

# **A Business Plan for the Vending Machines Start-up TrueSnack**

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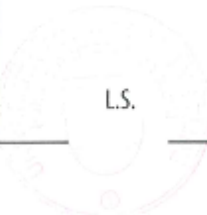
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## **ABSTRAKT**

Cílem této bakalářské práce je představit

podnikatelský plán pro podnik nabízející produkty splňující dietní omezení v nemocničních automatech. Bakalářská práce je rozdělena do dvou částí. První část je teoretická a druhá je praktická. První část vymezuje pojmy, které je podstatné chápat při založení podniku. Dále teoretická část rozvíjí další pojmy týkající se podnikatelského plánu jako například definici podnikatelského plánu, cíle a jednotlivé části podnikatelského plánu. V praktické části je vytvořen podnikatelský plán podniku TrueSnack. Hlavní cíl tohoto podnikatelského plánu je stanovit, jestli je dostatek zákazníků, kteří by podpořili tuto myšlenku, tudíž by byl podnik finančně životaschopný.

Klíčová slova: podnik, podnikatelský plán, automaty, dietní omezení

## **ABSTRACT**

The aim of this Bachelor's thesis is to introduce a business plan for the company offering products meeting dietary restrictions placed in vending machines in hospitals. The thesis is divided into two parts. The first part of the thesis is a theory and the second one is an analysis. The first part determines terms which are essential to know when setting up a business. In addition, the theoretical part elaborates other terms connected with a business plan, such as the definition of a business plan, objectives of a business plan and parts of a business plan. In the analytic part there is created the business plan of the company TrueSnack. The main goal of the business plan is to define whether there are enough potential customers who would support the idea of the business therefore the business would be financially viable.

Keywords: enterprise, business plan, vending machines, dietary restrictions

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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.

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## INTRODUCTION

The topic of this Bachelor's thesis is the business plan for the company TrueSnack. The company TrueSnack plans to offer products in vending machines in hospitals. These products meet dietary restrictions and are healthy snacks for anybody. This theme of the Bachelor's thesis was chosen according to author's interest in healthy food, however, mainly because of the idea that vending machines offering often unhealthy versions of products in some places, such as hospitals, is an insufficient way of satisfying people's demand. Since people suffering from diseases, such as celiac disease, diabetes disease etc., have only one way of curing these diseases and that is by eating proper food according to their disease. That is why the author came up with the idea of the company TrueSnack which should help to make this kind of food more available in places, such hospitals. Even though, this business might not be realized by the author, the author wants to spread the idea of the business which might help some company in the future to set up similar type of a business.

This thesis is divided into theoretical and analytical part. The theoretical part consists of terms, such as an entrepreneurship, an enterprise and entrepreneur, in other words these terms are basic concepts connected with a business as whole. In addition, the theoretical part defines legal forms of enterprise where can be found the term limited liability company which is the legal form of the company TrueSnack. Furthermore, there is theoretically elaborated a business plan, its definition, objectives of a business plan and parts of a business plan. Parts of a business plan served as a template for the following analytical part.

The analytical part is comprised of the parts of the business plan TrueSnack. There are added some parts which are not described in the theoretical part, however, these parts are import to have in the practical part, such as PEST analysis, parts of the market research and some chapters of the financial plan. The crucial part of the business plan is the market research which is comprised of three interviews and the survey. The chapters of the market research were chosen intentionally since the first two interviews help the company TrueSnack to know if the place of the business is realistic and the third interview was conducted in order to be informed from the competitor. The last chapter of the market research is the survey which was created in order to know if there are some customers who would be interested in the company's idea.

The main goal of the business plan is to find out whether the business TrueSnack will be financially viable and feasible.

## **I. THEORY**

## 1 ENTREPRENEURSHIP

There are many ways to define entrepreneurship. Nevertheless, all of them might be partly true. In agreement with the Civil Code, entrepreneurship is defined as a systematic activity performed by an entrepreneur himself, on his own responsibility, by his name in order to generate a profit. (Vochozka 2012, 112)

According to Martinovičová, Konečný and Vavřina, (2019, 27-28) entrepreneurship is comprised of identification, determination and use of business opportunities to fill a gap in the market.

However, there are some typical features of entrepreneurship: (Veber 2012, 17)

- A goal directed action,
- Enterprising and creative approaches,
- To manage transformation processes,
- Practical contribution, utility, added value,
- Risk of failure,
- Repetition and cyclic process

As reported by Srpová, and Řehoř, (2010, 23-24) there are diverse goals of entrepreneurship. Main goals are a profit generation and market value maximization of an enterprise. Market value maximization is considered as a long-term goal of entrepreneurship.

There are three concepts of entrepreneurship:

- **Entrepreneurship as a Process**

The aim of this concept is creating a new commodity, which can be financial or non-financial. This commodity should have added value.

- **Entrepreneurship as a Method**

In this approach human behaviour and attitude is discussed. Enterprising behaviour is essential and should have these attributes:

- Have an interest and an effort to create added value
- Independently identify opportunities to attain the objective
- Effectively acquire and deploy your own resources
- Take responsibility for yourself and bear an appropriate risk
- Yield positive results as the last stakeholder

- **Entrepreneurship as Value Orientation**

Considering entrepreneurship environment, value orientation represents a structure of values and attitudes. There are two ways to look at the structure of values and attitudes. Firstly, how the society appreciates entrepreneurs and entrepreneurships, therefore the social dimension is applied. Secondly, the individual dimension which emphasizes an enterprising lifestyle, specifically accountability, risk bearing, endurance of uncertainties. The entrepreneur can also benefit a personal autonomy or generate the greater profit. (J. a. Srpová 2010, 19-20)

## **1.1 Enterprise**

Enterprise is generally described as an entity which transforms inputs to outputs. Each entity pursues an economic activity is considered as an enterprise, regardless of a legal form of business. (Veber 2012, 20) Enterprise can be also defined as an economic and a separate legal entity, which purpose is to do business. General characteristics of enterprise are combination of factors, economy, financial stability. Specific characteristics of enterprise are private ownership, autonomy, profitability (J. a. Srpová 2010, 35)

### **1.1.1 Legal Forms of Enterprise**

In this chapter, legal forms of enterprise in the Czech Republic will be described.

#### ***Natural Person***

Natural person is a self-employed person who do business in terms of trade licence. The business is done independently, under an entrepreneur's name and on entrepreneur own responsibility. The sole-proprietor needs to be recorded in the Business Register. (Veber 2012, 25) There are some conditions which a natural person needs to meet to operate a business. A person is obliged to be eighteen-year-old, legally competent and irreproachable. (J. a. Srpová 2010, 67) The advantages of this legal form are few formal legal obligations, low administrative expenses necessary for establishment of a new business and no initial capital. Then a person can right after an announcement of a business start a business. The entrepreneur can freely decide about his business and do not have to discuss it with other business partners. Any potential amendments are done immediately. One of the disadvantages might be unlimited liability, when a proprietor loses all his company's assets. An entrepreneur might lack economic expertise and then the business might go wrong. (Veber 2012, 230-231)

### ***Capital Companies***

In the Czech Republic, capital companies are composed of joint-stock companies (akciové společnosti) and limited liability companies (společnosti s ručením omezeným). Shareholders are not liable for their debts or they have a limited liability. (Business Info 2017) A limited liability is usually considered as the invested money, at the time a business is being set up. Therefore, investors' and owners' private assets are not exposed to any risks if the business fails. (Hayes 2019)

- *Joint-Stock Company*

Joint-stock company is a company which needs to be set up by at least one legal entity or two founders. Company establishment is official when the business is listed in the Business Register. A shareholder is not liable for his debts. Each company needs to have its registered capital at the very beginning of the business. The registered capital of joint-stock company must be two million CZK or eighty thousand Euros. The board of directors is entitled to manage a company. (Martinovičová 2019, 81-85)

- *Limited Liability Company*

In the Czech Republic, only one entrepreneur needs to be to start a business as a limited-liability company. Same as a joint-stock company, limited liability company is established by entry to the Business Register. All shareholders are jointly and severally liable up to the amount of the unpaid authorized capital for their debts. The registered capital is only one Czech Crown, so this type of business is very easy to establish. There are executive directors who are responsible for running a business. (Martinovičová 2019, 81-85)

### ***Business Partnerships***

Business partnerships are comprised of general partnerships (veřejné obchodní společnosti) and limited partnerships (komanditní společnosti) in the Czech Republic. There is an expectation that an entrepreneur will manage his business himself and partners are liable for all business debts if the business goes wrong and the company cannot pay its liabilities. (J. a. Srpová 2010, 68)

- *General Partnerships*

General partnership needs at least two people to be viable. Same as mentioned in capital companies, general partnership begins to exist by a mention of the business in the Business Register. Partners are jointly and severally liable to all corporate assets for their debts. There is no minimum amount of the registered capital. Each partner has his rights to manage the company. (Martinovičová 2019, 81-85)

- *Limited Partnerships*

Limited partnership is created by a general partner (komplementář) and a limited partner (komanditista). Identical to previously mentioned type of companies, limited partnership is officially created by listing in the Business Register. Both general partners and limited partners are liable up to the amount of the unpaid authorized capital for their debts. In this type of a business is a limited partner obliged to pay only 1 CZK as a registered capital. General partners are entitled to lead a company. (Martinovičová 2019, 81-85)

### **1.1.2 Barriers of Enterprise**

There are internal and external barriers which can thwart businesses. These obstacles are made due to the factors which are connected to certain environments.

#### ***Internal Barriers***

Factors which cause that entrepreneur does not want to do business, does not know how to do business or cannot do it. Firstly, a person does not want to do business because he is unmotivated to do business, is afraid of potential entrepreneurial risks or lacks personal characteristics. Secondly, a person does not know how to do business since there is a lack of the scope of business (an idea, know-how), insufficient identification, evaluation and use of opportunity. Also, ignorance of basic business-related requirements or insufficient individual predispositions can lead to the business failure. Thirdly, a person cannot do business, as he has no needed resources; for instance an initial capital, suitable premises or there is no support of a family, a potential business partner or a finance institution. (Veber 2012, 24-25)

#### ***External barriers***

There is a wide range of factors which are associated with external barriers. These factors result from the legal environment of business, economic environment, business infrastructure and public opinion, and are independent of an entrepreneur. To act in accordance with the legal environment of business, when entrepreneurs set up and run a business, they need to be aware of legislative acts and laws, such as the Trade Licencing Act or the Commercial Code. Regarding economic environment, there are specific requirements, particularly in accounting, taxes, customs duty etc. Concerning business infrastructure, there are external conditions connected with banks, insurance companies, educational, communication, consulting, information services and public administration. In connection

with public opinion, there is a certain opinion of public about the entrepreneur, which can also change how the business will be successful or not. (Veber 2012, 25)

## 1.2 Entrepreneur

Entrepreneur is a person who is listed in the Business Register, who do business based on trade licence, or another licence than trade licence related to specific legislation, or a person who is engaged in agricultural production. According to Business Register, in the Czech Republic entrepreneur can be a natural person or a legal entity such as a general partnership, a limited company, or a joint-stock company. (J. a. Srpová 2010, 30)

In order to succeed, an entrepreneur needs to have individual predispositions or according to Abrams, (2010, 4) gets business inspiration from on four sources: previous work experience, education or training, hobbies, talents, or other personal interests; or recognition of an unanswered need or market opportunity.



## 2 BUSINESS PLAN

Business plan is a template for your actual business where suggested steps are identified and described to know if your business might be successful.

### 2.1 Definition of Business Plan

According to Svobodová and Andera, (2017, 272) a business plan is a written document, which describes essential external and internal circumstances related to the business activity. The fundamental information of a business plan needs to be conveyed in a comprehensible and concise way. (Westwood 2006, 74) A business plan determines whether the business is viable and financially feasible, among other things.

Each business plan consists of business goals. There should be the arguments why these goals are reasonable and how to achieve these goals. A business plan shows data-based information about a product or services and serves as the proof of uniqueness of a product or services. The reader of a business plan should get an idea of the organization in overall and how the organization wants to reach their goals. (Shelton 2017, 23)

### 2.2 Objectives of Business Plan

A business plan can be used for many different purposes by a start-up or already existing company. As a business owner, you can use the business plan as an internal document for your actual business. (Fotr 1999, 204) It might help you to characterize company's goals, understand your business better, inform your trading partner or employees and evaluate the performance of your business. (J. S. Srpová 2011, 24-25)

If you want to set up a business, do not have enough of your own finances and need to get financial help, you can use your business plan to allure some lenders or investors. If the document is highly persuasive, it might attract investors and they can put money into the idea. (Fotr 1999, 204) A business plan may be created for a bank or a provider of subsidies. When searching for a business partner, a good business plan might help you manage it. (Svobodová 2017, 277-278)

The aim of a business plan is to determine how much money the entrepreneur will need for the entrepreneurial launch. Mainly, there are attempts to estimate how big the company's profit will be and whether the product or services will meet demand on the market. (Svobodová 2017, 273-277) Writing a business plan helps the entrepreneur to clarify his/her ideas and to easily decide what steps he/she is going to take.

## 2.3 Parts of Business Plan

Content of the business plan can be varied and usually depends on the purpose of the certain business plan. Each entrepreneur might modify or update the parts of business plan for his/her personal use according his/her own needs. (Svobodová 2017, 278-281) However, there are some essential parts which should be covered in each business plan:

- Executive Summary
- Company Description
- Product or Service Description
- Target Market
- Competition
- Marketing Plan
- Financial Plan
- Management & Organization

### 2.3.1 Executive Summary

As the name suggests, this part of a business plan gives a brief summary of crucial sections of the whole business plan and is usually written when the whole business plan is finished. At the beginning of an executive summary your business concept ought to be lucidly explained. It should be shown that the business has been elaborately and carefully planned and the management is competent. There needs to be clearly stated that there is a market where products or services will be offered and sold. The reader should easily recognize the company's important competitive advantages. There ought to be covered business's financial projections and these projections need to be as realistic as possible. Investors and lenders need to be simply taken by the executive summary. It is needed to be considered who is going to read the executive summary and think in advance what exactly will be written in this document.

According to Abrams there are two types of the executive summary. Firstly, there is the synopsis summary, which has an advantage that is easy to be written. On the other hand, this type might be rather rigid than appealing. Secondly, the author can write the executive summary in a narrative way. Indeed, this style is the opposite of the first one. It appeals to the reader's emotions and might be also shorter. However, the author needs to put a lot of effort into writing such executive summary and it might be time-consuming work. (Abrams 2010, 54-55)

An executive summary should consist of one up to three pages maximum, thus the reader immediately comprehends the message and is still interested in reading other parts of the business plan. It can be said that it is one of the shortest parts of a business plan, however, one of the most important ones. (Shelton 2017, 69)

### **2.3.2 Company Description**

In this section of a business plan is important to focus on the basic details of the business, such as the company's legal form, company mission statement and what the company's goals are. Businesses, which operate for a significant period of time, are able to put more detailed information in the company description since they have, for instance, some milestones achieved so far. (Abrams 2010, 67)

Furthermore, there should be mentioned the details of the company such as the company name, the name of a business's website and the name of an entrepreneur. (Abrams 2010, 68) In addition, there should be mentioned contact details and information about a chief executive officer and other people who are associated with the business, for instance stakeholders. (Shelton 2017, 73-74) The reader needs to be encountered with the company address, headquarters of a company.

Before an entrepreneur starts a business, he/she needs to decide what legal form he/she will choose. It might be sole proprietorship, general partnership, limited partnership, joint-stock company, limited liability company, trade association or cooperatives.

Probably the most complex part of the company description is to create a mission statement which should cover company's objectives and contributes to establishing company's values and norms. (Abrams 2010, 67)

### **2.3.3 Product or Service Description**

This section of the business plan is essential for the reader to understand what the business is about, therefore there will be described the products and services which will be offered and sold in the marketplace.

In a product or service description part is necessary to point out the company's competitive advantage. There should be shown in which way your product or service is unique and what the specific features or attributes are. The lowest price does not necessarily need to be a competitive advantage since your competitor can easily find out this strategy and undercuts you. (Shelton 2017, 84) Nevertheless, the price can be used as a short-term competitive advantage and not the essential one. Good competitive advantage might be, for instance, quality, trademark and additional services. Differentiation may be seen also by the

company's case-by-case approach to customers. Furthermore, a company might find a way how to manufacture customized products and attracts a great number of customers. According to Svobodová and Andera the most considerable advantage is how much the introduced product is innovative. (Svobodová 2017, 313-314)

In the case of this business plan, there is no plan to produce the products, however, to buy from wholesalers. Therefore, there is necessary to specify how the company will obtain these products and which ways the enterprise will choose.

#### **2.3.4 Target Market**

Before starting the business, it is important to identify who your customers are. The company's product or service should meet customers' needs and desires. Determining the target market involves a market analysis which enables you to identify and understand your customers. Because of the market analysis, the entrepreneur might want to change product's advertising, packaging, location or the way how the product is going to be sold. Moreover, a well-made market analysis might change the entrepreneur's view on the product or service and the features or even the whole product or service might be modified or amended. (Abrams 2010, 99)

Abrams suggests that it is appropriate and efficient to define the particular market segments, the company wants to accomplish, rather than targeting the market in the broadest sense. According to Abrams, there are certain criteria which might help to specify the target market and these criteria are characterized as:

- definable
- meaningful
- sizable
- reachable

Firstly, a target market is definable in terms of potential customers' specific characteristics. In other words, what are the qualities customers have in common. Secondly, the identified personal traits need to associate with the customers' reasons to buy a certain product or service. Then, the business must be operated on the market which is big enough to be financially viable and secure. Last, but not least, specification of the market goes hand in hand with the previously mentioned size to be able to reach your potential customers in the reasonable way. (Abrams 2010, 100)

Target market, especially potential clientele may be characterized by market segmentation. There are different types of market segmentation which represent customers'

attributes. Market segmentation is the way by which a company breaks up its target market to demographic description, geographical description, lifestyle or income.

Firstly, demographic segmentation takes into consideration age, gender, job, race, religion, nationality, disability and ethnicity.

Secondly, a company selects customers according to the location of their homes or the places they are during the day. Geographical description can be done in the broader scale when a business considers the local, national or international market.

Thirdly, lifestyle segmentation can be done by a business to conclude from the evidence like customers' hobbies, sport interests and other activities engaged in clientele lives. Furthermore, as a result of income segmentation the businessman might also get the picture of customers. (BBC 2020)

In addition, there is psychographic segmentation, which can be defined by purchasing patterns or buying sensitivities. For example, it might be a family-oriented, fun-seeking or an environmentally conscious person, therefore an entrepreneur can target each segment in a slightly different way. The purchasing patterns might include number of times, reasons or the amount of purchases each customer has made. Buying sensitivities might be presented by, for instance, price, return policy, convenience of use, sales, product features etc. As the name implies, a customer might be sensitive to these features and it might change his overall view on a product or brand. (Abrams 2010, 104-108)

### **2.3.5 Competition**

An entrepreneur might think that he is the only one on the market, however, it is almost certain that he is wrong about it. It is important to be aware of your competition since each company has competition. (Abrams 2010, 115) The best thing what can an entrepreneur do is to take an example from competition and its experience on the market such as successes or failures.

There are multiple ways how to look at competition. Competition can be direct or indirect. Direct competitors are similar companies which offer same or similar products or services. Indirect competition does a business which is slightly different and might offer other products and services than you might sell. However, this type of competition may satisfy the same needs which your business wants to meet. (Svobodová 2017, 368) For example, there are two restaurants which sell different types of meals, although both restaurants satisfy customers' hunger.

Competition can be analysed from the perspective of market dominance. Market dominance competition is comprised of monopoly, oligopoly and monopolistic competition. Monopoly is a type of competition which has a dominant position on the market and usually is the only producer. Oligopoly consists of two or more competitors who generate and sell similar products or offer similar services. Monopolistic competition is so-called imperfect competition. It means that many companies manufacture various products.

Kozel holds the view that competition can be done by benchmarking. Purpose of benchmarking is to compare your company with the most successful competitor and determine how to increase company's performance or make suggesting amendments. Your company should take an example from positive experience of the company which is compared with. (Kozel 2011, 144-146)

One of the most popular models for analysing competitive companies is Porter's five forces model. This model is divided into these sections:

#### ***Rivalry Among Firms***

If there are two or more already established companies in one industry and they compete among themselves, one of them might oppress the other one. Probably the best example of rivalry among firms is Pepsi and Coca-Cola in the soft drink industry. This type of cooperation might not get through other competitors to penetrate the market. Even though it might sound favourable for these two companies, this type of strategy can be viewed by many competitors as a warp way of collaboration. Therefore, by some people it can be considered as an advantage, but others might despise such scenario.

#### ***Relative Power of Suppliers***

Relative power of suppliers is a suppliers' scheme to bargain with companies. Suppliers tend to promote prices, cut down an availability of products or even diminish products quality. The best scenario for companies is to have more suppliers and do not count on one only. Therefore, organization has more places where to buy products. Moreover, this scenario gives a company a greater opportunity to deal with suppliers and suppliers do not have superior power in bargaining.

#### ***Relative Power of Customers***

This section attempts to achieve a balance of sales and customer service costs with risks. Chatfield suggest that a company might generate larger profits if a business is focused on one or two prospective customers than numerous small ones. However, a business cannot be dependent on a single customer and therefore it is needed to serve each customer individually.

### *New Entrants*

Many companies want to enter new markets due to in pursuit of new circumstances to earn money. Penetrating new industries might be tempting to new businesses same as already existing ones. New markets might be interesting especially if there are almost no entry barriers, a vision of a big profit or an unsatisfied market. Well-established companies might try facing these new companies and build some barriers.

### *Substitute Products*

Porter mentioned the threat of substitute products as a one of the industry factors which should be examined. Simply put, there might be some products these days or in the future which can substitute already existing ones. Same as it happened with contact lenses which partially substituted eyeglasses and therefore reducing the demand for eyeglasses. If there is a view on substitute products according to customers, they might add in a place of one product different one which is cheaper than the previous one. (Deusen 2007, 66-68)

As mentioned by Djolov there are certain barriers to competition. These barriers have been divided in three sections:

- *Product Differentiation*

There are some customers' tendencies for already existing products and these preferences tend to last for substantial time. These preferences might be supported by well-made brand advertising, products' patent protection or products which are innovated by companies.

- *Absolute Cost Advantages*

Businesses might achieve superior production procedure. This might be a consequence of experience such as patented or secret processes, from control of certain inputs required for production, labour, management skills or equipment. These well-established companies might have cost advantages due to a better access to economical funds because these companies might appear as healthy and secure businesses.

- *Economies of Scale*

Economies of scale indicates lowering total average cost when output increases. It is important for new entrants to decide either to take a risk and produce products at a large scale or create small amounts of products which might lead to a cost disadvantage. However, large scale production might cause a disruption of the actual market, prices might be reduced and there might occur excess supply. (Djolov 2013, 57)

### 2.3.6 Marketing Plan

As a business, you need to find a way how to communicate with your customers, convince and sustain them for as long as possible. To do so, a company needs to create a powerful marketing plan to efficiently attract customers to buy company's products. It is necessary to have a marketing plan which is realistic and thoroughly designed. There should be defined the ways how your customers will be informed about your products or service. In addition, it is needed to know what message as a business you are trying to deliver to your customers. This message might be about your products, services or a company in overall. It is important to decide what strategies a company will adopt to reach their customers and convey the message to them. Moreover, a business needs to define how it will achieve projected sales.

Every business conveys a message in its marketing and emphasizes the strategic position or the specific features. Sometimes the message is focused on the customers self-images and try to reach them by feelings.

There is a concept used among almost all marketers. This concept is called "The four P's" and it is comprised of product, price, place and promotion. (Abrams 2010, 149-150) Firstly, in the section called product, there can be found quality of a product, range of goods, product design and the brand. Secondly, there is a part which is focused on the price and this price consists of cost of goods, discounts or sales, replacements or payment terms. Thirdly, there is a place which in terms of this concept is represented by distribution channels, availability of a distribution network and range of products. Lastly, the term "promotion" means also communication and is defined as advertising, direct selling, public relations and sales promotion. There might be more marketing activities included, it depends mainly on a business. In addition, there are other three "P's" which might help an entrepreneur to reach his/her business goals. These three other "P's" are people (personnel), processes and physical evidence. (Zamazalová 2009, 40)

Marketing strategy might cost a lot of money, for that reason it is recommended to choose those marketing strategies which reach your desired customers and represent your company image in the right way. When using marketing channels, a usage of more than one marketing channel might be useful since there is a high probability of having reached a high number of customers. It is suggested to make customers expose to a marketing message as much as possible, in other words a repetition of your advertisement is needed. Also, your chosen marketing vehicles need to be affordable for your company. (Abrams 2010, 153)



Marketers should be aware of a buy cycle which tells them how to attract customers, make them to buy products and how buyers spread positive information about your products and brand by word-of-mouth marketing. This buy cycle consists of awareness, discovery, engagement, active customer, successful customer and referrals. (Shelton 2017, 98)

There are many marketing strategies and how it was above mentioned, it depends on the entrepreneur which he/she is going to choose. In general, there is print media, broadcast media, social networking, online advertising, direct mails, email mailings, public relations, sampling or informal marketing. (Abrams 2010, 155) Apart of these traditional ways of marketing, there can be used guerrilla marketing, for example. Guerrilla marketing might be considered as an outdoor space marketing and this strategy uses space in a specific way that advertisement might resemble the product itself. This type of marketing is unusual, although it might be easy to be created and it is cost-effective.

### **2.3.7 Financial Plan**

Financial plan or so-called financial statements is important for a business to know if a company will be financially viable. Financial plan should help to find out if the financial projections are realistic. It is recommended to list your products and services and define how much might be possible to manufacture or provide. If it is stated correctly and precisely, a business should directly know reasonable amounts of products which might be sold out. Financial assumptions are consisted of sales, cost of goods sold, expenses, operational financing and financing. There are three fundamental financial statements and these statements comprised of income statement, cash flow statement and balance sheet.

#### ***Income Statement***

Income statement displays a company's earnings yielded during a month, a quarter or a year. This statement is composed of revenues, which can be also defined as the amount of sales and are created by sold products and services. Specifically, there are firstly listed sales of products which create first total revenues. These revenues are made of number of units sold and price per unit. Secondly there is mentioned cost of goods sold and second total revenues are created. The cost of goods is made of direct costs and variable costs. There is calculated gross profit by subtracting total revenues of cost of goods sold from total revenues of sold products. The last part of income statement is all other expenses, which are mostly fixed costs such as rent, insurance, utilities, employees payrolls, taxes, marketing, advertising etc. When subtracting total expenses from gross profit, an entrepreneur might generate a profit and get an operating income or there might appear at a loss or a business

might reach a break-even point. Break-even point exists when total expenses are equal to total revenues.

### ***Cash Flow Statement***

Cash flow statement addresses the amount of money which is generated from businesses performances and activities connected with investing and financing. Cash flow statement might be considered as the broader statement than income statement. Since cash flow statement incorporates capital expenditures for appliances and premises which are useful for companies in the long run. Same as capital expenditures, loans and following redemption might secure available funds to run a well-established business. A cash flow statement has three sections: cash flow from operation, cash flow from investments and cash flow from financing. Firstly, cash flow from operations shows majority of all transaction made by a business and these transactions are usually happening regularly and continuously every day. These transactions are constantly repeated, should occur in green numbers and are money-making potential for a business. Secondly, there is mentioned cash flow from investments and these investments are money spent for buildings, emplacement of new premises, cars, manufacturing, IT appliances, etc. These transactions are usually made at the very beginning of your entrepreneurship. As the last, there is cash flow from financing which is comprised of loans and redemption of the loans, equity capital and other capital like payment of dividends.

### ***Balance sheet***

In contrast to income statement and cash flow statement, which represent outcomes over a period of time, balance sheet is created to an exact day, for instance, the last of the month or the last day of the year. In a balance sheet can be found assets, liabilities and equity of the business. Assets might be separated to two broad groups. The name of the first group is current assets and there are included units which are currently money or can be easily converted into money in one year maximum. For example, it might be supply or accounts receivable. The second group is called liabilities; instances include appliances, all kinds of vehicles, premises, premises' enhancement and estate. Liabilities or so-called fixed assets are determined same divided same as the first group of assets. There are current liabilities which needs to be paid in a period of the following twelve months and long-term liabilities such as long-term loans. Equity is a value of company's possessions after paying all the remaining liabilities. (Shelton 2017, 137-151)

## **II. ANALYSIS**

### 3 COMPANY DESCRIPTION

TrueSnack is a company focused mainly on people who need to keep special dietary restrictions in their lives. These people might often visit hospitals and other medical establishments. Therefore, this company wants to place vending machines in these kinds of places. Since there are few or no convenience stores with products fulfilling requirements of these special diets and there are no vending machines with these products, there might be a need to satisfy this gap on the market. Vending machines of the company TrueSnack will be full of products chosen from the categories such as gluten-free, lactose-free, sugar-free, nut-free etc. Products should serve mainly as snacks for patients, visitors, healthcare workers, however, there will be a certain number of products which may substitute lunches. Close to vending machine will be attached a ingredients' brochure with detailed information about individual products. The company will not manufacture any products, however, there is a plan to buy products from wholesalers and then sell them out in vending machines.

How I mentioned in my theoretical part, each company needs to have defined its name, legal form, headquarters and other details connected with a company.

#### 3.1 Company Details

##### 3.1.1 Company Name

The company name of my business is TrueSnack. This appealing English phrase was chosen to paint a picture of quality and attainability in customers' minds. The approach to a customer is on the first place, therefore the best available products needs to be chosen. A slogan "Health on the first place", in Czech "Zdraví na prvním místě" will be used on the website of the company and other places used for promoting the business. Since our target group is mainly comprised of Czech people, therefore the slogan will be written in the Czech language, however, there is an idea to mention the slogan in the English language as well, as some customers might be foreigners and the English language might catch young customers' attention.

##### 3.1.2 Legal Form

The company TrueSnack will be established as the limited liability company. The proprietor is a natural person Kristýna Seidlová who meets the required criteria for the Czech free trade license, which is needed in this kind of business. Being over eighteen years old, legally competent and I have never been convicted of a crime.

The Czech law stipulates, that a registered capital of a company needs to be at least 1 CZK, however the proprietor has savings in amount of 700 000 CZK which was earned in last two years by working abroad and 1 000 000 CZK are savings of proprietor's parents given to this business thus the registered capital of the company TrueSnack is 1 700 000 CZK. A memorandum of a company needs to be created and it must be authenticated by certificate of acknowledgement which will cost around 5 000 CZK. The memorandum of the company TrueSnack needs to be written and in this memorandum will be mentioned that the business has the free trade licence, the settled registered capital, the name of the company – TrueSnack and there will be namely mentioned the proprietor. (Business Info 2017)

There is only one proprietor, hence there are no divisions of a potential equity and no potential issues with another shareholder when presenting and integrating new ideas and changes in the business.

After having the company's memorandum and the registered capital, I will open a current account and apply for an entry in the Commercial Register. (Business Info 2017)

### **3.1.3 Place**

A headquarters of the company will be in Zlín, because here can be found the financial administration which can be useful when there is a need to make an administrative adjustment. The office of the company TrueSnack a small warehouse will be located at Sadova street. This decision was made because of the relatively low rent and the place is easily reachable by a van. Places where the business will be operated are two hospitals so far. The first hospital is called Tomas Bata Regional Hospital which is situated in Zlín. The second hospital which would like to support the business' idea is Anne's University Hospital Brno. There is a plan to place more vending machines in each hospital, however, this is still a subject to be discussed. Whether or not to cooperate with more hospitals is also being a matter of debate. However, if the company wants to make a profit, to collaborate with other hospitals and place more vending machines will be needed.

### **3.1.4 Mission Statement**

The mission of the company TrueSnack consists of the overall goal to provide products which meet the special dietary requirements. These products should mainly satisfy needs of patients who are in the hospitals without a proper place to buy these kinds of products. When deciding about products, each customer may play a crucial role in the business, therefore the company is prepared to take all customers' needs into account. The company would

welcome and is opened to a cooperation with local companies who make these kinds of products. The goals which the company would like to achieve are:

- To provide products meeting the special dietary requirements
- To satisfy customers' needs by a dedicated approach to customers
- After a longer time period, to be financially viable and successful business
- In the long run, to improve reputation of hospital's refreshments

### **3.2 SWOT Analysis**

In my SWOT analysis will be introduced the company's strengths, weaknesses, opportunities, threats.

#### **3.2.1 Strengths**

##### ***All Age Groups***

One of the strengths of the company TrueSnack might be that all age groups are represented in our target market. There is a high chance of word-of-mouth propaganda, therefore marketing might be partly comprised of this organic way of spreading marketing information. Thus, there might be relatively low costs for company's and products' marketing.

##### ***Low Costs***

Another strength of this business is comparatively low costs of energy, employees and premises, if it is compared to stores such as health food shops or supermarkets.

There are no costs of manufacturing the products because the company plans to buy all products. Therefore, there is not dependence on processing machines and the company is always able to maintain products.

##### ***Quick Response***

In contrast to supermarkets and other shops where people can buy these kinds of products, the company TrueSnack is prepared to quickly respond to a rapidly and constantly changing demand of our customers. If there is a new product satisfying needs of customers with food allergies and intolerances, the company TrueSnack can immediately react to a changing demand of customers.

##### ***Loyal Customers***

Unfortunately, people suffering from diseases, a food intolerance and allergies have a low chance of getting cured. Accordingly, there is expected that customers will need these kinds of products all their lives and will be loyal customers of our company. Since the food

is modified more and more, there is indeed a high degree of probability that numbers of patients are going to be increased and this might mean more customers for the business TrueSnack.

### 3.2.2 Weaknesses

#### *Patients Have Food in Stock*

One of the weaknesses of the company TrueSnack might be patients who buy enormous packages of their desired and needed products in advance. Therefore, when those patients are admitted to a hospital, even though they could be our customers, they will not buy anything since they have their own food with them. Another example might be patients who are admitted to a hospital and they have relatives who can supply them during their stays in a hospital.

#### *Expiration Date*

It is obvious that each product has some expiration date. The best scenario would be that all products would be sold before an expiration date. However, this scenario is almost infeasible. Therefore, this is quite complex problem and there are not many solutions in sight. The only actual way of solving this problem might be a regular check during supplies replenishment. That is also the only way how our competitor, the company Delikomat, solves the problem.

#### *High Price*

Even though there are people who suffer from diseases, have a food intolerance and food allergies and these people used to pay higher prices for their food, there still might occur some customers who will be price sensitive ones.

#### *Competitive Struggle*

There is a chance that a competitor might find a way how to attract customers. They might use a similar strategy like us, however, if they improve it and are experienced on the market more than the company TrueSnack, they might occupy the market.

### 3.2.3 Opportunities

#### *To Expand the Business into the Local Market*

One of the opportunities of the company TrueSnack is to expand into the local market to a greater extent. The company TrueSnack would like to place vending machines in more hospitals than only two. Furthermore, there is an idea of expanding into schools, companies, libraries, swimming pools and other places which can be visited by our potential customers.

### ***To Expand the Business into the Foreign Market***

In the long run, the business TrueSnack might consider expanding into other markets which are out of the Czech Republic. However, the company TrueSnack needs to have a knowledge of a foreign market and products. Under current conditions, the business is adapted only to the local demand.

#### ***Sponsors***

There might be some sponsors who like the idea of the business TrueSnack and are willing to donate their money to the business. This money might help the company to grow and the company might get an opportunity for its development

#### ***Cooperation***

One of other opportunities might be cooperation. If the company TrueSnack has a competition who is willing to collaborate with the company TrueSnack, there might exist a cooperation. In other words, if the company TrueSnack wants to get rid of some competitors, the company can start cooperating with them and both parties are going to be satisfied.

#### ***New Technologies***

If there are some new technologies and innovation in the industry making vending machines, these technologies and innovation will absolutely bring some new changes.

#### ***Epidemic***

Even though epidemic, such as flu epidemic is not favourable for patients and might be dangerous for them, the business TrueSnack might have higher revenues than usual. In this time period, there are many people visiting hospitals. This might lead to circumstances, that the company's revenues might be risen.

### **3.2.4 Threats**

#### ***Dismissal***

Probably one of the biggest threats of the company is when a hospital gives the company notice. Since a hospital represents one of the places of the business TrueSnack, the company would lack the place of the business, thus there would be slump in company's revenues. That is why the company does not want to be dependent on one or two hospitals and the company's plans to the future is to do the business in many hospitals in the Czech Republic.

#### ***Machine Failure***

As the biggest threat of the business could be considered a machine failure. As a backup plan, the company TrueSnack counts with a serviceman who is going to be



outsourced. Firstly, there was a plan to hire a vending machine operator who would also maintain and repair vending machines. However, a repairment of a vending machine might be sometimes a time-consuming activity, therefore the company came up to the decision to hire one employee who will replenish vending machines and vending machine operator will be another person.

### ***Supplier Bankruptcy or Discontinuance***

As a result of both these potential unpredictable possibilities, the company will not count on one or two suppliers. The company TrueSnack's decision is to have more suppliers and furthermore some suppliers from which the company TrueSnack does not plan to order products, nevertheless, these suppliers will serve as a backup if something goes wrong.

### ***Risks Associated with Suppliers' Warehouses***

There are certain risks associated with a stock in the suppliers' warehouses. There might occur natural disasters, such as fire, floods, storms etc. and a stock or warehouses themselves might be spoiled or destroyed. There is a certain risk of a theft, explosion and other disruptions of suppliers' warehouses.

### ***Power Outage***

There might be a planned or an unplanned power outage in hospitals or even in our office. If this situation occurs, our business cannot properly work, since vending machines are powered by electricity. However, this issue does not appear often and might be solved in a relatively short period of time. Although, there is a probability of a revenue loss, it will not cause a significant problem for the business.

### ***Inflation***

It might happen that the price of products increase so much that the company TrueSnack would not make any profit. In other words, if the company TrueSnack buys too expensive products and will be pushed to increase the price to make a profit, it might happen that there are not enough customers to buy these products, since it will be too expensive for them.

### ***New Technologies***

On the one hand new technologies might be considered as a strength, but on the other hand, in the case of this company, new technologies are examined as a threat for the company TrueSnack. One of the reasons why it is a threat for the company TrueSnack is because of the size of the company. At least, in the close future, there cannot be expected high revenues and therefore the company might have a problem with keeping pace with new technologies.

In other words, the company might have not enough money to invest in innovative vending machines.

#### ***Price Escalation***

A price escalation in terms of electricity, transport fuels and other costs which are needed to run a business. If there happened to be a price escalation of some costs, all costs would have to be reconsidered and some of them would be probably cut.

#### ***Epidemic or Pandemic***

This threat was mentioned also in the part called strengths, because it depends on a point of view. If there is an epidemic or pandemic which is highly risky, then there is a high probability that our revenues will rapidly decreased. People might be not allowed to go out and our vending machines will not sell any refreshments. There would be needed a rapid change in the company's business scope.

#### ***Proprietor's Death***

In the case of the proprietor's death, there are certain steps to be taken and the backup plan is created.

### **3.3 PEST Analysis**

The PEST pays attention to political, economic, social and technological factors. These factors affect the company currently or in the future. The PEST analysis might help the company to anticipate which steps to take.

#### **3.3.1 Political Factors**

##### ***Legislation***

There are certain codes and laws in the Czech Republic, which regulate the business. The company TrueSnack needs to follow and be aware of the Civil Code, the Act on Road Tax, the Value-Added Tax Act, the Income Tax Act, the Competition Act, the Act on Accounting, the Trade Licencing Act, the Labour Law and the Act on Registration of Sales.

##### ***Tax Policy***

There are certain taxes needed to be paid by the proprietor. Since the company TrueSnack is limited liability company (s. r. o.) and this business is run by the legal entity, it is obligatory to pay 19% income tax. A tax return must be submitted by April 1. In addition, a road tax must be paid, because the company TrueSnack will have a car for its business. It might happen that the business TrueSnack will be obliged to pay value-added tax, however, this depends mainly on the turnover of the company. Furthermore, the proprietor will pay

social and health insurance, which is 34 % in total, and might need to pay a land tax. (Bartůšková 2019)

### **3.3.2 Economic Factors**

#### *Unemployment and income*

It is obvious that if there is a high unemployment, there will be slump in sales. However, in the last few years the unemployment has been low and fluctuations in the unemployment rate were insignificant. Therefore, there is a high probability of the unemployment rate to continue to be similar. Even though, for some customers the prices might be too high, some of them will still buy these products because it is essential for their health. The company decided to choose hospitals in bigger cities where people statistically earn more money than in small cities.

### **3.3.3 Social Factors**

#### *Informed customers*

It might be said that customers of the TrueSnack company are highly educated people because they educate themselves almost every day about new trends and products on this market. They get informed on websites, social media, blogs, by influencers, at conferences etc. Our primary customers, those who have some special dietary restrictions, are usually open-minded people, they are not afraid of trying new products and they might welcome possible changes of products.

#### *Social classes*

Considering our primary customers, it does not play an important role from which social classes they come from. Insurance companies financially support all these patients and they should obtain enough money to afford these kinds of products.

### **3.3.4 Technological Factors**

#### *Telecommunication*

The company is not directly dependent on telecommunication, the proprietor will only use a telephone with a corporate mobile tariff.

#### *Transport Infrastructure*

There is an advantage of choosing hospitals in Brno and Zlín, that is a motorway between these cities, therefore there is a fast transport infrastructure. If there is a need of other transport, there is a good transport connection of buses and trains.

## 4 MARKET RESEARCH

The market research is created from three parts. The first part of the market research are two email interviews with Deputies of hospitals. Firstly, I interviewed Jozef Machek, the Deputy for Investment Development, Operations and IT, from Tomas Bata Regional Hospital. Secondly, I had a chance to interview Petr Voráč, the Deputy for Investment Development, Technology and Operations from Anne's University Hospital Brno. These interviews were done in order to know whether hospitals want to support this kind of the business. Thus, the company knows if there is a place for the business.

The second part of the market research is an email interview with Václav Kolářek, sales representative for important customers of the company Delikommat, s. r. o. This interview was made to have a better picture of the competitor and to know how they solve some potential issues.

The third part of the market research is a survey. The survey was done via website [www.surveymonkey.com](http://www.surveymonkey.com) and respondents could fill it from March 26 to April 27, 2020. There are exactly 100 respondents, then the survey was terminated. The survey was aimed at potential customers who have some dietary restrictions, but also at customers who have no dietary problems. The questionnaire should show if there are some potential customers on the market. In addition, the survey helps to find out how much money customers would pay for the products.

These all three parts helps to determine how the all business plan will look like.

### 4.1 Interviews

Answers in interviews are indicated by letters for a better understanding of the text. The letter A. illustrates the questions of the author of the interview, the letter B. illustrates the answers of the interviewees. In addition, there are small letter a, b, c, d which indicate a sub-question of some questions. Interviews are arranged in order which was mentioned in the chapter called market research.

#### 4.1.1 Interview – Jozef Machek, Tomas Bata Regional Hospital, Zlin

##### 1. Question

- A. What company owns the vending machines in Tomas Bata Regional Hospital?
- B. There are more companies (two), Foodex and DELIKOMAT s. r. o.

2. Question
  - A. How much money does the hospital charge for the placement of one vending machine?
  - B. Unfortunately, I cannot tell you this information. But, in general, a supplier is charged for energy, water etc.
3. Question
  - A. Does anybody working for the hospital decide about types of products placed in vending machines?
  - B. No, nobody does. A supplier reserves his right to decide what products will be placed in vending machines. A supplier has own strategies within the framework of range of products.
4. Question
  - A. Under what conditions would the hospital accept the offer of vending machines with healthy food?
  - B. I, personally, would certainly accept this offer. However, a range of products should be diverse since young people choose healthy products, but old people prefer classic baguettes etc.
5. Question
  - A. Would you support the idea of vending machines in your hospital?
  - B. Yes, sure. The question is under what conditions. Firstly, a trial run would be needed, then there could be discussion about an option.

#### **4.1.2 Interview – Petr Voráč, Anne's University Hospital Brno**

1. Question
  - A. What company owns the vending machines in Tomas Bata Regional Hospital?
  - B. Only one company, Drinkmatic
2. Question
  - A. How much money does the hospital charge for the placement of one vending machine?
  - B. Approximately 2,000 CZK (+ financial gift for the hospital)
3. Question
  - A. Does anybody working for the hospital decide about types of products placed in vending machines?
  - B. No

4. Question
  - A. Under what conditions would the hospital accept the offer of vending machines with healthy food?
  - B. There would be need a competition among suppliers.
5. Question
  - A. Would you support the idea of vending machines in your hospital?
  - B. Yes

From both interviews is obvious that hospitals would support this kind of business. Useful information for our business is the cost for the placement of one vending machine in a hospital which is 2 000 CZK.

#### **4.1.3 Interview – Václav Kolářek, Delikomat, s. r. o.**

1. Question
  - A. Who are the suppliers of your vending machines? Do you have more suppliers or count on one supplier?
  - B. There are more suppliers, for instance Siemens, Jurra, RHEA VENDORS, LA Cimbali
2. Question
  - A. What is the average price of one vending machine?
  - B. From 20 000 to 200 000 CZK
3. Question
  - A. How many vending machines do you have?
  - B. Approximately 15 000 pieces
4. Question
  - A. What are the costs of one vending machine per month?
  - B. No comment – internal data
5. Question
  - A. Do you customize your vending machines?
  - B. Yes, Delikomat technicians do it according to the company's needs
    - a) Do you order customized vending machines from suppliers? Yes
    - b) Do you outsource the vending machine service? No
    - c) Does your company customize vending machines? Yes

6. Question
  - A. What is the most suitable size of a vending machine?
  - B. A classic vending machine, height – 185 cm, width – 65-90 cm
7. Question
  - A. Do your vending machines have a possibility of contactless payment?
  - B. Yes, all new vending machines + there might be a possibility of payments by mobile phones, meal tickets or some other ways
8. Question
  - A. How do you decide what products are going to be placed in vending machines?
  - B. Demand and profitability
9. Question
  - A. Have you ever thought about healthier products? If you have done, why have not this plan worked out?
  - B. Yes, but usually the demand declines because of the high price and products expire soon.
10. Question
  - A. Do you have a warehouse?
  - B. Yes, we have warehouses throughout the Czech Republic
    - a) Do you choose your products according the demand? Yes, mainly
    - b) Do you choose your products according the logistics of products? Yes, also
    - c) Do you choose your products according to their expiration date? Yes, also
11. Question
  - A. How do you check products' expiration date?
  - B. Each replenishment – products cannot be sold out after their expiration dates
12. Question
  - A. How often do you replenish vending machines?
  - B. According to sales, 1-6 times per week
13. Question
  - A. What are your monthly costs?
  - B. No comment – internal data

The average price of one vending machine helped the company to determine the price of vending machines. The company TrueSnack determined one vending machine for 90 000 CZK. The good news is that a vending machine can be customized therefore if the company buys the second-hand vending machine without contactless payment, the company can

customize it. The most suitable size was suggested the classic one therefore the company TrueSnack will choose this type of vending machines. This type has a place for 447 products and types of products can be 46. The company TrueSnack has 23 types of products therefore each of the type of the product will be placed twice. Warehouses throughout the Czech Republic as the Delikomat company has is the TrueSnack's plan in the future. The company Delikomat replenishes vending machines 1 to 6 times a week. The TrueSnack company decides to replenish vending machines three times since once seems to be not enough and five times seems to be currently too much.

## 4.2 The Survey

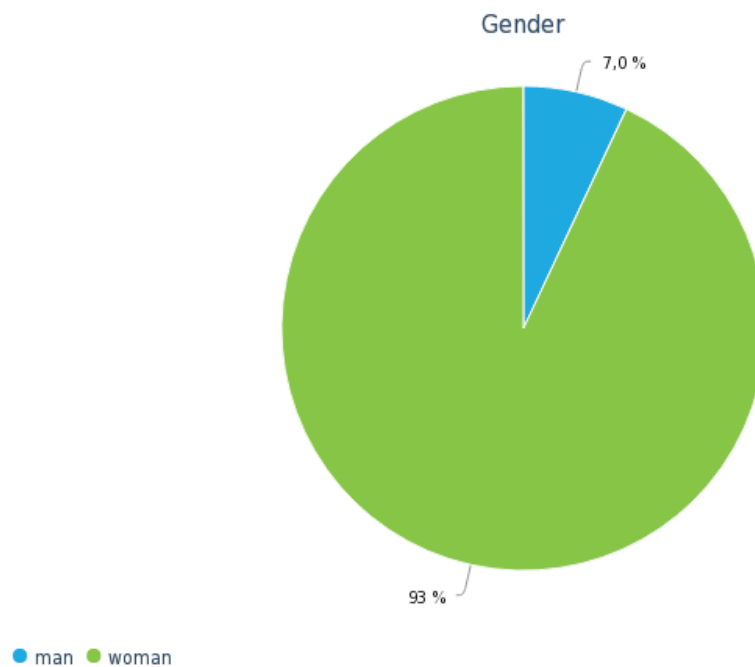


Figure 1: Gender (Source: <https://www.surveio.com/cs/>)



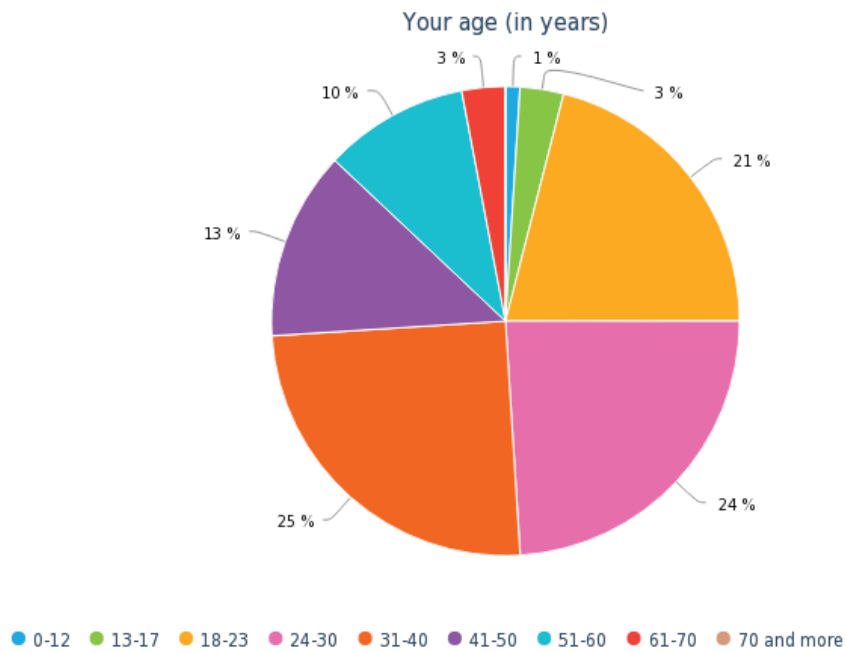


Figure 2: Your age (Source: <https://www.surveio.com/cs/>)

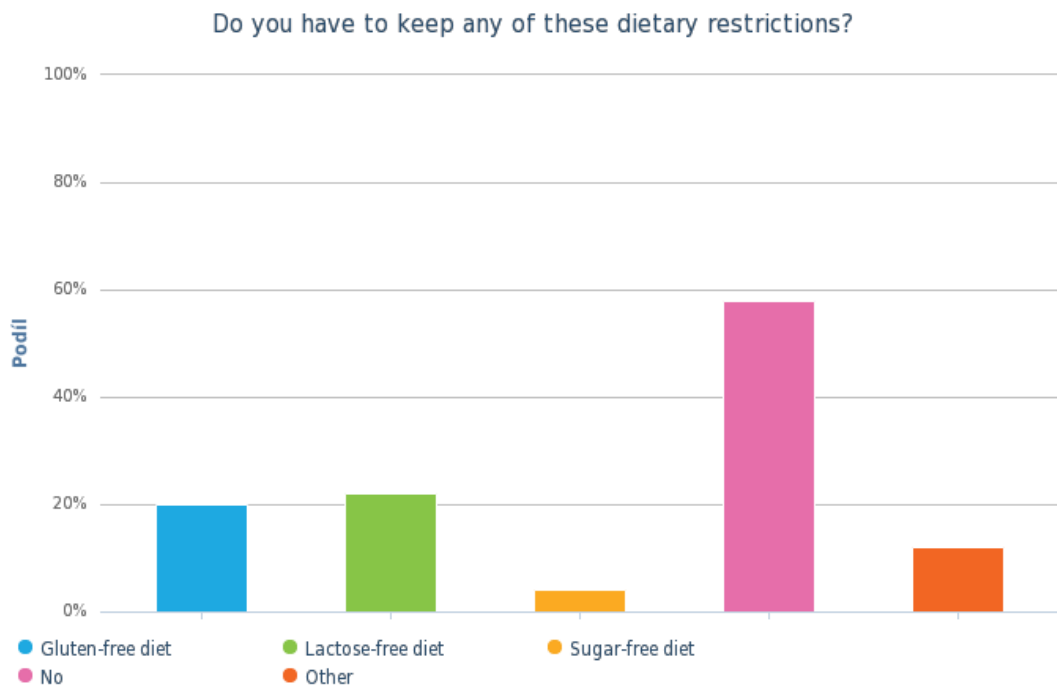


Figure 3: Dietary restrictions (Source: <https://www.surveio.com/cs/>)

Would you welcome vending machines with a healthy version of classic products? These products would meet the requirements of dietary restrictions. For instance, gluten-free bar with nuts would substitute snickers. Sugar-free müsli bar would substitute Corny bar. Gluten-free rice chips would substitute classic chips etc.

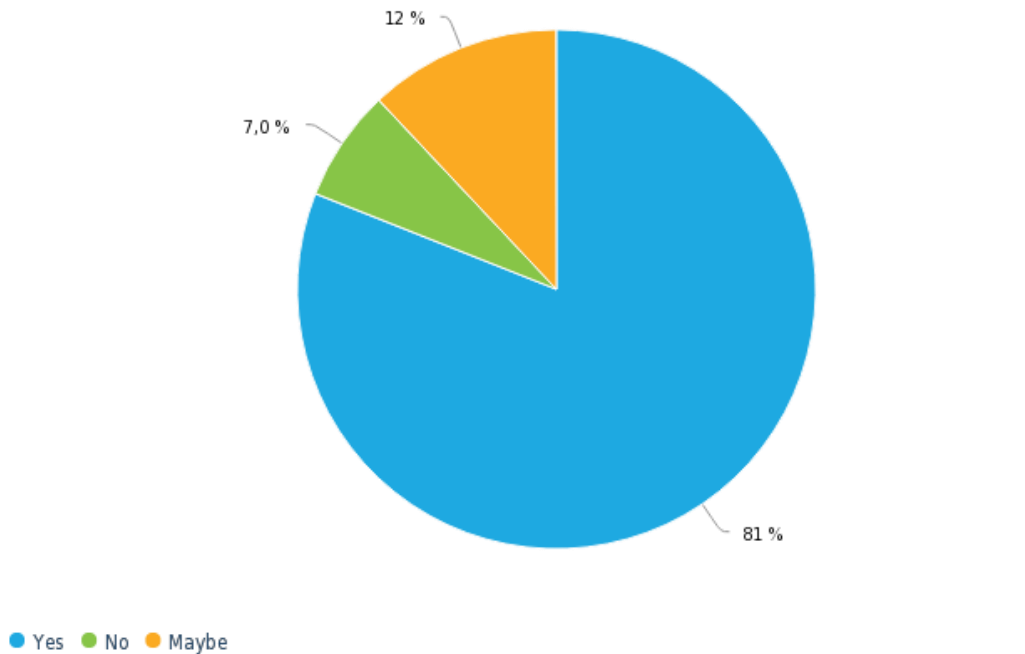


Figure 4: Healthy versions of classic products (<https://www.surveio.com/cs/>)

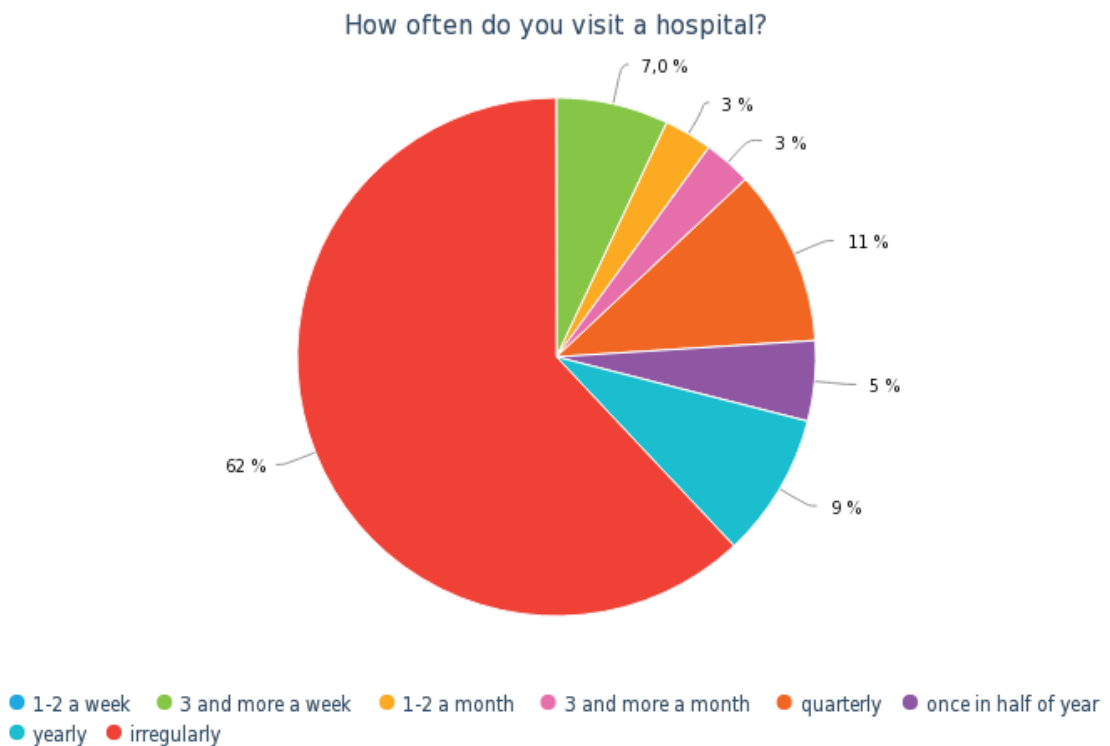


Figure 5: How often do you visit a hospital? (Source: <https://www.surveio.com/cs/>)

From the survey is obvious that most of the respondents are women. This fact can be useful when promoting products and the business TrueSnack therefore the promotion will be more female-oriented. From the second question which is asking about gender is evident that customers might be people of all ages. The interesting fact is that even though over 60 % of people surveyed are people who have no dietary restrictions, from all respondents over 80 % of people would welcome and probably buy these products. The problem might be that the amount of people who visit a hospital irregularly is over 60 %. There is a question if the place of the business is properly chosen, however, the more detailed survey needs to be conducted. After these 5 questions there was two more opened questions. These questions are compiled in the following table. The best scenario is to set the prices of products between 10 to 50 CZK.

What is the minimum price you would be willing to pay for a product meeting these requirements? (for one product)	
Price in CZK	Number of people
From 0 to 9	5
<b>From 10 to 20</b>	<b>36</b>
<b>From 21 to 50</b>	<b>37</b>
More than 50	9
Any price	3
Depends on the quality	4
Nothing	3
Same price as classic products	3
What is the maximum price you would be willing to pay for a product meeting these requirements? (for one product)	
Price in CZK	Number of people
From 10 to 20	2
From 21 to 30	13
<b>From 31 to 50</b>	<b>47</b>
<b>More than 50</b>	<b>30</b>
Any price	2
Depends on the quality	4
Nothing	2

Table 1: The survey – question 6, 7 (own creation)

## 5 TARGET MARKET

There are many places where vending machines could be placed. However, the company TrueSnack decided to place vending machines only in hospitals, because in these places the company TrueSnack has seen the biggest potential for its business.

### 5.1 Market Segmentation

Since the company TrueSnack decided to make the business in hospitals, the target market will be focused only in here and there is a need to think about people who occur in hospitals the most. Thus, there can be created four essential groups of customer segments and these are patients with special dietary requirements, patients with no dietary requirements, hospital personnel and other potential customers who might visit a hospital.

#### *Patients with Special Dietary Requirements*

This group of customers is one of the most important for the company TrueSnack therefore the business expects them to buy the highest number of products. These people are not sensitive to the price much since they already expect products to have a higher price. Therefore, these people do not value the price of products, but the quality and ingredients of these products.

#### *Patients with no Dietary Requirements*

Patients, who have no dietary requirements, are often people who care about their health and would also prefer healthier food than the one offered in other vending machines. There are also many people who do not suffer from any diseases which restrict them and still like to eat gluten-free products or other products which are not manufactured primarily for them. Same as people from the group with patients with special dietary requirements, also people from this group might be admitted to a hospital and therefore they might get used to products offered in our vending machines.

#### *Hospital Personnel*

This group of customers has a potential for the company TrueSnack. There are many reasons why this company might be even more important than groups comprised of patients. These people spend most of the time in a hospital because they work here, so that can be the first advantage of this group. The second advantage is that this group is mainly comprised of people who are doctors, nurses and other working personnel who want to eat healthy and take care about their bodies. Hospital personnel do not have much time for eating their food, therefore, it is useful for them to buy something in a vending machine and eat it quickly.

*Other Potential Customers*

In this segment might be found people visiting their relatives in hospitals, people who accompany patients or people who are not in hospitals because of a physical examination, a treatment or a hospital admission. These people might buy products from vending machines as well, however, the company TrueSnack expects that this group will buy only few products. The reasons, why the company thinks so is that these people are in a hospital for a short time and are not expected to spend a lot of money on these kinds of products. Although this segment needs to be included in the market segmentation since they can partly contribute to the sales of the company TrueSnack.

## **6 COMPETITION**

How it was already mentioned in the theoretical part, each business has competition.

### **6.1 Porter's Five Forces Model**

#### **6.1.1 Rivalry Among Firms**

Our biggest competition is the company Delikomat, s. r. o. Even though, they do not sell same products as the company TrueSnack, the Delikomat company is still considered as the main direct competition for the company. The company Delikomat's main goal is to sell products which meet the customers' demand the most. The company has been on the market for twenty-five years and has years of experience with selling products in vending machines. They have expanded their network of vending machines throughout the Czech Republic. Even though Delikomat is not considered as a monopolistic company, there could be said that the Delikomat company has a dominant position on the market. Among other direct competitors might be found the company Foodex. How it was mentioned in the interview with Petr Voráč, one of the competitors in hospitals will be Drinkmatic. Another competitor might be the company Happy Snack which is an indirect competitor of the company TrueSnack. Since this company runs a business which is selling products in vending machines, however they make their business in schools, therefore, this company does not interfere into the company TrueSnack's place of the business.

#### **6.1.2 Relative Power of Suppliers**

The company TrueSnack plans to obtain products mainly from health food stores and it is planned that the orders will be made online and products will be sent to collection points of the company Zásilkovna and from there our vending machine operator picks up these orders. However, the best scenario will be if the e-shop will offer free shipping for our company. There are many health food stores, which have e-shops, hence the power of suppliers is quite low.

#### **6.1.3 Relative Power of Customers**

The power of customers is relatively high because there might not be many customers at the beginning of the business.

#### **6.1.4 New Entrants**

Whether there are many new entrants on the market, it will mainly depend on the market itself. If the demand is going to grow, it might happen that many competitors will appear on the market.

#### **6.1.5 Substitute Products**

The threat might be if a competitor feels the potential of this business and try to figure out the way how to run a similar business but for instance offering products with cheaper prices than the company TrueSnack, it might be happen that it can substitute the business TrueSnack.

## 7 MARKETING PLAN

### 7.1 The 4P's of the Marketing Mix

#### 7.1.1 Product

How it was mentioned previously products will not be manufactured by the company TrueSnack. Products will be mainly refreshments which meet the requirements of gluten-free, sugar-free, lactose-free and nut-free diets. Products are chosen from preferences customers on health food e-shops, mostly they are taken from categories the most sold out. This might be changed in the future since the company TrueSnack wants to do polls on social media.

Products' suppliers will be Czech since it is easy to obtain the products and the company TrueSnack wants to also strengthen the Czech economy. Here are mentioned examples of products which might be offered in our vending machines.

#### *Rej Food s. r. o.*

The company Rej Food has been on the market since 1998 and they have had a collaboration with the famous Czech nutritionist Petr Havlíček. From the company Rej Food were chosen mainly gluten-free products. Products which were chosen are Rej corn rings apple and cinnamon, Rej chocolate corn bars, rice chips sour cream with onion, rice chips with cheese and Rej wholemeal biscuits.



Figure 6: Rice chips with cheese  
(Source: <https://www.rejfood.cz/ryzove-chipsy-se-syrem-60g->)



Figure 7: Rej wholemeal biscuits (Source: <https://www.rejfood.cz/mix-celozrnnych-susenek-18-ks---6-ks-zdarma>)



***Emco s. r. o.***

Emco is one of the most famous Czech müsli brands. The company has been on the Czech market since 1990 and exports its products to more than fifty other countries. (<https://emco.cz/nas-pribeh/>) This company offers many products which are not only gluten-free but also lactose-free, that is why the company TrueSnack wants to purchase products from this company. Products will be Emco bar with nut and protein, Emco coconut biscuits, Emco digestive original.



Figure 8: Emco coconut biscuits (Source: <https://nakup.itesco.cz/groceries/cs-CZ/products/2001015382226>)



Figure 9: Emco bar with nut and protein (Source: <https://nakup.itesco.cz/groceries/cs-CZ/products/2001020198518>)

***Dia-Bio-Racio-Bezlepek (bezlepkovepotraviny)***

Dia-Bio-Racio-Bezlepek is an e-shop which might be unfamiliar to people since it offers only certain products. However, for the business TrueSnack is optimal supplier because the e-shop offers lactose-free and sugar-free, and egg-free products, among other things. That is why the company TrueSnack plans to purchase products from this e-shop, such as crispy slices with spring onion, Fitbela müsli flax bar half dipped in icing, Diabeta fidorka, Diafabi chocolate bar, Diabeta wafer and Emco müsli hearts.



Figure 10: Diabeta wafer (Source: [https://bezlepkovepotraviny.cz/domu/3472-diabeta-32g-s-oriskovou-naplni-8588000033546.html?search\\_query=diabeta&results=15](https://bezlepkovepotraviny.cz/domu/3472-diabeta-32g-s-oriskovou-naplni-8588000033546.html?search_query=diabeta&results=15))



Figure 11: Fitbela müsli flax bar half dipped in icing (Source: <https://bezlepkovepotraviny.cz/bezlepek/989-fitbela-musli-lnena-polomacena-polevou-35g.html>)

### ***Žijeme BEZ LEPKU***

Similar as the previously mentioned e-shop, Žijeme BEZ LEPKU offers many products which meet the dietary requirements. Products chosen by the company TrueSnack are puffed rice bar with quinoa, apple sticks with yogurt sauce, carob biscuits and Schär pretzels.



Figure 12: Schär pretzels (Source: <https://www.tesco.com/groceries/en-GB/products/291360744>)



Figure 13: Apple sticks with yogurt sauce (Source: [https://www.svetplodu.cz/jablecne-trubicky-s-jogurtovou-polevou-doza/?variantId=9977&gclid=Cj0KCQjwncT1BRDhARIsAOQF9Ln-zMMDE7csmV2bQlBv15xy25N8MYE1groLdx-8QHtMuhZ9\\_BgLtU8aAiSNEALw\\_wcB](https://www.svetplodu.cz/jablecne-trubicky-s-jogurtovou-polevou-doza/?variantId=9977&gclid=Cj0KCQjwncT1BRDhARIsAOQF9Ln-zMMDE7csmV2bQlBv15xy25N8MYE1groLdx-8QHtMuhZ9_BgLtU8aAiSNEALw_wcB))

### *iPlody*

This e-shop offer lyophilized fruits which may substitute normal fruits which is unavailable in hospitals. These lyophilized fruits are freeze-dried fruits which still contain a lot of nutrients. There is no added sugar therefore it is beneficial for people who want to reduce the sugar in their body. Products chosen from this e-shop are lyophilized raspberries, black currant, blackberries, strawberries and banana.



Figure 14: Lyophilized strawberries (Source: [https://www.yourbody.cz/jahody-lyofilizovane-](https://www.yourbody.cz/jahody-lyofilizovane-10g_452?gclid=Cj0KCQjwncT1BRDhARIsAOQF9LkCZgviwzxqvcn2TXxQ5BVk38htv2aiAtby0w2BHLSqVs1DAgac5IaAtePEALw_wcB)

[10g\\_452?gclid=Cj0KCQjwncT1BRDhARIsAOQF9LkCZgviwzxqvcn2TXxQ5BVk38htv2aiAtby0w2BHLSqVs1DAgac5IaAtePEALw\\_wcB](https://www.yourbody.cz/jahody-lyofilizovane-10g_452?gclid=Cj0KCQjwncT1BRDhARIsAOQF9LkCZgviwzxqvcn2TXxQ5BVk38htv2aiAtby0w2BHLSqVs1DAgac5IaAtePEALw_wcB))

### 7.1.2 Place

As mentioned in previous chapters, vending machines of the company TrueSnack are going to be placed in hospitals. Firstly, there is a plan of situating these vending machines only in two hospitals, but soon in the best scenario these machines will be installed in many hospitals throughout the Czech Republic. The exact place of the vending machine in a hospital will be decided separately in each hospital since hospitals might be constructed differently. The place of the machines in hospitals will play a crucial role in the business. If a vending machine is placed on a wrong position, the business might unnecessarily lose customers.

### 7.1.3 Price

The price of each product differs and is defined mainly by a cost price. How it was mentioned previously, prices of goods might be higher than prices of products offered in other vending machines. This fact is inevitable if the company TrueSnack wants to offer high quality products and products which meet health and special dietary requirements. Since the business TrueSnack cares about customers' opinions, there has been made a survey which represents their opinions on the price, among other things. Hence, there will be an effort to determine the price not only according to products costs, but also according to customers' desires. The sales price can be found in the table called products.

Suppliers health food e-shops	PRODUCTS	Cost price (CZK)	Sales price (CZK)
<b>GLUTEN-FREE</b>			
Rej Food s. r. o.	Rej corn rings apple and cinnamon	14	25
Dia-Bio-Racio-Bezlepek	Emco müsli hearts	14	20
Rej Food s. r. o.	Rej chocolate corn bars	3,5	12
	Rice chips sour cream with onion	17	30
	Rice chips with cheese	17	30
	Rej wholemeal biscuits	5,8	15
<b>LACTOSE-FREE</b>			
Emco s. r. o.	Emco bar with nut and protein	21	30
	Emco coconut biscuits	12	25
	Emco digestive original	14	25
Dia-Bio-Racio-Bezlepek	Crispy slices with spring onions	15	25
<b>SUGAR-FREE and PRODUCTS without AN EGG</b>			
Dia-Bio-Racio-Bezlepek	Fitbela müsli flax bar half dipped in icing	14	20
	Diabeta fidorka	8	15
	Diafabi chocolate bar	9	15
	Diabeta wafer	9	15
<b>PRODUCTS without NUTS</b>			
Žijeme BEZ LEPKU	Puffed rice bar with quinoa	8,7	15
	Apple sticks with yogurt sauce	10	15
	Carob biscuits	24	35
	Schär pretzels	29	40
<b>LYOPHILIZED FRUITS</b>			
iPlody	Lyophilized raspberries	35	50
	Lyophilized black currant	32	45
	Lyophilized blackberries	31	45
	Lyophilized strawberries	38	50
	Lyophilized banana	43	55

Table 2: Products (own creation)

#### 7.1.4 Promotion

At the beginning of the business, the promotional budget might be very limited. Nevertheless, a promotion is important for the company and there are ways by which the promotion might be implemented. The company TrueSnack has chosen these kinds of low-cost tools of promotion.

### ***Social Media***

Social media might be the best tool for the promotion these days. Many young people use them and the number of older people using social media has currently increased. There are more ways of promoting the business on social media. There is a plan to have a business profile on Facebook where people would see news, seasonal offers, events, photographs of products, partners of the business etc. Another way of the business promotion on social media is posting in the groups which are made for people with dietary restrictions. Keeping in touch with them and understanding better their preferences is one of the goals of the company's promotion.

Instagram is another social media platform the company TrueSnack will use. On Instagram there is a possibility of carrying out a poll. Carrying out a poll which products are favourable for customers. These polls can be useful because the company will know better what customers' preferences are. Thus, these polls might be used as continuous survey of the company TrueSnack.

### ***Word-Mouth Propaganda***

This type of a promotion tool is one of the most efficient and cost-effective. There is no need of any costs, however, the company needs to give a good account of itself. Word-mouth marketing is also a fast way of promoting the company.

### ***Website of the company TrueSnack***

It might not be the cheapest way of promoting our company, however, in the digital era, the website of a company is almost a necessity.

### ***Food Fairs***

At those events, the company TrueSnack might find its potential customers. There is a possibility to have a stand and present our company. The advantage of these fairs is people who are interested in food so it will be easy to catch their attention.

### ***Blogs***

Blogs are the places where many people exchange information about gluten-free, sugar-free and similar kinds of products. If there is placed a paid advertisement of our company, it can also attract some customers.

## 8 FINANCIAL PLAN

### 8.1 Budget

The budget is comprised of the registered capital which is sufficiently high to maintain the beginning costs of the business. How it was mentioned in the chapter legal form in the analysis, the registered capital is set to 1 700 000 CZK, 700 000 CZK from the proprietor's savings from last two years working abroad and 1 000 000 CZK from proprietor's parents' savings. The registered capital will cover initial costs and the initial two months of operating costs and the rest 154 338 CZK will be registered capital which can be used in the future.

INITIAL BALANCE SHEET			
ASSETS		EQUITY AND LIABILITIES	
Current assets	1 700 000 CZK	Equity	1 700 000 CZK
Current account	1 700 000 CZK	Registered capital	1 700 000 CZK
Long-term assets		Liabilities	
<b>TOTAL</b>	<b>1 700 000 CZK</b>	<b>TOTAL</b>	<b>1 700 000 CZK</b>

Table 3: Initial balance sheet (own creation)

### 8.2 Start-up costs

There are some items which need to be paid at the beginning of the business. There are expenses connected with vending machines. According to the interview with the Delikommat company, the costs of vending machines were determined as the average of the cost of one vending machine in the Delikommat company. In addition, there is a rent for the company's office and small warehouse which needs to pay four months in advance. There are other costs such as van which is needed for supplies replenishment on the way from Zlín to Brno and back, which is suggested to happen three times per week. Other costs such as laptop, mobile phone, notary services, legal services and furniture are needed for operating the business. The costs for website and marketing are the subject to be discussed since it might be higher or lower, however, for now it was set to 30 000 CZK in total. The beginning inventory is set to 77 954 CZK and the it is set to this amount of money since there will be 10 vending machines at the beginning, 5 vending machines for each hospital and how it can be seen in the second table the cost price for products in the last column.

INITIAL COSTS	Price (CZK)
Vending machines	900 000
Office + small warehouse rent (4 months down payment)	40 000
Furniture	20 000
Van	100 000
Laptop	16 000
Mobile phone	5 000
Beginning inventory	77 954
Notary services	5 000
Legal services	2 000
Website	15 000
Marketing	15 000
<b>TOTAL INITIAL COSTS</b>	<b>1 195 954</b>

Table 4: Initial costs (own creation)



### 8.3 Cost price for products

PRODUCTS	Cost price (CZK)	Volume of products per 1 machine	Cost price for products per 1 machine (CZK)	Cost price for products per 10 machines (CZK)
<b>GLUTEN-FREE</b>				
Rej corn rings apple and cinnamon	14	20	280	2800
Emco müsli hearts	14	20	280	2800
Rej chocolate corn bars	3,5	20	70	700
Rice chips sour cream with onion	17	20	340	3400
Rice chips with cheese	17	20	340	3400
Rej wholemeal biscuits	5,8	20	116	1160
<b>LACTOSE-FREE</b>				
Emco bar with nut and protein	21	20	420	4200
Emco coconut biscuits	12	20	240	2400
Emco digestive original	14	20	280	2800
Crispy slices with spring onions	15	20	300	3000
<b>SUGAR-FREE and PRODUCTS without AN EGG</b>				
Fitbela müsli flax bar half dipped in icing	14	20	280	2800
Diabeta fidorka	8	22	176	1760
Diafabi chocolate bar	9	22	198	1980
Diabeta wafer	9	22	198	1980
<b>PRODUCTS without NUTS</b>				
Puffed rice bar with quinoa	8,7	22	191,4	1914
Apple sticks with yogurt sauce	10	20	200	2000
Carob biscuits	24	20	480	4800
Schär pretzels	29	20	580	5800
<b>LYOPHILIZED FRUITS</b>				
Lyophilized raspberries	35	16	560	5600
Lyophilized black currant	32	16	512	5120
Lyophilized blackberries	31	16	496	4960
Lyophilized strawberries	38	15	570	5700
Lyophilized banana	43	16	688	6880
<b>TOTAL</b>	<b>424</b>	<b>447</b>	<b>7795,4</b>	<b>77954</b>

Table 5: Cost price for products (own creation)

### 8.4 Operating costs

Operating costs are comprised of fixed costs and variable costs. Fixed costs will remain same and are not dependent on sales. However, fuel and inventory are dependent on sales. If there is a huge number of sales, then the vending machine operator needs to replenish the vending machines more often so the amount of fuel might be changed. Currently it is counted with a ride from Zlín to Brno 3 times per week to replenish vending machines in hospitals.

Same as fuel, inventory is dependent on sales, if there are more sales, then bigger inventory is needed. However, for the first years we count with the inventory for 10 vending machines each month. Cost for the placement of vending machines might be change in the future according the number of machines used in operation.

OPERATING COSTS	Price (CZK)	
	per month	per year
<b>FIXED COSTS</b>		
Rent - office + small warehouse	10 000	120 000
Energy, water	2 000	24 000
Mobile tariff	500	6 000
Internet	400	4800
Salary of the proprietor	30 000	360 000
Salary of the vending machine operator	25 000	300 000
Marketing	2 000	24 000
Insurance	2 000	24 000
<b>TOTAL FIXED COSTS</b>	<b>71 900</b>	<b>862 800</b>
<b>VARIABLE COSTS</b>		
Fuel	5 000	60 000
Inventory	77 954	935 448
Cost for the placement of vending machines	20 000	240 000
<b>TOTAL VARIABLE COSTS</b>	<b>102 954</b>	<b>1 235 448</b>
<b>TOTAL OPERATING COSTS</b>	<b>174 854</b>	<b>2 098 248</b>

Table 6: Operating costs (own creation)

## 8.5 Different points of view on revenues

REVENUES						
PRODUCTS	Pessimistic		Realistic		Optimistic	
	60%		80%		100%	
	per month	per year	per month	per year	per month	per year
<b>GLUTEN-FREE</b>						
Rej corn rings apple and cinnamon	3 000	36 000	4 000	48 000	5 000	60 000
Emco müsli hearts	2 400	28 800	3 200	38 400	4 000	48 000
Rej chocolate corn bars	1 440	17 280	1 920	23 040	2 400	28 800
Rice chips sour cream with onion	3 600	43 200	4 800	57 600	6 000	72 000
Rice chips with cheese	3 600	43 200	4 800	57 600	6 000	72 000
Rej wholemeal biscuits	1 800	21 600	2 400	28 800	3 000	36 000
<b>LACTOSE-FREE</b>						
Emco bar with nut and protein	3 600	43 200	4 800	57 600	6 000	72 000
Emco coconut biscuits	3 000	36 000	4 000	48 000	5 000	60 000
Emco digestive original	3 000	36 000	4 000	48 000	5 000	60 000
Crispy slices with spring onions	3 000	36 000	4 000	48 000	5 000	60 000
<b>SUGAR-FREE and PRODUCTS without AN EGG</b>						
Fitbela müsli flax bar half dipped in icing	2 400	28 800	3 200	38 400	4 000	48 000
Diabeta fidorka	1 980	23 760	2 640	31 680	3 300	39 600
Diafabi chocolate bar	1 980	23 760	2 640	31 680	3 300	39 600
Diabeta wafer	1 980	23 760	2 640	31 680	3 300	39 600
<b>PRODUCTS without NUTS</b>						
Puffed rice bar with quinoa	1 980	23 760	2 640	31 680	3 300	39 600
Apple sticks with yogurt sauce	1 800	21 600	2 400	28 800	3 000	36 000
Carob biscuits	4 200	50 400	5 600	67 200	7 000	84 000
Schär pretzels	4 800	57 600	6 400	76 800	8 000	96 000
<b>LYOPHILIZED FRUITS</b>						
Lyophilized raspberries	4 800	57 600	6 400	76 800	8 000	96 000
Lyophilized black currant	4 320	51 840	5 760	69 120	7 200	86 400
Lyophilized blackberries	4 320	51 840	5 760	69 120	7 200	86 400
Lyophilized strawberries	4 500	54 000	6 000	72 000	7 500	90 000
Lyophilized banana	5 280	63 360	7 040	84 480	8 800	105 600
<b>TOTAL in CZK</b>	<b>72 780</b>	<b>873 360</b>	<b>97 040</b>	<b>1 164 480</b>	<b>121 300</b>	<b>1 455 600</b>

Table 7: Different points of view on revenues (own creation)

The table called revenues shows types of potential revenues which are taken from the pessimistic, realistic and optimistic point of view. The realistic point of view is the one that the company TrueSnack wants to achieve. It is based on the survey where 80 % of people would buy some refreshments from a vending machine, therefore the revenues of the company are estimated for 80 %.

## 8.6 Operating costs in years

In the table called operating costs in years can be seen costs changed according to number of vending machines. The first year the fixed costs are lower because first two months of this year is paid from the registered capital and there are no new vending machines purchased. The first year the variable costs are lowered a bit because of the registered capital in the first two months but also comparing to other years this year the company TrueSnack has still only 10 vending machines.

In the following years there are 5 more vending machines purchased each year therefore the total fixed costs are higher than in the first year. There can be seen a change in the total variable costs in the following years. The change is made because of more numbers of vending machines and higher costs connected with replenishing more vending machines such as fuel and cost for the placement of vending machines.

OPERATING COSTS	Years				
	1 year	2 year	3 year	4 year	5 year
<b>FIXED COSTS</b>					
Rent - office + small warehouse	100 000	120 000	120 000	120 000	120 000
Energy, water	20 000	24 000	24 000	24 000	24 000
Mobile tariff	5 000	6 000	6 000	6 000	6 000
Internet	4 000	4 800	4 800	4 800	4 800
Salary of the proprietor	300 000	360 000	360 000	360 000	360 000
Salary of the vending machine operator	250 000	300 000	300 000	300 000	300 000
Marketing	20 000	24 000	24 000	24 000	24 000
Insurance	20 000	24 000	24 000	24 000	24 000
New vending machines	0	450 000	450 000	450 000	450 000
<b>TOTAL FIXED COSTS</b>	<b>719 000</b>	<b>1 312 800</b>	<b>1 312 800</b>	<b>1 312 800</b>	<b>1 312 800</b>
<b>VARIABLE COSTS</b>					
Fuel	50 000	70 000	70 000	70 000	70 000
Inventory	779 540	623 632	623 632	623 632	623 632
Cost for the placement of vending machines	200 000	360 000	480 000	600 000	720 000
<b>TOTAL VARIABLE COSTS</b>	<b>1 029 540</b>	<b>1 053 632</b>	<b>1 173 632</b>	<b>1 293 632</b>	<b>1 413 632</b>
<b>TOTAL OPERATING COSTS</b>	<b>1 748 540</b>	<b>2 366 432</b>	<b>2 486 432</b>	<b>2 606 432</b>	<b>2 726 432</b>

Table 8: Operating costs in years (own creation)

## 8.7 Simplified income statement

SIMPLIFIED INCOME STATEMENT					
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of machines	10	15	20	25	30
Realistic revenues	<b>1 164 480</b>	<b>1 746 720</b>	<b>2 328 960</b>	<b>2 911 200</b>	<b>3 493 440</b>
Fixed costs	719 000	1 312 800	1 312 800	1 312 800	1 312 800
Variable costs	1 029 540	1 053 632	1 173 632	1 293 632	1 413 632
Total costs	<b>1 748 540</b>	<b>2 366 432</b>	<b>2 486 432</b>	<b>2 606 432</b>	<b>2 726 432</b>
Operating income/loss (CZK)	<b>-584 060</b>	<b>-619 712</b>	<b>-157 472</b>	<b>304 768</b>	<b>767 008</b>

Table 9: Simplified income statement (own creation)

In simplified income statement was calculated with realistic revenues and total costs. From the table can be seen that there will be a lost in the first three years, however, in the fourth year the operating income is created. This table is simplified therefore there are no taxes and inflation included. However, if the business sustains and find some sponsors or get money from crowdfunding, it could be successful in the first years as well.

## CONCLUSION

The aim of this Bachelor's thesis is to introduce a business plan for the company offering products meeting dietary restrictions placed in vending machines in hospitals. The thesis is divided into two parts. The first part of the thesis is a theory and the second one is an analysis.

The analytical part is comprised of three interviews and the survey. The chapters of the market research were chosen intentionally since the first two interviews help the company TrueSnack to know if the place of the business is realistic and the third interview was conducted in order to be informed from the competitor. The last chapter of the market research is the survey which was created in order to know if there are some customers who would be interested in the company's idea.

From the first two interviews it is obvious that hospitals would support the business therefore the place of the business would be maintained, however, if there are considered answers from the survey where over 60 % of people visit hospitals irregularly, it might be possible that customers would buy these products, however, on a different place. In other words, the place of the business might be reconsidered as there might be better places to place vending machines.

Considering the interview with the competitor Delikommat, some answers cannot be answered since information is internal, however, some answers help this business, for instance the average price of one vending machine. Even though the price was set to 90 000 CZK by the TrueSnack company, it would be convenient to buy some second-hand vending machines and save some money in the beginning of the company TrueSnack.

According to Jozef Machek the hospital would prefer combination of healthy products and classic products, such as baguettes. The opportunity for TrueSnack might be cooperation with the Delikommat company. This might help to sustain the business if we cooperate with each other.

The simplified income statement helped the business to calculate a profit or a loss. The realistic scenario of the income statement revealed that the company would make a profit in the year 4. If the business finds a way to cover the remaining costs in the first three years, such as acquiring second-hand vending machines, it will achieve the break-even point in the first three years and will be financially viable in the year 4.

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**LIST OF ABBREVIATIONS**

cm	Centimetre
CZK	Czech Koruna
etc.	Et cetera
IT	Information technology
s. r. o.	Společnost s ručením omezeným (Limited liability company)
PEST	Political, economic, social, technological factors
SWOT	Strengths, weaknesses, opportunities, threats

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P I            The survey

## APPENDIX P I – THE SURVEY

Dobrý den,

prosím Vás o vyplnění následujícího dotazníku. Dotazník se týká především pacientů s bezlepkovou, bezmléčnou a diabetickou dietou. Dále všech pacientů, doprovodu a také personálu.

Jednalo by se o zavedení zdravých automatů do nemocnic. Ovšem budu ráda, pokud mi dotazník vyplníte, ačkoliv jednou z předešlých možností netrpíte. Děkuji

1. Jaké je Vaše pohlaví?

- a) Muž
- b) Žena

2. Jaký je váš věk?

- a) 0-12 let
- b) 13-17 let
- c) 18-23 let
- d) 24-30 let
- e) 31-40 let
- f) 41-50 let
- g) 51-60 let
- h) 61-70 let
- i) 70 a více

3. Dodržujete nějakou z těchto diet?

- a) Bezlepková dieta
- b) Dieta bez laktózy
- c) Diabetická dieta
- d) Ne
- e) Jiné

4. Jak často navštěvujete nemocnici?

- a) 1-2 týdně

- b) 3 a více za týden
- c) 1-2 za měsíc
- d) 3 a více za měsíc
- e) Čtvrtletně
- f) Jednou za půl roku
- g) Ročně
- h) Nepravidelně

5. Uvítali byste potravinové automaty se zdravou verzí klasických produktů? Tyto produkty by splňovaly požadavky daných diet. Například bezlepková tyčinka s oříšky by nahradila Snickers. Müsli tyčinka bez cukru by nahradila Corny tyčinku. Bezlepkové rýžové chipsy by nahradily klasické chipsy atd.

- a) Ano
- b) Ne
- c) Možná

6. Jakou minimální částku byste byli ochotni zaplatit za produkty splňující požadavky daných diet? (za jeden produkt)

7. Jakou maximální částku byste byli ochotni zaplatit za produkty splňující požadavky daných diet? (za jeden produkt)