á poskytnout potřebné údaje o Vašich velikostech našemu programu? Kvůli vytvoření svého vlastního profilu s křivkami identickými s těmi Vašemi.
- 8 Pokud preferujete nakupování v kamenném obchodě, uvažoval/a by jste o vyzkoušení tohoto projektu? (Nepovinná otázka)
- 9 Jaké značky navrhuje, abychom s tímto projektem oslovili jako první?

Figure 12 – *Questionnaire Sample (Survio)*

16 FINANCIAL PROJECTIONS

Even if it was mentioned in previous pages this part of the business plan is devoted in detail to the financial planning, costs, profits and everything connected with the capital and money. Without this part it would be useless to establish any project simply because it wouldn't be supported by possible financial benefits. The financial plan translates the goals of the Shopping Mirror project into specific targets.

16.1 Break-Even Analysis

This analysis helps to identify a critical point during the project when it potentially becomes profitable. Fixed Costs represent the amount of expenditures that are necessary to deal with every month and are invariable. Those include mainly wages for the FlowUp employees. Variable Costs then show the amount of costs depending on demand for the Shopping Mirror and with it connected expenditures for marketing, traveling and so on. The Break-Even Point helps to realize when the project could turn from being in loss because of the expensive development of the product into the promising and profits generating business.

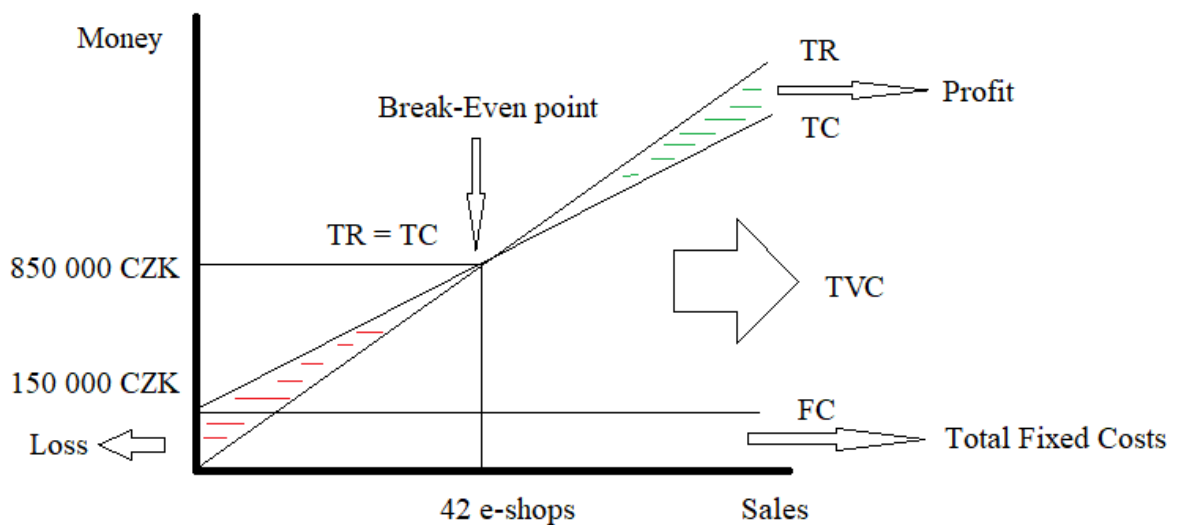


Figure 13 – *Break Even Analysis (Own Work)*

The Fixed Costs are at the moment the ones that represent wages of the FlowUp employees. Although it is not clear yet, how many clients the project will bring, it is likely that the project will require at least 5 workers of FlowUp. This results in the fixed costs amounting up to 150 000 CZK per month because the salary of each workers is around 30 000 CZK. Variable Costs as the title suggest may vary depending on the volume of interest form the side of e-shops and their customers. But it is sure already that to the costs of research and development

the program it will cost around 500 000 CZK, however that might not be the ultimate investment. Costs for advertising the product and offering it to the fashion clients could go up to 50 000 CZK. The good thing is that the final consumer of the product is the customer of the e-shop, which means that e-shop will need to advertise themselves and that will result in saving money on advertising. Variable costs also include expenses on commuting in order to make presentations about the program to clients which could be on average around 100 000 CZK. These costs will be dependent on the volume of sales.

COSTS	
FIXED COSTS	
Salaries for programmers (1 month)	150 000 CZK
VARIABLE COSTS	
Development of the Program	500 000 CZK
Additional Costs (marketing, commuting, etc.)	150 000 CZK

Table 2 – Total Costs (Own Work)

Following the analysis and based on the estimates of the revenues and profits the calculations show that when the program reaches around 42 e-shop clients it will be equal to the break-even point as it is clear in the figure 13 Break-Even Point.

The program Shopping Mirror as was stated above will be owned by the company FlowUp Ltd. They work on all the technological processes and innovations and do all the hard-work. For this reason the profits are going to be divided between FlowUp and Marek 30 to 70 in favour of FlowUp. Because the variable costs may be high and also considering the amount needed for creating the program, it will be necessary to cooperate with an external investor. After the implementation of the program for online fashion shops, it is expected to come across other additional expenses which are connected with the software and other costs of the program's administration in the first month of the cooperation. After this process is finished the e-shops won't have to operate the program because it will be able to function on its own and only will be dependent on FlowUp in case of regular updates or technological issues.

More detailed information about numbers and figures are attached in the files, it is possible to go through the estimated Income Statement and Cash Flow.

The process of financial evaluation of the Shopping Mirror will be based on software licences which will be paid monthly by fashion clients. The FlowUp Ltd. is an exclusive

copyright owner and all payments will be processed through their account. The initial costs of 15 000 CZK for the implementation of the program will be funded by potential e-shop clients. The cost of licence differs according to the amount of products e-shops offers on their website. In general the monthly price for the Shopping Mirror may reach up to 10 000 CZK per month but also can be for as little as 1 000 CZK. This amount really depends on the market size of particular brand and e-shop. The Following table presents prices for the Shopping Mirror Licence and possible profits during the first year.

REVENUES AND PROFIT	
Income for program implementation	15 000 CZK
Average income per licence	5 000 CZK
Estimated amount of e-shop first year	100
Total	7 500 000 CZK
Taxes	21 %
Costs of sales	2 500 000 CZK
Net profit	3 950 000 K

Table 3 – Revenues (Own Work)

In the first year it is expected to establish cooperation with around 100 e-shops which means that in average of 5 000 CZK per month for a licence it will make around 6 000 000 CZK but those are only estimate numbers and real figures won't be clear until the agreement is made and the first e-shop clients provide a positive feedbacks. Again, for more detailed numbers, estimated income statement and cash flow is attached at the end of the document. (Entrepreneur 2017)

16.2 Risks of the Project

Every entrepreneur that decides to start up a project has to deal with risks that may occur along the way. The first big milestone will be to convince the fashion e-shops that it is a good idea to buy a licence for the program Shopping Mirror. Due to the numerous attempts to deliver a 3D program that would allow people to put on clothes online, which did not meet the demanding technological requirements, e-shops are sceptical and it is possible that they refuse the cooperation. The critical point will be to show future clients that the program

operates on 2D technology as long as the market and technological development is not ready for 3D projections on sufficient level in the fashion industry.

It is confirmed by the programmer Albert Uchytíl, that although it won't be simple, he and his team will be eventually able to develop the project. However some obstacles may appear, like more expensive research and development than expected, which would mean additional costs of the program. Nevertheless, all of the mentioned are just speculations and it won't be clear until the prototype of the program exists. The owner of the program is FlowUp and therefore they will deal with the exit strategy in case of failure.

Another risk might be competition in technological sphere, in fact technological companies are one of the fastest growing businesses and they are highly adaptable to new innovations. There is nothing like a possibility to patent a program, therefore it might be copied by some of the competitors of the FlowUp s. r. o. or any programming firm. Every day the market of technologies brings new and more innovative gadgets, which means that for competitors it will not be difficult to develop and start providing the same program and services on their own.

CONCLUSION

The purpose of this bachelor thesis was to provide a complex and detailed business plan as well as to analyse data and determine the most essential information that would help to establish a business. The business that is aimed to set up is an innovative Shopping Mirror program that would bring an opportunity for people to save time and energy when shopping clothes. First of all, the theoretical part describes the most important knowledge gained from the various sources concerning economic environment. The second part is devoted to the actual transformation of that knowledge and its implementation for the Shopping Mirror. One of the most valuable effects this document had was actual analysis of the market and outline whether or not the Shopping Mirror is practicable. It was not only about information that are mentioned inside of this document but also about experience and the real life situations that may happen along the way of becoming an entrepreneur. The analysis in the theoretical part of the project definitely proves the importance of a planning process when establishing a business because it simply shows many information that an entrepreneur won't be able to realise until it may be too late.

Theoretical part doesn't contain only the information about what parts a plan must have, it also provides useful tips and study on how to conduct a research of the market and find out public opinions. Moreover it informs about how to keep customers interested in the product or service an entrepreneur offers and last but not least it comments on different types of businesses. The business plan is supposed to cover some basic features, it must be realistic, feasible, relevant and appropriate. According to the FlowUp, the Shopping Mirror meets all of those characteristics, therefore it is supposed to be practicable. The questionnaire showed 70% interest from the side of public, which means that e-shops should be interested in the program to satisfy their customer's needs, wants and wishes.

Based on the business plan and information provided by professional programmers, the Shopping Mirror is realistic and estimated financial projections show that the program should also be profitable. Assuming these facts, the business is supposed to be viable and beneficial to realize. Nonetheless, as it is in every business and Shopping Mirror won't be an exception, it will be difficult to persuade fashion clients to buy the license for the program and therefore achieve desired profits and long-term success.

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LIST OF ABBREVIATIONS

CZK	First abbreviation – Czech crown
IT	Second abbreviation – Information Technology
s.r.o.	Third abbreviation – společnost s ručením omezeným
Ltd.	Fourth abbreviation – Limited company
Inc.	Fifth abbreviation – Incorporated company
SMART	Specific, measurable, achievable, realistic, time-framed
SEO	Search engine optimization
SWAT	Strengths, weaknesses, opportunities, threats

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- P II The Results of Questionnaire
- P II Estimated Income Statement
- P IV Estimated Cash Flow

APENDIX P I: CURRICULUM VITAE – MAREK SKLENAR



**MAREK
SKLENÁŘ**

PROFILE

Highly motivated, creative individual ready to perform best results, cooperate in team and if necessary travel long distances for work. Possessing the enthusiasm and drive needed to succeed in competitive industry.

CONTACT

Phone: +420604690605
Mail: sklenarmarek@centrum.cz

Zeranovice 73
Holesov 76901
Czech Republic

SKILLS

Communicativeness



Writing skills



Flexibility



Reliability



Team Player



Creativity



WORK EXPERIENCE

General Assistant at Cottage Hotel

July 2014 - May 2015

A general assistant providing high quality service for hotel guests including food service, help with luggage but more importantly taking orders and customer communication

Chef's assistant at Bum Rogers Tavern

June 2016 - September 2016

Summer job in USA. Started as a prep cook but within one month worked out to cooperate with Chef. Memorizing recipes, preparing sauces etc.

General Assistant at Number Four at Stow

June 2017 - July 2017

Job required taking the orders, welcoming customers, everyday communication, putting the best effort to create guests a pleasant experience

Waiter/Server at Berghotel Mummelsee

July 2017 - September 2017

Work with Orderman, accepting payments, taking the orders, communication with customers, making recommendations, customer service

Part-Time Worker at Zelenka Inc.

September 2018 - December 2018

Assistance with everyday issues in the company, update of internal dictionaries, various translations in Trados, text corrections

EDUCATION

Bachelor of English for Business Administration at TBU University

September 2015 - June 2018

Program designed especially in English consisting of English Morphology syntax and other Linguistic disciplines but mainly Economics, Marketing, Personal Management, Business English, Basics in Finance and Accounting. Obtained average grade 1,8



**MAREK
SKLENÁŘ**

MOTTO

“Who wants to - will find a way,
who doesn't will find an excuse”

PC SKILLS

Microsoft Office package
Web Design
Prezi
Videos
Trados

HOBBIES

Going to cinema
Business books and stories
Meeting new people
New movies
Sport
Travelling

SOCIALS



Marek Sklenář



sklenarmarek

Courses of English at Lingua Language School September 2013 - February 2014

Intensive everyday English language Courses

LANGUAGES

English

Ability to fluently communicate at any topic. Prepared to deliver presentations in English, study material etc.

CAE Cambridge Certificate C1

German

I understand well and I am able to discuss general topics but determined to improve and achieve at least German GZ B2 – Goethe-Zertifikat B2

Currently at the level B1

OTHER PLUS POINTS AND FACTS

- Driver's license A, B – active driver
- Possibility to use own car
- Broad work experience in customer service
- Passionate in sports (active football player, gym), other stress relieving activities
- Experience with travelling – long distance too
- Ability to adapt in various environments and society
- Computer savvy

REFERENCES

“Marek has been an excellent employee, always punctual, well dressed, polite, and industrious. Marek has a good command of the English Language and was able to quickly learn the job, after initial training.”

William Ireland, Cottage Hotel in Hope Cove

“Marek is an amazing guy, he fulfilled his tasks with maximal precision and was always on time. He was initiative and creative employee, he provides with a great deal of commonsense and therefore was much beyond other workers not only from Work and Travel Program.”

Jerry Rotonda, Bum Rogers Tavern in New Jersey

More References available on request!

APENDIX P II: THE QUESTIONARE RESULT

THE SHOPPING MIRROR



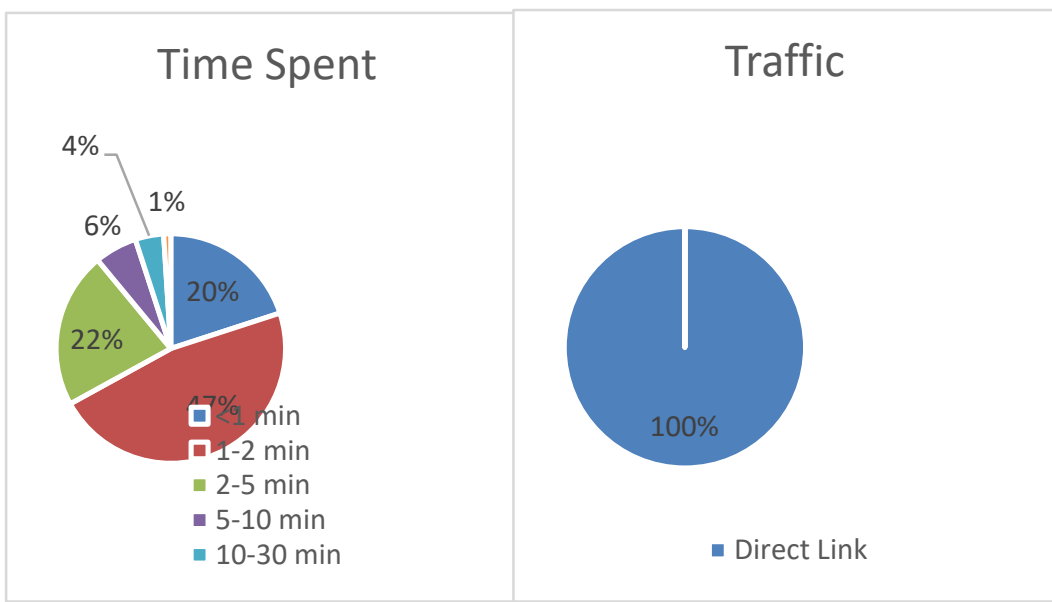
**WHAT YOU WERE MISSING WHEN
SHOPPING ONLINE**

Basic Information

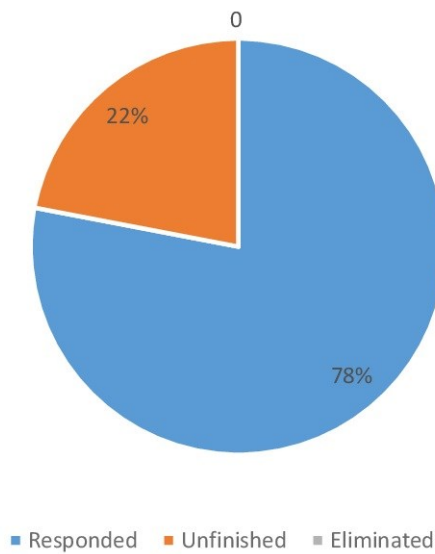
Name of the Research:	Shopping Mirror – Fashion Program
Author:	Marek Sklenar
Language:	Czech
Link to the Questionnaire:	https://www.surveio.com/survey/d/Z8H8S9C3Z9Y4E8W9Q
First Respond:	28. 02. 2018
Last Respond:	16. 04. 2018
Duration:	47 days

Statistics

127 Number of visitors
100 Completed
0 Eliminated
27 Unfinished
78,74% Success rate



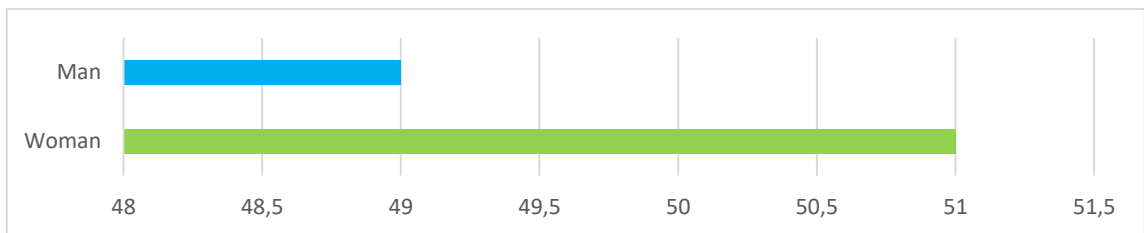
Visits



Results

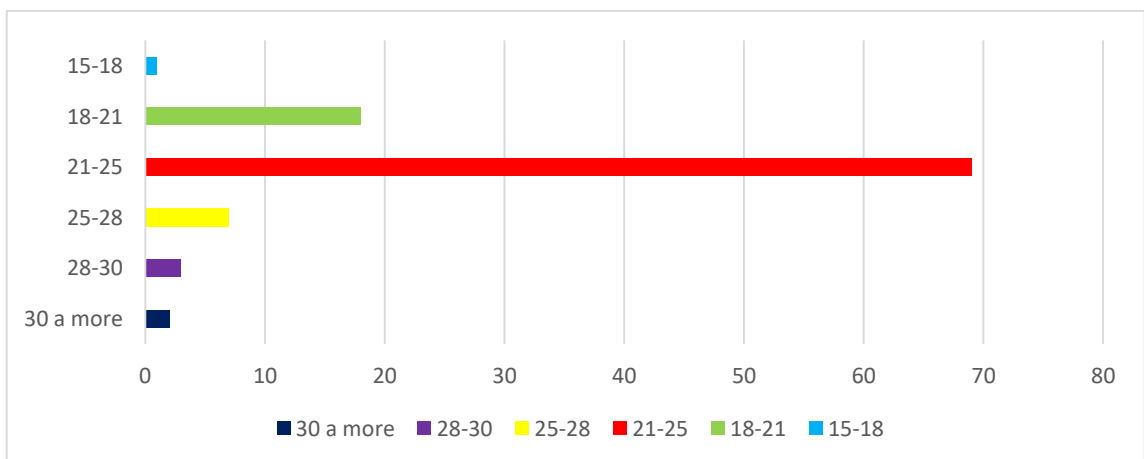
1. Sex

Option	Responds	Share
Man	49	49%
Woman	51	51%



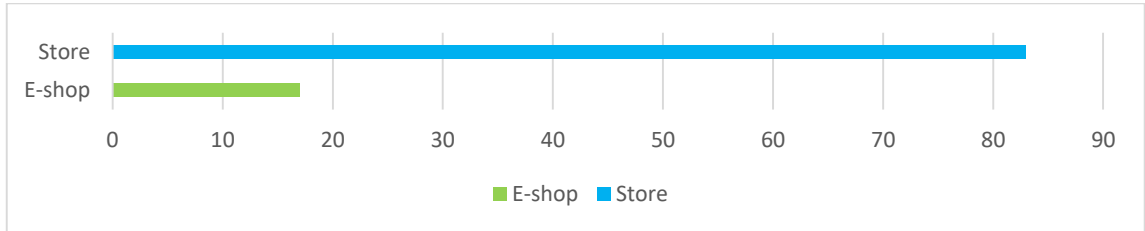
2. Age

Options	Responds	Share
15 – 18	1	1%
18 – 21	18	18%
21 – 25	69	69%
25 – 28	7	7%
28 – 30	3	3%
30 a more	2	2%



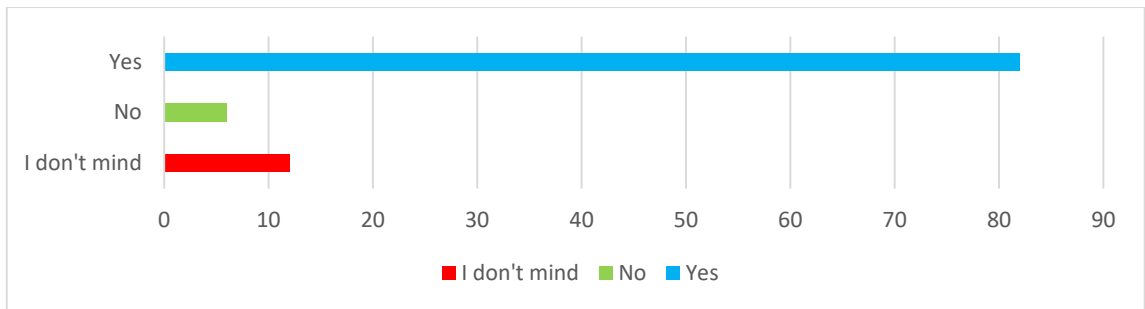
3. Which way of shopping you prefer?

Options	Responds	Share
Store	83	83%
E-shop	17	17%



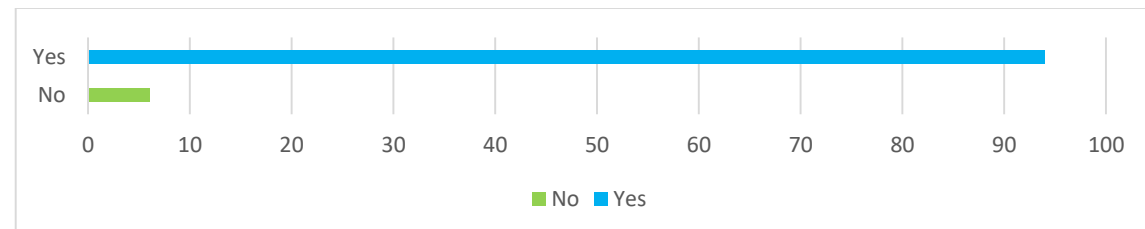
4. Are you interested in trends, style and how you look like?

Options	Responds	Share
Yes	82	82%
No	6	6%
I don't mind	12	12%



5. Did you ever thing about shopping online?

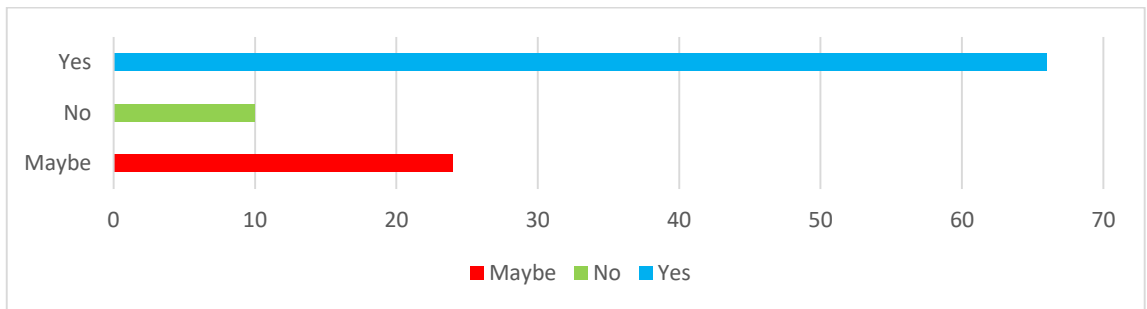
Options	Responds	Share
Yes	94	94%
No	6	6%



6. Would you shop online if you had an option of virtual reality where you could see how the clothes suits you?

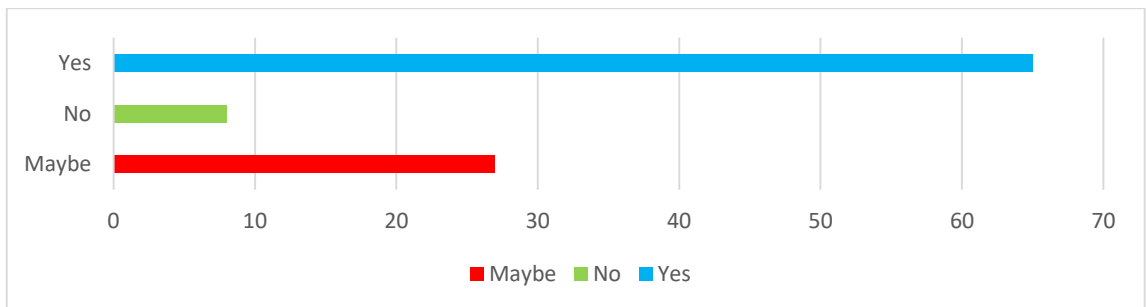
Options	Responds	Share
Yes	66	66%

No	10	10%
Maybe	24	24%



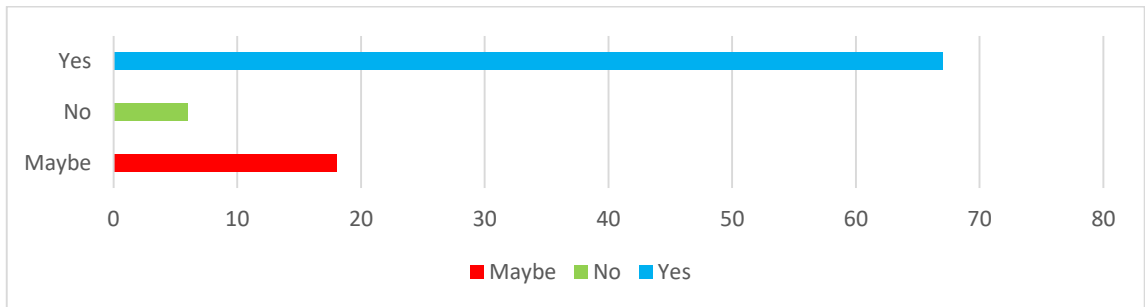
7. Would you be willing to provide needed information about personal details because of making your own virtual profile?

Options	Responds	Share
Yes	65	65%
No	8	8%
Maybe	27	27%



8. If you prefer shopping in store shop would you think about using this project

Options	Responds	Share
Yes	67	73,6%
No	6	6,6%
Maybe	18	19,8%



9. Which brands would you like us to cooperate with? (Examples of some answers)

Respondents	Responds
Respondent 1	Brands that focus on young people, and which are more likely open to online services e.g. H&M
Respondent 2	Zoot and other Asian based shops that are very popular among young people
Respondent 3	Nike, Zara
Respondent 4	The most prestigious, they like to innovate
Respondent 5	Zara, Bershka, Pull&Bear
Respondent 6	C&A, Reserved
Respondent 7	Nike, Adidas

APENDIX IV: INCOME STAMENT

Income Statement (Estimates)

	Year 1	Year 2	Year 3
Revenues	7 500 000 CZK	11 250 000 CZK	11 250 000 CZK
Costs of Sales	2 500 000 CZK	3 000 000 CZK	3 000 000 CZK
Gross Profit	<u>5 000 000 CZK</u>	<u>8 250 000 CZK</u>	<u>8 250 000 CZK</u>
Advertising & promotions	150 000 CZK	200 000 CZK	200 000 CZK
Maintenance (the program updates)	500 000 CZK	120 000 CZK	120 000 CZK
Total Operating Expenses	<u>650 000 CZK</u>	<u>320 000 CZK</u>	<u>320 000 CZK</u>
EBIT	<u>4 350 000 CZK</u>	<u>7 930 000 CZK</u>	<u>7 930 000 CZK</u>
Interest expense	220 000 CZK	215 000 CZK	210 000 CZK
Earnings before taxes	4 130 000 CZK	7 715 000 CZK	7 720 000 CZK
Income taxes	876 300 CZK	1 620 150 CZK	1 621 200 CZK
Net income	<u>3 253 700 CZK</u>	<u>6 094 850 CZK</u>	<u>6 098 800 CZK</u>

APENDICIES V: CASH FLOW STATEMENT

Cash Flow Statement (Estimates)

	Year 1	Year 2	Year 3
Operating Profit	<u>4 350 000 CZK</u>	<u>7 930 000 CZK</u>	<u>7 930 000 CZK</u>
Cash from Operations	2 120 000 CZK	4 230 000 CZK	4 310 000 CZK
Interest Expense	220 000 CZK	215 000 CZK	210 000 CZK
Income taxes	876 300 CZK	1 620 150 CZK	1 621 200 CZK
Net cash before debt payment	<u>1 023 700 CZK</u>	<u>2 394 850 CZK</u>	<u>2 478 800 CZK</u>
Debt payment	196 900 CZK	212 000 CZK	287 000 CZK
Cash change	826 800 CZK	2 182 850 CZK	2 191 800 CZK
Cash Reconciliation			
Beginning Cash	120 000 CZK	1 570 000 CZK	4 230 000 CZK
Change in cash	826 800 CZK	2 182 850 CZK	2 191 800 CZK
Ending Cash	<u>946 800 CZK</u>	<u>3 752 850 CZK</u>	<u>6 421 800 CZK</u>