

# **A Business Plan for a Shisha Club**

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## **ABSTRAKT**

Tato bakalářská práce se zabývá podnikatelským záměrem, kterým je založení shisha klubu ve Frenštátě pod Radhoštěm. Cílem této práce je zjistit, zdali je plán realizovatelný a do budoucna schopen ziskovosti. Práce se dělí na teoretickou a praktickou část. Teoretická část práce se zaměří na základní pojmy a definice ze světa podnikání, financí a obchodu. Následující praktická část se pak věnuje tvorbě samotného podnikatelského záměru.

Klíčová slova: podnikatelský plán, podnikatel, podnikání, shisha club, shisha, dýmka, konkurence, trh.

## **ABSTRACT**

This bachelor's thesis deals with developing a business plan for a shisha club in Frenštát pod Radhoštěm. The aim of this work is to evaluate its feasibility and viability. The thesis is divided into theoretical and practical parts. The theoretical part will address the fundamental concepts and definitions of entrepreneurship, economy, and finances. Subsequently, the practical part will be devoted to the business plan itself.

Keywords: business plan, entrepreneur, entrepreneurship, shisha club, shisha, hookah, competition, market.

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

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## INTRODUCTION

Being an entrepreneur is rapidly becoming popular, mainly among the young generation interested in establishing a business venture. The reason for this may be new opportunities in the market, such as the simplicity of selling products and services via one's mobile phone. However, creating and running a successful business can be very difficult. For this reason, it is vital to develop a business plan which unites the entrepreneur's thoughts and, at the same time, is applicable to investors. Furthermore, it indicates the overall viability of the project and considers other aspects, such as the amount of money needed for an initial investment, organizational plan, or the marketing strategies employed by the company.

I had planned to establish a shisha bar in Frenštát pod Radhoštěm a few years ago along with my friend, as we knew there was no such place around. At that time, my personal experience with shisha bars was slightly negative because of their oriental appearance, which was not really tempting for me. Therefore, we have decided to establish a modern bar in a very auspicious location with a low level of competition.

This particular thesis is divided into two main parts – the theoretical and practical. The theoretical part precedes the second and explains the essential terms, e.g., the legal forms of entrepreneurship in the Czech Republic or the general entrepreneurship theory. In the second part, the terms are used in practice on examples. It includes, for example, the financial plan, marketing plan or risk assessment.

## **I. THEORY**

# 1 ENTREPRENEURSHIP

## 1.1 Entrepreneurship

In accordance with Section two of the Commercial Code (§ 2 Act no. 513/1991 Sb.), entrepreneurship is a systematic activity carried out by an entrepreneur's own name and responsibility. Most importantly, its main goal should be profitability. The understanding of the term entrepreneurship must be further explained in individual concepts. A systematic activity means that the company should operate regularly and not occasionally. Another essential fact is that the business activity must be done on one's own, which implies that an entrepreneur is responsible for every decision made (Srpová and Řehoř et al. 2010, 20). According to Martinovičová, Konečný and Vavřina (2014, 10), not only the appreciation of equity should be implemented in a business venture, but also the satisfaction of customers' wants and needs.

### 1.1.1 Theory of Entrepreneurship

To illustrate some comprehensive and generally accepted definitions of entrepreneurship is undoubtedly very challenging. Therefore, a great number of significant authors tried to create a conception of the theory itself. For example, Srpová and Řehoř (2010, 19) stated that some of them were Phillip A. Wickham and Jeffrey A. Timmons, who pursued this problem for decades. Despite this, three fundamental conceptions which are widely accepted by economists must be discussed, and these are (Srpová and Řehoř et al. 2010, 19):

- Entrepreneurship as a process of establishing something additional and innovative. In other words, the newly formed enterprise should create an added value. However, its goal does not have to be entirely a profit, e.g., social entrepreneurship.
- Another interpretation is that the entrepreneur is about to create something entirely new by using his own time, equity, and name. As usual, he will undertake the risks and take responsibility for its success or failure.
- The last conception is based on the value orientation, particularly on "an entrepreneurial spirit", which is a mindset that represents the structure of values and stances.

### 1.1.2 Aims of Entrepreneurship

Even though the Commercial Code (§ 2 Act no. č. 513/1991 Sb.) states that the main aim should remain profitability, it does not have to be true anymore because earnings are no more acceptable as a goal of business activity. In fact, earnings do not guarantee the continuation of business activity as well as they can be gained from selling the owner's assets. That would mean that the income is not attained from satisfying customers' wants and needs. Hence, a more applicable target would be increasing the company's market value. As a result, the focus of the company's founder is aimed at its future value so that it can be sold at a reasonable price.

An entrepreneur should also be interested in bringing utility to all economic subjects participating in the reproductive process of the company, e.g., stakeholders who are dependent on the company's success. Other dependent economic subjects might be employees who rely on the stability of their employment, regular salaries, or other employee benefits. Other subjects are customers expecting top-quality products and services in an acceptable price range, suppliers wanting entrepreneurs to pay their liabilities in time or creditors (Srpová and Řehoř et al. 2010, 19).

## 1.2 Entrepreneur

Entrepreneurs are divided into two main groups, the first of which is Natural Person and the second one is Legal Entity (Martinovičová, Konečný and Vavřina 2014, 10). According to Commercial Code (§ 2 Act no. č. 513/1991 Sb.), an entrepreneur is:

- A person listed in the Business Register
- A person doing business based on a trade license
- A person doing business based on some other license according to special regulations
- A person doing business in agriculture who is listed in the register based on particular regulations

Entrepreneurs are also distinguished into two types which are primary and secondary. Whereas the prior entrepreneur is the owner of the company, using it as a tool to gain profits, the secondary one is the company itself. Here, the roles and functions are delegated to the company by the owner (Srpová and Řehoř et al. 2010, 30).

### 1.3 Enterprise

Unquestionably, the most general definition, which is also easily understandable, is defined by Srpová and Řehoř et al. (2010, 35), and it is: “An entity, in which the inputs are transformed into outputs”. The essential features of the enterprise include:

- **Combination of factors of production** – land, labour, capital
- **The Economic Principle** - effort to minimize inputs, maximize outputs, and optimize the relationship between them
- **The principle of economic equilibrium** – expressed by the liquidity of the company and by the ability to pay for the company’s liabilities

Additionally, Srpová and Řehoř et al. (2010, 36) claim that we need to take into concern also specific principles of enterprises:

- **Private ownership principle** – The owner reserves the right to run the business operations.
- **The principle of autonomy** – This principle implies that the entrepreneur is running a business independently and freely with no Interventions from the state.
- **Profitability principle** – The results of business activity are earnings.

#### 1.3.1 Types of Enterprises

The European Commission (2003/361/EC from 6.5.2003) stated that businesses are divided into micro enterprises, small enterprises, medium-sized enterprises, and large enterprises. The differences are made by the number of employees, annual turnover, and the size of assets owned by the company (Srpová and Řehoř et al. 2010, 36).

- **Micro Enterprises** – less than 10 employees, annual turnover up to 2 million EUR, assets up to 2 million EU
- **Small Enterprises** – less than 50 employees, annual turnover up to 10 million EUR, assets up to 10 million EUR
- **Medium-sized Enterprises** – less than 250 employees, annual turnover up to 50 million EUR, assets up to 43 million EUR
- **Large Enterprises** – more than 250 employees, annual turnover above 50 million EUR, assets above 43 million EUR

Small and medium-sized enterprises represent 99% of the European companies and employ around 80 million people in the European Union. Therefore, they are vital for the overall economy (ec.europa.eu, 2022).

### **1.3.2 Company Functions**

Companies consist of several departments responsible for specific functions. These functions are essential for their viability and overall existence. As stated by Martinovičová, Konečný and Vavřina (2014, 14), among the main parts belong the sales department, production of goods and services, supply of materials and goods and their storage, human resources, financial department, scientific and technical departments, investment department, and last but not least the administration of the company.

## **2 ESTABLISHING A BUSINESS VENTURE**

### **2.1 Natural Person**

As claimed by the Trade Licensing Act (Act no. 455/1991 Sb.), a person requesting a trade license must be aware of the risks undertaken. The trade license office divides trade into two sectors. The first one is called licensed trade, in which the entrepreneur needs to receive permission per rollam by the state because the activities might be dangerous or the state controls the number of professions under this segment. Therefore, the establishment must be thoroughly discussed. For example, it might be the production of explosives, alcohol, haulage, or the number of crematoria in the country. The second one is notifiable trade, which allows one to start the business right after reporting their intention to the trade license office. This facility also divides reporting trade into three sections: free (unqualified), qualified, and professional.

We must also consider a Sole Proprietorship, which is another form of the natural person, and it is determined for freelancers.

### **2.2 Legal Entity**

A legal entity can be seen in many forms, for example, a Limited Liability Company, a Limited Partnership, a Joint-stock Company, a Public Limited Company, or Institutions, Foundations etc. All of them are defined in the Business Corporations Act (Act no. 90/2012 Sb.).

### **2.3 Trading Companies**

#### **2.3.1 A Limited Liability Company**

According to Srpová et al. (2020, 176), it is currently the most often established type of company in terms of numbers. The partners guarantee the company's liabilities up to the subscribed deposits and are obliged to create a reserve fund. To obtain a trading license, the owners of the company have to notify themselves at the trade license office and, at the same time, submit a Memorandum of Association with all relevant signatures. A supreme body of the company is a general meeting, and authorized representatives are company directors. It is up to each company whether it will create a supervisory board or not (Veber, Srpová 2015, 74).

**Advantages:**

- The main advantage lies in limited liabilities shared by partners.
- It can be created by one or more partners, but it cannot exceed 50 partners.
- The minimal registered capital is 1 CZK.

**Disadvantages:**

- Administratively challenging and difficult to run due to the general meetings (sometimes it is necessary to have a notarial deed of the meeting).
- The company's profits are subject to a corporate tax of 19%. Eventually, the profits distributed among partners are once again reduced by a personal income tax of 15%.

**2.3.2 A Limited Partnership**

A limited partnership consists of at least two partners, in which the first one is a general partner, whereas the second one is a limited partner. Therefore, this type of business is ideally suited for entrepreneurs having a business plan or know-how but lacking equity; and at the same time, for a venture capitalist seeking an opportunity to support the idea and invest. For this reason, the limited partner is only liable up to the capital invested. On the contrary to that, a general partner has unlimited liability. An authorized representative is a general partner (Veber, Srpová 2015, 73).

**Advantages:**

- The minimal amount invested by the limited partner must exceed 5000 CZK.
- The profits are divided between partners according to the Memorandum of Association.
- A prohibition of competition does not apply to limited partners.

**Disadvantages:**

- Due to its administrative complexity, the Memorandum of Association needs to be composed thoroughly and cautiously.
- Liabilities by general partners are unlimited.
- Conflicts of opinions or priorities can appear between general and limited partners due to different risk levels (Veber, Srpová 2015, 73).

### 2.3.3 A Joint-stock Company

As stated by Veber and Srpová (2015, 74), a registered capital in a Joint-stock company is divided into a certain number of shares, in other words, equities with a specific nominal value. Shares are divided into two groups where the first ones are common shares, and they come with a voting right applicable at the general meetings and sharing the company's profits. The second type of share is called preferred, and it guarantees regular dividend payouts (Veber, Srpová 2012, 74). The company guarantees their liabilities with all their assets and is formed after entering the Commercial register and signing the Articles of Association. A supreme body of the company is a general meeting, and an authorized representative is a board of directors.

#### **Advantages:**

- It can be established by one or more entrepreneurs.
- Shareholders are not liable for the liabilities of the company.
- Good access to the financial capital.
- Very well accepted by business partners thanks to its stability and soundness.

#### **Disadvantages:**

- The registered capital must exceed 2 000 000 CZK (or 80 000 EUR).
- It is necessary to create a reserve fund.
- Very complicated and restrictive legal regulations.
- It cannot be created by a natural person.

### 2.3.4 Public Limited Company

According to Veber and Srpová (2015, 72), a Public Company is the second most common type of company, right after the Limited Liability Company. The minimal number of people required to establish this company is two, in which both are liable for all their assets jointly and severally. Moreover, profits and losses are also divided equally between the partners. The company is created by signing the Memorandum of Association.

**Advantages:**

- Not only a legal person but also a natural person can establish this company.
- No need for registered capital.
- Easy access to the borrowed capital.

**Disadvantages:**

- Competing in the same industry by one of the partners is prohibited.
- Possible risks of unlimited liabilities shared by partners.
- There is often a conflict of interest.

**2.4 Exit Strategies and Contingency Plans**

Due to solid concurrence on the market, not every business will be successful. Therefore, every now and then, some companies begin to stagnate and eventually come to an end. In cases like this, entrepreneurs have two options to go for. Either they can sell the company or declare bankruptcy which is most often caused by the insolvency of the company. Sometimes, owners sell the company to gain money for another project (Koráb 2007, 33).

### 3 BUSINESS PLAN

Abrams (2019, 6) claimed that a business plan outlines how the company will achieve its objectives. Its main goal is to describe and project the development of a startup company and analyze various aspects, such as the main competition, financials and funding, market potential, type of industry, or company objectives. The practical purpose is to create fundraising documents for investors and banks. Although, it is necessary to mention that the best plans are more than just that. In fact, they can significantly simplify an entrepreneur's way of creating a meaningful document that disciplines his thinking and compare his ideas. According to Shelton (2017, 23), the main goal is to create a plan that will be viable in the long run. Basic principles that need to be concerned while creating a business plan are (Koráb et al. 2007, 37):

- Simplicity and comprehensibility.
- Accuracy and brevity.
- Objectivity and rationality.
- Truthfulness and completeness.

#### 3.1 Types of a Business Plan

The business plans can be divided into two primary groups: business plans for sole proprietors and larger economic entities. The first ones are usually created at the request of the bank or investor when an entrepreneur needs external resources. Therefore, they are usually not that complex. Business plans are generally connected to companies looking at a bigger picture, for example, Limited Liability Company or Joint-stock Company etc. The reason is that these business plans are significantly more elaborate. Moreover, they are often created by external agencies with certain experiences and competencies. After all, the complexity of a business plan depends on the size of the business (Koráb et al. 2007, 25).

### 3.1.1 Lean Canvas

During the establishment of a business plan, entrepreneurs must focus on essential parts such as funds, costs, customers, revenues streams etc. In order to accomplish this, it may be very helpful to use the Lean canvas, created by Ash Maurya. Thanks to his concept, entrepreneurs are able to work efficiently and provide themselves with a clear idea of their very own business plan. Eventually, this concept quickly became frequently used by start-up companies as a standard in business planning. It consists of nine sections: key partners, key activities, key resources, value propositions, customer relationships, channels, customer segments, cost structure and revenue streams (Srpková 2020, 77).

## 3.2 Creation of a Business Plan

After finding out that the business venture cannot survive without a business plan, the question “where to start?” must be answered. The business plan entails five fundamental steps (Abrams 2019, 18):

- Laying out the basic business concept.
- Gathering facts about the feasibility and specifics of the concept.
- Focusing and refining the concept based on the data compiled.
- Outlining the specifics of the business.
- Putting the plan in compelling form.

According to Srpková et al. (2020, 45), the overall business process contains six steps, which are: opportunity identification, concept development, analysis of resources, acquisition of resources, establishing the business venture and the results of the business venture.

### 3.3 Structure of a Business plan

Since the number of companies is great, creating a fixed business plan structure for every company is very challenging. However, some attributes need to be shared (Koráb et al. 2007, 36).

- Title page
- Executive Summary
- Company Description
- Market Analysis
- Product Description
- Marketing Plan
- Organizational Plan
- Financial Plan
- Risk Assessment
- Appendices

#### 3.3.1 Title Page

A title page gives a brief explanation of a business plan's content. Koráb et al. (2007, 36) state that the main elements of the title page should be the name of the company, its headquarters, the names of entrepreneurs, contact information, a brief description of the company and a legal form of the business.

#### 3.3.2 Executive Summary

The executive summary is a part that is being written at the very end of the work. Not only that it cannot be omitted, but it is also an essential chapter of a business plan. The main goal of this part is to be attractive to the investors, so they will decide to continue reading and eventually read the whole document. That is why it is necessary to write this part thoroughly. To be precise, it is an extract of the most critical aspects of the business plan. For example, it includes the main idea, strengths, expectations, or a financial overview. Once this part is successful, the reader will probably read the whole document (Koráb et al. 2007, 36).

### **3.3.3 Company Description**

In this chapter, the fundamentals of the company need to be specified. With the length shorter than one page, the content must be clear, concise, and apt (Shelton 2017, 73–74). Investors should gain an idea about the potential size of the company, its legal form, location of the company, contact information or the business strategies, and it all has to be substantiated by facts (Koráb et al. 2007, 76–80).

#### **Mission Statement**

The mission statement is explained by Abrams (2019, 70) as a chapter, where the main goals are mentioned together with its concept and key objectives.

### **3.3.4 Product and Service Description**

Regarding Abrams (2019, 76), product and service descriptions should remain short and comprehensible; however, it depends on the product that is being presented. If the products are complicated, innovative, or proprietary, the description should be appropriately long. Especially when an entrepreneur is seeking funding, the description should motivate the investors to keep reading. The nature of the products and services needs to be identified along with all their categories. Also, planned products or services are vital in the long term; therefore, they should be at least briefly mentioned.

### **3.3.5 Market Analysis**

This chapter deals with the competitive environment, including all the significant competitors (Koráb et al. 2007, 36). The potential market needs to be defined together with all the risks associated with it. All the strengths and weaknesses need to be mentioned, along with the ways they can affect the business venture. It is appropriate to give an insight into the political situation and mention all the natural factors or legislative requirements (Koráb et al. 2007, 80-81).

Sharp (2018, 210) claims that the modern environment is highly competitive, particularly with products that are likely to be innovated and grow over time. Thanks to the market analysis, the business can forecast the likely tactics of its competitors and plan its future more objectively. Also, suppliers need to be cautiously selected; hence it is essential for the company to retain great relationships with them. The key to success lies in the perfect supply chain, in other words, the processes that move the product to its final consumer. All the strategic objectives aimed at the local communities, both direct and indirect, must be

considered thoroughly. Operating closely with the local community can be greatly beneficial because the business can gain direct community support, contributing to its stability.

Blackwell (2018, 9) also emphasizes that the target market part must impress the reader, who might be the potential investor. Therefore, the key factors without which the entrepreneur will not succeed are an adequate size of the market, identification of its participants together with what their wants and needs are, and finally, the knowledge of how to reach them (Blackwell 2018, 143).

The target market is defined by Abrams (2019, 107) as people, businesses, and organizations most likely to buy the products or services offered by the company. The target market needs to meet four main criteria:

- **Definable** – It is needed to identify what the potential customers have in common.
- **Meaningful** – All the characteristics must meaningfully relate to the purchase decision.
- **Sizeable** – The size of the target market must be sufficient, so the business sustains profitability.
- **Reachable** – The defined product needs to be affordable to the target customers.

#### **SWOT ANALYSIS:**

Koráb et al. (2007, 48) mentioned that the SWOT analysis is the most common tool for market analysis. It identifies the strengths, weaknesses, opportunities, and threats on the market. At the same time, it is essential to know that strengths and weaknesses are internal factors and opportunities and threats are external factors. In other words, the first ones are those that we can affect to a certain level, for example, our marketing skills, uniqueness of our product, production costs, financial resources, or available technologies. The other two cannot be affected; hence, we cannot react to them. These might be the size of the market, specific wants and needs, or a situation in the labour market. Usually, it can be seen in the form of a framework of four quadrants (Sharp 2018, 230).

**SLEPT ANALYSIS:**

Sometimes also called PEST analysis (letter “I” is omitted), it is a tool used to identify and examine external factors. Even though the acronym comes from English words, it also works with Czech words (Koráb et al. 2007, 48).

- **Social factors** – Social and Demographic (socio-political system, lifestyle)
- **Legal factors** – Legal (laws)
- **Economic factors** – Economic (tax rates, inflation rates, growth rates)
- **Political factors** – Political (government policies, corruption level)
- **Technical factors** – Technological (inventions, infrastructure level) (Hanzelková 2017, 50–55)

Sharp (2018, 565) mentioned that PEST analysis could be extended by two letters, creating a mnemonic PESTELC. The final term is therefore extended by the words competitive and ecological.

**3.3.6 Marketing Plan**

Marketing is sometimes wrongly understood as nothing but selling and advertising; however, it is not entirely true. It is a process of engaging customers and building solid relationships with them. Broadly defined, it is a process of exchanging values with others (Kotler 2021, 34). It consists of price developments, selling techniques or distribution of the products and services (Synek 2015, 195). According to Sharp (2018, 563), a marketing plan is a systematic approach to identifying company strategies and objectives.

**Buyer Personas**

According to Srpová (2020, 88), to establish excellent marketing communication with the customers, it may be helpful to use a buyer personas technique. The idea is to create a fictional customer and think more thoroughly about his or her life with the usage of empathy (Srpová 2020, 51). The best way of making the buyer persona is to create the table with the main information, from demographics down to the smallest details. It may include his pain points, fears, habits, interests, hobbies, goals, what media he or she consumes, etc. Consequently, it can crucially influence the company's marketing strategies. Not only can the company determine the media where to advertise, but it also helps to understand what problems the customers have and how the company can solve them (Srpová 2020, 89).

## Marketing Mix

According to Kotler (2021, 34), the company uses a set of tools to implement a marketing strategy. The most famous one is the Marketing Mix, in other words, a 4Ps' of marketing. It consists of Product, Price, Place and Promotion. Besides that, the other three Ps' had to be added to fit the services and their requirements. These are physical evidence, people, and processes.

- **Product** - The company must create a need-satisfying product or service. In services, the product is the process.
- **Price** - After the product or service is produced, the company must determine the perfect pricing strategy. Because the services are intangible, the critical element of pricing is the quality of the service.
- **Place** – Another step is to find out how to make the product available to the customers.
- **Promotion** – Here comes the part of engaging customers and persuading them to buy the products and services (Kotler 2021, 34).
- **Physical Evidence** – Customers cannot evaluate the service until the service is provided. It is the evidence of service quality and its features.
- **People** – People are a crucial part of a marketing mix because there is frequent contact between the customers and service providers – employees.
- **Processes** – The processes associated with customer interactions are vital for the company because they influence customers and their experiences. For instance, how long does it take to get a table at the restaurant, how a certain process is explained to the customer together with all its advantages and disadvantages, or even whether the employee is willing to help the customers in case of filling out the relevant forms and documents (Vašítková 2014, 22).

### 3.3.7 Organizational Plan

The purpose of the organizational plan is to name the people that will run the company, as well as the overall management of the company. Of course, the company's founder is a member of the top management. The key managers must be presented along with their credentials, education, proficiency, experiences, or achievements. The organizational structure then shows superiority and subordination across the board. Within this section, a schedule of processes can be mentioned, in which a Gantt chart might be convenient. This chart assists with project management (Koráb 2007, 38). Employing the right and qualified people might determine whether the business will be successful or not. Therefore, every position needs to be adequately specified so the entrepreneur can find the perfect match for every single job. Also, the salaries of every employee should be introduced in the organizational plan (Abrams 2014, 230–231).

### 3.3.8 Financial Plan

The purpose of the financial plan is to make sure that the business plan will generate profits and to determine whether it is financially meaningful (Červený 2014, 152–153). As stated by Koráb et al. (2007, 88–89), a financial plan provides an entrepreneur with the seed money needed for the entering investment. Regarding Srpová (2011, 28), the financial plan consists of a profit and loss statement, a balance sheet, a return on investment, and cash-flow.

Because the financial plan is located at the end of the business plan, it recaps all that precedes it in numbers (Shelton 2017, 138). The financials show what the company's financial situation will look like. Usually, a financial analysis is attached (Synek 2015, 194).

#### **Profit and Loss Statement**

A profit and loss statement, sometimes also called an income statement, is a written overview of revenues and expenses for a certain period, not the profits and expenditures (Růčková 2021, 33). The main target of this financial statement is to inform about the ways of making a profit or loss and about the performance of the accounting entity (Šoljáková 2006, 280).

### **Return on investment (ROI)**

As stated by Synek (2015, 304), the simplest way to evaluate an investment is to use the Return on Investment. Srpová mentioned (2010, 159) that this index is the most used because of its easy interpretation. Sometimes, it is also called the payback period or due date. Two calculation methods exist: static and dynamic. With the first one, the only drawback is that it does not take into concern the profit distribution in time. Yet, it is broadly used thanks to its quick and demonstrative idea of return on investment. The second, which is dynamic, considers the time distribution; thus, it is more accurate. The basic formula to calculate Return on Investment is:

$$\text{ROI} = \text{Net Profit} - \text{Total Investment} / \text{Total Investment} * 100$$

### **Cash-flow**

Srpová (2020, 142) compares money to the company's blood, without which its existence is at risk. To rephrase that, the company will not survive without money, disposable at any time. Therefore, funds are vital for day-to-day payments. That is why the cash-flow is an essential tool in company planning and management (Srpová 2010, 141–142).

According to Synek (2015, 281), the company's major goal is capital appreciation, mostly through profits. However, the profits are only accounting variables. In other words, when an entrepreneur does not have a cash balance, the cash-flow statement comes in handy. It can be calculated by direct and indirect methods, and it consists of cash inflows and outflows. The direct method is not so often used due to its complexity concerning data recording. With this method, expenditures are deducted from the revenues. The second method – indirect, is much easier to record and is computed from net income for an accounting period and a difference between revenues and expenditures. Besides that, both direct and indirect distinguish three company areas: cash-flows from operations, investing, and financing (Taušl et al. 2018, 104–105).

## Balance Sheet

The balance sheet is a financial statement expressing the company's assets together with liabilities and shareholder's equity at a specific time. The balance sheet is usually compiled on the last day of the year, and it enables us to see the company's financial situation (Růčková 2021, 24). Its main principle is accounting equitation which claims that all assets must equal the liabilities and shareholder's equity (Srповá 2020, 145).

The company assets are divided into fixed and current. The fixed ones are in the company for a longer period of time, usually for a year or longer. Furthermore, they are divided into tangible and intangible. Tangible fixed assets might be premises, artworks, or vehicles, and they are subject to depreciation (Růčková 2021, 27). Intangible assets are then patents, licences, or trademarks. Additionally, Srповá (2020, 146) claims that they represent the core of the company's assets. Finally, current assets are expected to be converted into funds. Great examples might be inventories or receivables (Růčková 2021, 27).

Růčková (2021, 28) defines shareholder's equity and liabilities as ways of financing assets, thanks to which the company's financial structure can be determined. Shareholder's equity shows the cash and non-cash contributions made by partners. Liabilities then show the company's debt, which must be repaid. For instance, it can be short-term and long-term liabilities or a bank loan (Růčková 2021, 29).

### 3.3.9 Risk Assessment

Eventually, the last section is called risk assessment. It deals with the risks that can occur, such as the concurrence and their response to our market entry, our weaknesses in particular areas (for example, in marketing, management, production etc.) or the lack of business experience. Hence, it might be helpful to create a risk analysis, which will help us prevent them. When introducing risk analyses, an entrepreneur informs the investors that he is aware of the risks and is prepared to cope with them. In principle, four key steps in risk assessment exist (Koráb et al. 2007, 89–92):

1. Identification of the risk factors
2. Quantification of the risk factors
3. Emergency scenarios planning
4. Risks monitoring and management

### 3.3.10 Appendices

Appendices are not the mandatory chapter of the Business plan. However, having them might be beneficial. It usually includes informative materials which cannot be implemented in the text itself. An example might be the correspondence with the potential customers and suppliers, product photos, market research results, or an excerpt from the Commercial Register (Srpková 2010, 66).

Appendices are defined by Blackwell (2018, 14) as evidence of perfectly done homework. Therefore, an entrepreneur needs to add documentation that supports his statements and everything that has been said so far about the project.

## **II. ANALYSIS**

## 4 TITLE PAGE

Figure 1: The Logo of the Company (by Michal Burdikov)



**Name of the Company:** The Dungeon

**Legal Form:** Limited Liability Company

**Location:** Dolní 431, Frenštát pod Radhoštěm, 744 01

**Date of Establishment:** 9.5.2022

**Author:** Miroslav Kasl

**Authors Address:** Rožnovská 1160, Frenštát pod Radhoštěm 744 01

**E-mail:** thedungeon@gmail.com

**Telephone:** +420 123456789

## 5 EXECUTIVE SUMMARY

The shisha bar called the Dungeon will be created by Miroslav Kasl, a student at the Tomas Bata University. The creator is a shisha enthusiast and a regular console and computer games player. Therefore, the main purpose of this project is to unite people interested in both hookahs and games. Furthermore, it is believed by the author that this business will create an exceptional atmosphere for each and every customer.

The company will be situated in Frenštát pod Radhoštěm, a city of 10,556 inhabitants. The bar will be right below a very popular bar, which will attract a great number of customers. A free parking lot and the city centre are in very close proximity, making the location very auspicious. The club will be divided into three main parts – the bar, shisha lounge and gaming lounge. The gaming section will contain two up-to-date consoles with regularly updated games selected by the owner based on customers' needs. Once in a while, there will be voting on what game to purchase or update. The second section, which is the hookah lounge, will provide the customers with relaxing music and the best experience of shishas. Moreover, it will be possible to play cards or desk games or just to sit and relax. In the bar section, customers will be able to conversate freely with no hesitations. Thanks to the structure of the club, the individual parts will not be disturbed by each other.

The shisha club will get a commercial loan of 500 000 CZK from Komerční Banka with an interest of 9.9%, which can be found in the appendices. The instalments can be seen in the payment schedule in the chapter Opening Balance Sheet. Thanks to this amount, the owner will be able to renovate the premises, buy the supplies, furniture, and appliances. Moreover, it is necessary to have a sufficient financial cushion for other expenditures, such as paying the employees or if the government decides to close the businesses due to the deteriorating pandemic situation.

The author will create three possible scenarios of estimated revenues (pessimistic, realistic, optimistic), in which the most probable will be the realistic one. Eventually, the risk assessment section can be found at the very end of this work. This chapter will examine all the risks that can arise from the business venture and the ways to prevent them.

## 6 COMPANY DESCRIPTION

### 6.1 General Description of the Company

The popularity of shisha clubs is rising over time, which is why The Dungeon is up and coming project with just a little concurrence in the area (zemepisec.cz). The name is derived from its authentic location in the dungeons of an old building. Moreover, its name is closely related to the gaming world due to its frequent occurrence. More precisely, it is the place where the player encounters his enemies to gain experiences, gold and others. Thanks to this, the company guests will be able to ease their minds while having a professionally prepared hookah. At the same time, they will have the opportunity to entertain themselves by playing games on our consoles, once again with the hookah ready for them.

The gaming section is a significant part of this project. The intention is to create a place where the customers can bring their friends and enjoy the day playing on our consoles and enjoying our products. The sector with consoles will be entirely separated to avoid an imbalance between a peaceful world of hookah enthusiasts and gaming fanatics. The future plans also contain the gaming tournament organization

The club will be divided into three parts, one of which will be the bar with seating boxes allowing people to conversate freely. The second part, which is the largest one, will be a calm zone creating an authentic experience of hookahs, teas, and other products. The last part will be the gaming zone, separated from the rest of the club by a door. Furthermore, the club will open the outdoor seating in the warmer months. Its interior appearance is intended to be in harmony with the surrounding mountains. That is why the club is coloured green and brown. However, due to its dungeon theme, the colours should remain dark shades.

The customers will have the choice of spending their time by playing several desk and card games. In addition to that, the club will be offering a great number of refreshing drinks produced mainly from tea and coffee. Due to its location right below the pub, the bar will not be offering alcoholic beverages. The only exception will be a local beer, which plays a significant role in the area and cannot be that easily omitted. The hookahs will be prepared by trained and proficient specialists, who will attend regular training on preparing top-quality shishas. These will be divided into two types, one of which will be more expensive due to their authentic look since they will be hand-carved by a Czech designer. The second type will be classic looking hookahs for those who do not mind the appearance of shishas.

## 6.2 Legal Form

The Dungeon Club, founded by a natural person, will be a Limited Liability Company owned by Miroslav Kasl. A person applying for Limited Liability License needs to meet a general criterion of – being at least 18 years old, legal integrity and legal capacity. Afterwards, it is necessary to pay the administrative fee of at least 1 CZK, which is more of a symbolic amount (Commercial code §45 Act no. 455/1991).

## 6.3 Location of the Company

The club is in Frenštát pod Radhoštěm, which is located in the middle of the Beskydy Mountains, the main attraction in the area. Annually, thousands of people come to Frenštát and its surroundings for a vacation with their families, friends, or colleagues. For instance, in 2021, the Moravian-Silesian district's total number of visitors was 646 000, approximately 5% more than in the previous year (polar.cz). Here comes the opportunity to establish a place where the tourists can spend their evenings and relax. Not only the tourists but also the residents of neighbouring towns such as Rožnov pod Radhoštěm, Frýdlant and Ostravicí or Kopřivice are welcome to visit the shisha club. In none of these cities can be found a club like The Dungeon, which makes it a substantial competitive advantage. In other words, the club of this kind will be the first one in the area.

The bar is situated just a few minutes from the city centre, and the only way out from the city square is right around the bar. Next to the private entrance, which is on the left side of the building, lays a large free parking lot, allowing customers to come by car without hesitation. Even though the city is not vast, the most significant concentration of inhabitants and tourists is in the bar's surroundings. The reason is that the pub, lying right over the shisha club, is a very popular and prominent place. Another reason is the closeness to the city centre. Moreover, the only grocery store in the city centre is approximately 400 meters away, making the location even more promising.

## 6.4 Opening Hours

The Dungeon will be open the whole week but Monday. However, after a personal agreement, it will be possible to create a reservation even on Monday, nevertheless only for a certain number of guests. This may happen in cases when the companies are keen on having bonding sessions and similar activities. Otherwise, this day will serve as a sanitary one.

The opening hours were made with respect to our target customers, most likely tourists, students, and middle-aged working people. Therefore, there is no necessity to open sooner than in the early evening. Moreover, opening hours are also inspired by a similar and prosperous project located in the USA, which is very likely to this one (BrookLAN.com).

Table 1: Opening Hours (own creation)

Opening Hours	
<b>Monday</b>	Closed
<b>Tuesday</b>	14:00 - 22:00
<b>Wednesday</b>	14:00 - 22:00
<b>Thursday</b>	14:00 - 22:00
<b>Friday</b>	14:00 - 24:00
<b>Saturday</b>	14:00 - 24:00
<b>Sunday</b>	14:00 - 20:00

## 6.5 Mission Statement

The key activities and their results are divided into short-term and long-term goals. The short-term pursuits are to create a peaceful and, at the same time, entertaining place for more age groups and customers. Furthermore, it is essential to hire a proficient staff that will take care of the main product, which are shishas and their maintenance. Finally, one of the last short-term goals is attracting customers and creating a stable brand.

Concerning the long-term objectives, it is desired by the company to develop its products and services. The club's plans include more activities, e.g., e-sports tournaments, lectures or pub quizzes, which are highly demanded. A nearby restaurant hosts them every Thursday, but they are usually full-filled, and it does not get everyone's turn. The most optimistic prognosis is the creation of franchises around the Czech Republic and Slovakia.

## 7 PRODUCT AND SERVICE DESCRIPTION

### 7.1 Products

The most dominant products will be hookahs, which should be one of the major elements to attract potential customers. Therefore, the club is inspired by the competitors from Nargibar, located in Frýdek-Místek ([nargibar.cz](http://nargibar.cz)). As a result, the club will be offering two types of shishas. The first ones will have a unique design created by Czech carpenter Filip Klíma. Thanks to their wooden structure, they will provide the customers with an unforgettable experience from their visit. However, their most significant advantage is the usage time, being twice as long as the cheaper version. Obviously, their prices will be slightly higher. Even though the second type will not be that expensive, it will also do its job properly. Furthermore, the price will include two coal exchanges.

The club will offer a wide range of beverages, mainly non-alcoholic. Since the pub is situated directly above the shisha club, there is no need to provide the customers with alcoholic beverages. Despite this, it will be possible to order a beer from a small local brewery called Ogar ([ogar.cz](http://ogar.cz)).

Another essential component is tea, which is expected to be found in every shisha bar. The club will be offering two types of tea. The real tea lovers will be provided with the loose tea from the company Oxalis ([oxalis.cz](http://oxalis.cz)). Those who are not familiar with tea and its varieties will get the Czech tea brand called Sonenntor, which has 30 years of tradition ([sonnentor.cz](http://sonnentor.cz)).

Good coffee is another essential element that cannot be omitted in any bar, club, or restaurant. From personal experience, the brand chosen will be LaBohemeCafe ([labohemecafe.cz](http://labohemecafe.cz)).

Last but not least will be our gaming zone, where the player can sit on comfortable couches and play console games. The consoles chosen for this project will be Xbox X ([xbox.com](http://xbox.com)). The company will have to update the game list at least once a year. The prices will be mentioned in the costs section.

## 8 MARKET ANALYSIS

### 8.1 Competitive Advantage

The main competitive advantage will be a variety of shisha types. In addition, tobaccos used will be thoroughly selected, and people preparing hookahs will undertake special training to satisfy the customer's needs. Moreover, both cold and hot beverages will be selected and prepared with care. Since there are just a few competitors, it is an up-and-coming area to open a shisha club. Furthermore, a great number of hotels in the city indicate a considerable customer potential (hotel.cz). The Dungeon will offer a gaming section where the players can play both single-player and multiplayer games. Besides that, occasional tournaments will be held.

### 8.2 Competition Analysis

Even though there is not a big concurrence in the surrounding cities, it is important to mention at least some competitors that can affect this project.

#### **Bistro Stars Hollow**

The competitor that is in the closest proximity, only a few meters away, is called Bistro Stars Hollow. Right from the name is obvious where their specialization is aimed. This place offers meals, alcoholic and non-alcoholic beverages and also shishas. The scope of their reach is wide, and therefore they do not endanger this project. Unlike them, the Dungeon is focused on a certain amount of products of excellent quality.

#### **Nargibar Frýdek-Místek**

Nargibar is a relatively new project in Frýdek-Místek with a wide range of shishas and tobaccos. The building has two floors, which means many seating areas. The location, which is in the city centre, is also quite promising. However, a significant disadvantage is parking, which disallows customers to park nearby. The closest parking lot is right next to the Nargibar; however, it is paid and very expensive when spending more than one hour.

The company sees this place as the biggest rival in the area. Some of the elements used in The Dungeon are inspired by their project. Namely, the selection of hookahs and tobaccos, which are the main features of the Dungeon club. Nargibar is situated approximately 40 minutes' drive from Frenštát pod Radhoštěm, and its scope of reach is

aimed rather at Ostrava and its surroundings than at Frenštát. Because of this fact, the Dungeon does not feel threatened by this rival (nargibar.cz).

### **Čajovna u Slunce**

It is a traditionally conceived teahouse with an oriental appearance, situated in Rožnov pod Radhoštěm. The menu offers a wide range of teas and shishas. Its main advantage is definitely its location in the middle of the city centre. Even though this company is approximately 15 minutes away from Frenštát pod Radhoštěm, they do not represent much competition to this project because of its different concept. The Dungeon customizes its interior to attract younger generations, while Čajovna u Slunce has chosen more of a traditional look. The most significant disadvantage that this competitor has is the fact, that they do not have official websites or at least a Facebook profile. Thus, no communication channel with their customers (firmy.cz).

### **The Monstr**

The Monstr is a company located only 15 minutes away from Frenštát pod Radhoštěm and is a part of a shisha franchisee. Despite that, they do not endanger the project. This hookah bar has brand new websites that lack fundamental information about drinks, shishas, or tobacco. They divide their hookahs into three categories – bronze, silver, and gold. Nevertheless, this division is not further described. While deciding where to go, customers would appreciate the knowledge of all products. Therefore, the main task of this project is to create detailed websites with all relevant data (monstr.cz).

## **8.3 SWOT Analysis**

The main strength is the position in the area with no further direct competition. Another significant strength is the market's size, which seems to be auspicious. Another great advantage are the products, whose appearance is quite unique, thus potentially attractive to the customers. Also, the qualification of the employees is one of the advantages that this company relies on. Last but not least, the gaming zone and outdoor could lead to increased customer interest.

One of the significant weaknesses is the lack of experience in the business. Furthermore, the company will be new on the market; therefore, it will have to make a good launch marketing strategy. In addition, initial costs will be higher than expected due to the hookahs, which are, however, vital for the company as they will be unique. Another problem might be the fact that Frenštát pod Radhoštěm itself is a relatively small city, which implies that the reputation of the business will play a crucial role. If the reputation is spoiled, it can be devastating for the company.

The growing niche of shisha bars in the market is undoubtedly an excellent opportunity for the company based on hookahs. Undoubtedly, having good coffee as a part of the menu might be a huge opportunity; therefore, the business will serve the specialty coffee from the company LaBohemeCafé. Another opportunity for the company lies in the profoundly unsatisfied customer needs since there are no other shisha bars with a similar concept in close proximity. In general, Frenštát pod Radhoštěm lacks a place where the customers can come and have a coffee, shishas and friendly conversation with their friends and partners. Therefore, the company also targets customers who will visit the club regularly, so the company will ensure a stable income. The company will attempt to achieve it by having loyalty cards, regular contests or by organizing special events such as quiz nights, gaming contests etc.

Considering threats, a frequently discussed topic is Covid-19 and its effect on small businesses. Although the worst is probably over, the fear of restrictions persists. In the past, businesses had to shut down their activities for several months or limit their business operations, making it difficult for many of them to recover from it at all. In some cases, they had to even end for good. On the other hand, it is also an opportunity due to the niche in the market created by this disease and the subsequent decline of enterprises in this sector. Currently, the Czech Republic is struggling with the inflation rate. According to Czech Statistical Office, the inflation rate has risen to an all-time high of 11% (czso.cz). As a result, the prices have risen rapidly; thus, the business needs to reflect that in the pricing strategy. Among the threats that the company must consider are also new competitors on the market and the forthcoming change in the customers' preferences. The threats and risks will be further discussed in Chapter 12.

Table 2: SWOT Analysis (own creation)

SWOT analysis			
Strengths	Weaknesses	Opportunities	Threats
Unique and quality products	Lack of experience	Niche on the market	Covid-19
Lack of competition	Initial costs	Unsatisfied customer needs	Inflation
Location	Small city	Regular customers	Change in customer preferences
Employees qualification	new on the market	-	New competition
Gaming zone and outdoor seating	-	-	-

## 8.4 SLEPT Analysis

### 8.4.1 Social Factors

The information drawn from the Czech Statistical Office (2022) indicates that the population in the Czech Republic is growing over time. The overall growth of the population in 2021 increased by 21,871 inhabitants. Contrary to that, the net population growth, showing the difference between the death toll and the number of people born, shows that the number radically declined by 28,098 inhabitants. The total population of the Czech Republic in 2021 was 10,515,669. In the Moravian-Silesian district, the number of inhabitants dropped from 1,195,433 to 1,177,632 (czso.cz).

In the last quarter of 2021, the unemployment rate in the Czech Republic fell to 2.7%, and the employment rate was 74.8% (tradingeconomics.com). However, the numbers in the Moravian-Silesian region are slightly worse. The unemployment rate has risen to 5.2% (kurzy.cz). The unemployment rate in Frenštát pod Radhoštěm was at the end of the 2021 2.5% (lags.cz).

The total number of inhabitants in Frenštát pod Radhoštěm in 2022 is 10,556, and together with adjacent Trojanovice, the number is approximately 13.500 (obyvateleceska.cz). Because of the lack of information, it was impossible to obtain the necessary information on the number of inhabitants within the target group. However, the number of inhabitants between 15-64 years old in 2021 was 9,178 (mistopisy.cz).

The situation in Frenštát pod Radhoštěm and its surroundings is auspicious. The city has three high schools and many factories in close proximity, such as Siemens or Brose. This provides the shisha club with a great number of potential customers. Also, the situation with shisha bars in Frenštát looks promising. Only one shisha place is located in Frenštát pod Radhoštěm, but it is not an endangerment for this project due to different specialization.

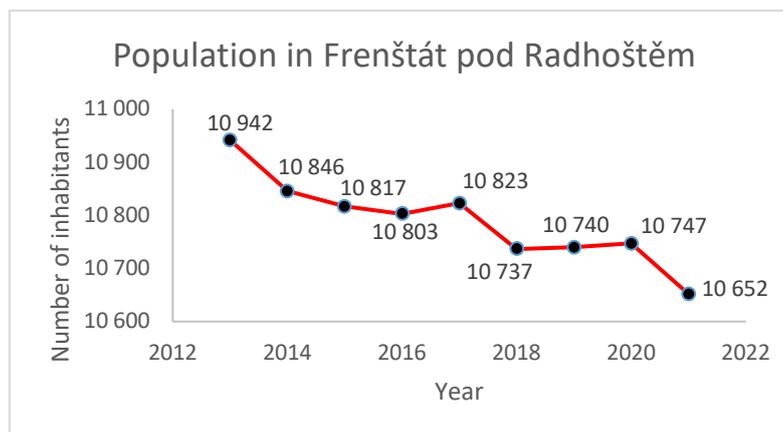


Figure 2: The Decrease of Inhabitants of Frenštát pod Radhoštěm (own creation)

#### 8.4.2 Legislative Factors

The legislative factors affecting the shisha club are mainly EET and the receipt policy, warranty, the composition of the offered products and Copyright. EET, in other words, Registration of Sales, will be no longer mandatory in the Czech Republic. The government approved the abolition of EET from 1.1.2023 (etrzby.cz). The seller is obliged to issue a receipt to the buyer. The company also needs to pay attention to warranty claims that have to be done within 30 days. All the product and brand names must be original and cannot be copied; otherwise, the Copyright law will be infringed (zakonyprolidi.cz).

Among the essential legislative factors belongs also the composition of the products offered by the company coupled with the list of allergens. According to Consumer Protection Act n. 634/1992 Sb, a seller must provide the buyer with all the relevant information about the product, such as price, dimensions, place of origin, product content, and allergens (zakonyprolidi.cz). According to the Business Corporations Act (§38 n. 90/2021 Sb.), the s.r.o. company is obliged to do the bookkeeping, file the corporate tax return, and to establish financial statements. When the revenues exceed 1 mil. CZK, the company must also file the VAT return of 21%. Moreover, the Home Office automatically establishes the data box for the company right after its registration into the Commercial Register. Once a year, the company has to organize the general meeting (zakonyprolidi.cz).

### 8.4.3 Economic Factors

Concerning macroeconomic factors, it is vital to discuss four of them: average gross salary, minimum wage, inflation, repo rate, GDP and GDP per capita. One of the most important economic factors is the average gross salary, which has risen in the Czech Republic to 40,135 CZK. In the Moravia-Silesian district, the salary climbed to 34,233 CZK (czso.cz). In comparison, the minimum wage in the Czech Republic has risen to 16,200 CZK, which is 1100 CZK more than in the year 2021 (czso.cz). At the beginning of 2021, the inflation rate was around 2.1%. However, a year later, the inflation has risen by 12.7%, which heavily affects the economy and primarily the prices of products and services (czso.cz). According to the Czech National Bank, the increased prices of natural gas and imported goods, the pandemics and a computer chips shortage are considered reasons for the inflation rise (cnb.cz).

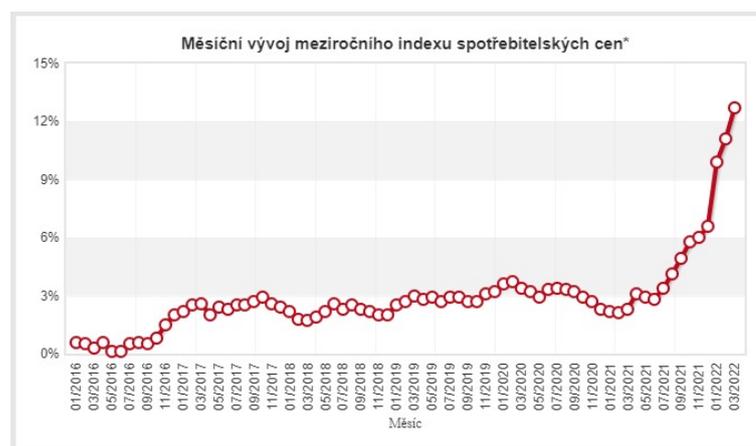


Figure 3: Inflation Chart (Czech National Bank)

On the other hand, the economy of the Czech Republic grew in 2021. Despite many setbacks, GDP grew by 3.9% year-on-year (OECD.com). GDP per capita was in 2021 44,920 USD per capita, which is also higher than in the previous year (OECD.com). The repo rate, thanks to which the Czech National Bank regulates the amount of money in the economy, has increased to 5%. As a result, the money borrowed from the bank will be more expensive, which can be seen in this project, where a loan's interest rate is 9.9% (kb.cz).

### 8.4.4 Political Factors

The Czech Republic is a democratic and parliamentary country where the president is the head of the state, and the Prime minister is the head of the government. Currently, the president of the Czech Republic is Miloš Zeman, and the prime minister is Petr Fiala. The

government is bicameral and consists of two houses: the Senate and Chambers of Deputies (mzv.cz). The leading party in the Czech Republic is currently SPOLU, which consists of three parties, namely ODS, KDU-ČSL and TOP09. This coalition secured the abolition of EET, which makes entrepreneurship in the Czech Republic more affordable thanks to lower establishing costs and less administration (spolu21.cz).

It is also vital to mention the GDPR. the Czech Republic supports the European legal framework for personal data protection (czso.cz).

#### 8.4.5 Technological Factors

The technology used in the shisha club will be primarily consoles and its accessories, payment terminal, kitchen equipment such as a fridge, coffee machine etc. and websites with online reservations - reservio. However, some inventions might be beneficial for the company in the long term, such as virtual reality or new smart TVs. To keep up with the technological development, the company will have to update the consoles and console games regularly, which may be very expensive in the future. Moreover, the Wi-Fi will also be accessible for the Dungeon customers.

### 8.5 Analysis of Suppliers

The products used and sold in the shisha club will be mainly hookahs, tobacco, beverages, snacks, and the gaming centre reservations. The table below shows the detailed composition of all suppliers.

Table 3: The List of the Suppliers (own creation)

Name of the Supplier	Products Supplied	Reasoning
SHANTI	Shishas, Tobaccos	Wholesale prices, Uniqueness
La Boheme Café	Coffee	Exceptional coffee brand
Keška-FM s.r.o.	Beverages, Snacks	The distance, Prices
Ogar	Bottled beer	Local brewery, Well-known
Microsoft Corporation	Console games	Instant availability

## 9 MARKETING PLAN

### 9.1 Marketing Mix

#### 9.1.1 Product

The products offered are primarily the shishas with tobaccos, which are the fundamentals of this project. Shishas will be offered in two sections: the Classic, a cheaper version of shisha with shorter usage time; and the second one is the Superb, providing the customers with doubled usage time, a unique look, more frequent coal replacement, and an enhanced experience from the visit. This product is vital for overall enjoyment.

Other products will be selected with respect to shishas. Thus, they will be extraordinary in terms of quality and uniqueness. These are, for example, exclusive coffee and tea brands, selected snacks and beverages, local beer, and regularly updated console games. The coffee brand selected, called La Bohémé Café, has a long-standing tradition. Even though this brand is not very famous, its quality speaks for itself. The aim was not to choose a mainstream brand to stand out. The same principle applies to tea selection. The brands selected, Oxalis and Sonnentor, represent the best out of the tea sphere. The last products on which the company relies are console games. Therefore, the club will provide their customers with two Xbox X consoles and regularly updated and renewed games. The basic package of games will include mainly multiplayer games, such as FIFA, NHL, Overcooked, Call of Duty Warzone, Forza, and Lego: Star Wars. Additionally, the company will update the list of games.

#### 9.1.2 Price

The pricing strategy will primarily focus on concurrence, demand, and total costs. That means that the prices will reflect the total costs, prices in rival shisha bars and overall customer's price perception. The overall pricing tactic will come from penetrating where the launch prices are usually lower to attract new customers. The prices can be seen in the table below.

Table 4: Product Prices (own creation)

Product	Price
1 hour gaming	99 CZK
Superb shisha	299 CZK
Classic shisha	199 CZK
Tea	39 CZK
Loose tea	49 CZK
Espresso	35 CZK
Cappuccino	39 CZK
Latte Macchiato	49 CZK
Lemonade	69 CZK
Fresh Juice	60 CZK
7up	45 CZK
Iced Tea	45 CZK
Cola	45 CZK
Bottled beer	45 CZK
Wine (1 dcl)	35 CZK
Carafe with water (1L)	49 CZK
Chips	39 CZK
Toast (2 pcs)	79 CZK

### 9.1.3 Place

The company's location has been discussed in 6.3 Location of the Company. Customers will be served at their tables or by the bar by the club staff. Furthermore, the company will provide them with two options of seating, one of which is inside and the second is outside. One more option will be the take-out coffee or tea.

### 9.1.4 Promotion

This part will include both online and offline communications with customers. Online promotions selected are Instagram, websites, and Facebook. Some of them will be further described in the following subchapters. Some online channels, such as Facebook, Instagram and websites, will be mainly created to inform about the company's general information and products. Offline promotion channels will actively promote the company at various festivals, where the company will have a stand with shishas. Other offline channels are loyalty cards and various contests that will be created occasionally. Only the most important promotion channels will be mentioned.

### **Websites**

Having professionally created websites might be critical for the company. Not only that they have to be well-organized and structured, but they also have to be appealing to customers' eyes. They should represent the whole project and everything connected to it. Therefore, the customers will be able to find there all the essential information, such as location, menu, contact, photos, or even reviews. Also, the pictures cannot be made indifferently but with care and skill.

### **Instagram**

Instagram is the second most used social media network in the world. With almost 1.2 billion monthly active users, it ranks right behind Facebook, having nearly 2.7 billion MAUs (kubbco.com). The most challenging step is naturally to gain followers. It can be done by a successful launch marketing that can help boost the number of followers. Once the company has a sufficient number of followers, various contests and surveys will take place. By using the swipe-up function, customers will be redirected directly to the company's websites. The shisha club will have to provide the followers with daily updates, photos and reposts. After some time, the company aims to contact several influencers with an offer of cooperation. Their names will be broadly discussed later.

### **Launch Marketing**

The company cannot expect huge growth right from the beginning without proper launch marketing. It may be crucial for getting into customer's awareness. The launch marketing chosen for this project will be a contest on Instagram well in advance. The main principle will be to gain as many followers and customers as possible by handing out gift vouchers. These will be applicable in The Dungeon shisha club to the Superb shishas only. Drinks will not be part of the vouchers. The company's profile will post a picture with an advertising message, where the customers will have to tag at least two friends that they would take with them to the club. Eventually, they will repost the picture in their stories. This will be on for at least a month.



Figure 4: The Launch Marketing Voucher (by Michal Burdikov)

### **Other Marketing Strategies**

Another marketing strategy will be loyalty cards that will grant our customers free tenth hookah. So, the customer buys nine shishas a gets the tenth one for free.

The aims will also be on real-life experience marketing, which will be achieved by attending music festivals. It will be done by creating a so-called Chill zone, where the visitors will have the opportunity to chill down and have a smoke in our tents.

#### **9.1.5 Physical Evidence**

The physical evidence is based on the appearance of the club and the way the customers feel inside. It depends on the colours used, whether the couches are comfortable enough or whether the clubs' appearance fulfilled their expectations. This part is vital for the company's success because the first glance can significantly affect the overall opinion of the place. Authentic shishas and original glassware will help to improve the customer's enjoyment thus experience.

#### **9.1.6 People**

All people playing a role in the service delivery are included in this section, thus the employees and customers. Employees can play a huge role in companies relying on personal relationships. Therefore, the personnel must be thoroughly selected to create a pleasant and comfortable atmosphere. Also, customers participate in the whole service process. As a result, they significantly influence the quality of the process. In this project, the contact will be made between the customer and the waiter or waitress. The staff will have uniforms so they can be recognizable.

### 9.1.7 Processes

This section shows a more detailed view of how the services are provided. It can be, for example, customization of the product or staff performance. In the first case, customization is possible to a certain extent. Thus, the employee can prepare a drink, snack or shisha according to the customer's requirements. On the other hand, the customer may not be satisfied with the quality of the hookahs or with their preparation time which can eventually cause a bad experience, thus bad reviews. This problem will be solved to satisfy the customer's needs. Other processes may be digitalising the services, such as an online reservation system, which will make the reservations less complicated for both the customers and the company.

## 9.2 Buyer Persona

The ideal customer for this project is Jan Novák. After successful graduation from Tomas Bata University at 23 years, he moved to Frenštát pod Radhoštěm. He is interested in going out with his friends, mainly to the pubs and shisha bars, watching Netflix with his girlfriend Jana, and his hobbies are swimming and playing table tennis. With a monthly net income of 30.000 CZK, he is able to rent a flat with two bedrooms. As a junior manager in a company called Brose, he is pursuing his dream to become a senior manager one day. However, his biggest fear is that he will not succeed in his career. Jan's pain point is mainly lack of free time, so he tries to use that free time wisely. After long and demanding work, Jan seeks a place to rest with his girlfriend or friends. Spending a larger amount of money is not a problem for him due to his high salary and low costs of living. Jan is a frequent user of social networks, mainly Instagram, where he spends the most time along with Tik Tok, a relatively new social network providing its users with a wide range of short videos. Jan's life motto is: "Sometimes you have to give up something to get something even bigger."

## 10 ORGANIZATIONAL PLAN

The company requires a professional staff willing to learn new things. That is why their selection needs to be thoroughly considered. The employees will attend regular training courses; therefore, they must be fully committed to their work. The best scenario is when the employees are passionate about shishas and e-sports so they can fit into the team. Furthermore, the employees will receive a company's T-shirts with its logo to distinguish them from the customers. The tips will be divided equally among all present employees. The employer is obliged to pay the social and health insurance about the size of 33.8%.

The company will employ one full-time employee, which will work five days a week, which is approximately 44 hours. The employee will be rewarded a gross monthly salary of 22 000 CZK, but he or she will have extended responsibilities. This employee will be directly accountable to his supervisor, the owner.

The owner will be responsible for the supply of goods and products. Besides that, he will be present on a daily basis to overlook the overall operations. Thanks to his acquired knowledge from his bachelor's studies, the owner will take care of accountancy and other necessary processes. In case the full-time employee needs a day off, the owner will deputize for the employee.

## 11 FINANCIAL PLAN

The financial plan is an essential part of the business plan, and thanks to its creation, the entrepreneur can decide whether the plan is feasible and viable. This plan is further introduced to banks and investors which will decide whether to support the project and invest in it. This chapter will include expected revenues and costs, start-up balance sheet, income statement, and return on investment. The three different versions of finances will be provided - optimistic, pessimistic, and realistic.

### 11.1 The Initial Investment

The initial costs consist of two main tables - the establishment of the business and equipment acquisition. All the items in the establishment table are expenses incurred at the beginning of the business venture.

The initial reconstruction cost only 15,000 CZK because the premises were in relatively good condition. Therefore, no major alternations were required. Only painting and floor polishing had to be done. The price of the promotion in the initial investment is based on the personal agreement with the designer, and it depicts the creation of the leaflets, vouchers, and the overall company branding. Finally, it was necessary to borrow a van to move all the furniture and other equipment to its final location.

The inventory represents all the drinks and snacks that the bar will offer to its customers. The item called other equipment are then the office supplies, bags, packaging and all the things essential for the running of the business. The initial costs, without which the company will not be able to function, are shown in the table below.

Table 5: Initial Investment (own creation)

Initial Investment (in CZK)	
Establishment	
Trade License	1,000
Websites Creation	15,000
Uniforms for staffs	1,960
Initial Reconstruction	15,000
Promotion	13,000
Training Courses	4,000
Van Rental	4,000
<b>TOTAL</b>	<b>53,960</b>
Initial Investment (in CZK)	
Equipment	
Shishas	100,000
Tobacco, Coals	8,000
Televisions	25,000
Speakers	3,000
Consoles and Controllers	34,000
Games	6,000
CCTV	10,000
Mobile Phone	2,500
Furniture	100,000
Decorations	10,000
Tableware	20,000
Inventory	50,000
Appliances	50,000
Detergents	2,000
Payment Terminal VISA	6,000
EET Cash Desk	10,000
Business Laptop	15,000
Lighting	6,000
Cash Register	6,000
Other Equipment	20,000
<b>TOTAL</b>	<b>483,500</b>
Initial Investment (in CZK)	
Establishment	53,960
Equipment	483,500
<b>TOTAL</b>	<b>537,460</b>

## 11.2 Opening Balance Sheet

The opening balance sheet consists of the company's assets on the left side and the equity and liabilities on the right after establishing the business. The company's assets were divided into fixed and current, in which all the assets are current because the company does not own anything more expensive than 80,000 CZK. The current assets consist of low-value tangibles, goods, and a bank account. Equity consists of registered capital of 300,000 CZK, and the liabilities include the bank loan of 500,000 CZK.

Table 6: Start-up Balance Sheet (own creation)

Start-up balance sheet (in CZK)			
Assets		Equity and Liabilities	
<b>Fixed assets</b>	-	<b>Equity</b>	300,000
x	-	Registered Capital	300,000
<b>Current Assets</b>	800,000	<b>Liabilities</b>	500,000
Low-Value Tangibles	423,500	x	-
Goods	60,000	x	-
Bank Account	316,500	Bank Loan	500,000
<b>Total Assets</b>	800,000	<b>Total Equity and Liabilities</b>	800,000

### The initial investment

The initial investment of 800,000 CZK cannot be covered by the owner's funds. Therefore, the owner will have to borrow 500,000 CZK from Komerční Banka a.s., and the rest will be covered by the family funds. The interest rate from the bank will be 9.9% p.a., and it will be repaid in 5 years. The monthly instalment will be 10.963.495 CZK, and the company will pay the total interest of 157,09.75 CZK. The bank loan can be seen in the appendices.

Table 7: The Payment Schedule for 60 Months in CZK (own creation)

Years	Instalment	Amortization	Interest	Principal (500,000)
1	(131,561.95)	(82,061.95)	(49,500.00)	417,938.05
2	(131,561.95)	(90,186.09)	(41,375.87)	327,751.96
3	(131,561.95)	(99,114.51)	(32,447.44)	228,637.45
4	(131,561.95)	(108,926.85)	(22,635.11)	119,710.60
5	(131,561.95)	(119,710.60)	(11,851.35)	-

### 11.3 Operating Costs

#### Labour costs

Considering the realistic scenario, the owner will employ only one employee, which is deemed to be sufficient at the beginning of the business venture. The employee will be paid a gross monthly salary of 22,000 CZK, but after the insurance deduction, the net salary will be 14,564 CZK. It is vital to mention that all the tips will be divided between the current staff, thus between the owner and waiter/waitress.

Table 8: Labour Costs (own creation)

Labour Monthly Costs (in CZK)			
Full-time Employees			
	Gross month salary	Insurance (33,8%)	EAT (net salary)
Owner	22,000	7,436	14,564
Waiter/Waitress	22,000	7,436	14,564
<b>TOTAL</b>	<b>44,000</b>	<b>14,872</b>	<b>29,128</b>

#### Fixed costs

The most significant parts of the fixed costs are the rent of the premises and labour costs. Thanks to the personal agreement with the owner of the premises, the rent will stay the same at least for the first two years. In terms of labour costs, they are expected to remain the same, but the business owner is aware of possible alternations caused by the current economic situation, which is heavily affected by inflation or by the raising of the minimum wages. To keep up with ongoing trends, the company will allow the customers to pay by credit card. This service is provided by the company Global Payments. In order to play music, it is necessary to pay a regular fee to the copyright association called OSA. The promotion payments consist of loyalty cards that will be printed regularly in smaller amounts and various advertisements on various social media. Some of the expenses will be slightly more expensive in the following year due to an overall increase in prices. Variable costs include mainly the supplies necessary for the overall run of the company, such as tobaccos, coals, beverages, snacks etc.

The total costs are divided into three scenarios, which are closely related to the estimated revenues of the company.

Table 9: Fixed and Variable Costs for the 1<sup>st</sup> Year (own creation)

Fixed Costs in 1st year (in CZK)		
	Monthly	Yearly
Labour Costs	44,000	528,000
Energy and water consumption	3,000	36,000
Rent	10,000	120,000
Internet Connection	400	4,800
Property Insurance	500	6,000
OSA.cz	3,460	41,520
Mobile Phone Expenses	675	8,100
T-Mobile (internet)	400	4,800
Global payments	250	3,000
Promotion	1,000	12,000
Web domain and web hosting	758	9,096
<b>TOTAL</b>	<b>64,443</b>	<b>773,316</b>
Variable Costs (in CZK)		
	Monthly	Yearly
Supplies (Realistic scenario)	15,000	180,000
Supplies (optimistic Scenario)	22,500	270,000
Supplies (pessimistic scenario)	7,500	90,000
Total Costs (in CZK)		
	Monthly	Yearly
Total Costs (realistic scenario)	79,443	953,316
Total Costs (optimistic scenario)	86,943	1 043,316
Total Costs (pessimistic scenario)	71,943	863,316

Table 10: Fixed and Variable costs for the 2<sup>nd</sup> Year (own creation)

Fixed Costs in 2nd year (in CZK)		
	Monthly	Yearly
Labour Costs	44,000	528,000
Energy and water consumption	3,200	38,400
Rent	10,000	120,000
Internet Connection	420	5,040
Property Insurance	500	6,000
OSA.cz	3,460	41,520
Mobile Phone Expenses	750	9,000
T-Mobile (internet)	500	6,000
Global payments	350	4,200
Promotion	2,000	24,000
Web domain and web hosting	758	9,096
<b>TOTAL</b>	<b>65,938</b>	<b>791,256</b>
Variable Costs (in CZK)		
	Monthly	Yearly
Supplies (Realistic scenario)	20,000	240,000
Supplies (optimistic Scenario)	25,000	300,000
Supplies (pessimistic scenario)	15,000	180,000
Total Costs (in CZK)		
	Monthly	Yearly
Total Costs (realistic scenario)	85,938	1 031,256
Total Costs (optimistic scenario)	90,938	1 091,256
Total Costs (pessimistic scenario)	80,938	971,256

## 11.4 Estimated Revenues

As no questionnaire was created, the expected revenues are based mainly on the author's personal experience. Three scenarios were prepared – optimistic, realistic, and pessimistic. These scenarios were created for the first two years, in which the second year will be slightly more profitable due to the increased number of customers and their average spending. This will be accomplished by having successful marketing promotions and word of mouth marketing.

Table 11: Estimated Revenues (Optimistic scenario) for the 1<sup>st</sup> Year (own creation)

<b>Optimistic Scenario (1<sup>st</sup> year)</b>	
Number of customers per day	45
Average spending of one customer per day (CZK)	250
Revenues daily (CZK)	11,250
Revenues monthly (CZK)	270,000
Revenues annually (CZK)	3,240,000

Table 12: Estimated Revenues (Realistic scenario) for the 1<sup>st</sup> Year (own creation)

<b>Realistic Scenario (1<sup>st</sup> year)</b>	
Number of customers per day	30
Average spending of one customer per day (CZK)	250
Revenues daily (CZK)	7,500
Revenues monthly (CZK)	180,000
Revenues annually (CZK)	2,160,000

Table 13: Estimated Revenues (Pessimistic scenario) for the 1<sup>st</sup> Year (own creation)

<b>Pessimistic Scenario (1<sup>st</sup> year)</b>	
Number of customers per day	15
Average spending of one customer per day (CZK)	250
Revenues daily (CZK)	3,750
Revenues monthly (CZK)	90,000
Revenues annually (CZK)	1,080,000

Table 14: Estimated Revenues (Optimistic scenario) for the 2<sup>nd</sup> Year (own creation)

Optimistic Scenario (2 <sup>nd</sup> year)	
Number of customers per day	50
Average spending of one customer per day (CZK)	300
Revenues daily (CZK)	15,000
Revenues monthly (CZK)	360,000
Revenues annually (CZK)	4,320,000

Table 15: Estimated Revenues (Realistic scenario) for the 2<sup>nd</sup> Year (own creation)

Realistic Scenario (2 <sup>nd</sup> year)	
Number of customers per day	35
Average spending of one customer per day (CZK)	300
Revenues daily (CZK)	10,500
Revenues monthly (CZK)	252,000
Revenues annually (CZK)	3,024,000

Table 16: Estimated Revenues (Pessimistic scenario) for the 2<sup>nd</sup> Year (own creation)

Pessimistic Scenario (2 <sup>nd</sup> year)	
Number of customers per day	20
Average spending of one customer per day (CZK)	300
Revenues daily (CZK)	6,000
Revenues monthly (CZK)	144,000
Revenues annually (CZK)	1,728,000

## 11.5 Income Statement

The income statement works with the estimated revenues, which are once again divided into three scenarios. The total capital expenditures and operational expenditures are then deducted from these revenues. Regarding Czech laws, the earnings must be taxed at a rate of 19%. As can be seen in the payment schedule, the company will pay the amortization of 82,061.95 CZK and the interest of 49,500 CZK in the first year. The pessimistic scenario for the first year is the only one in negative numbers, which is caused by insufficient revenues. The business is expecting the realistic scenario in which the net income is 435,506 CZK. The annual income statement for the second year is also attached, and its realistic scenario shows a net income of 1,507,557.45 CZK. The interest and amortization of the loan change every year because they are calculated from annually changing principal. If the company revenues exceed 1,000,000 CZK, the owner must register for the VAT payment of 21%.

Table 17: Annual Income Statement in the 1<sup>st</sup> Year (in CZK)

Annual income statement in the 1 <sup>st</sup> year (in CZK)			
	Pessimistic scenario	Realistic scenario	Optimistic scenario
Revenue	1,080,000	2,160,000	3,240,000
CAPEX & OPEX	1,400,776	1,490,776	1,580,776
EBITDA	(320,776)	669,224	1,659,224
Depreciation/Amortization	82,061.95	82,061.95	82,061.95
EBIT	(402,837.95)	587,162.05	1,577,162.05
Interest	49,500	49,500	49,500
EBT	(452,337.95)	537,662.05	1,527,662.05
Income Tax	-	102,155.79	290,255.79
<b>Net Income</b>	<b>(452,337.95)</b>	<b>435,506.26</b>	<b>1,237,406.26</b>

Table 18 Annual Income Statement in the 2<sup>nd</sup> Year (in CZK)

Annual income statement in the 2 <sup>nd</sup> year (in CZK)			
	Pessimistic scenario	Realistic scenario	Optimistic scenario
Revenue	1,728,000	3,024,000	4,320,000
CAPEX & OPEX	971,256	1,031,256	1,091,256
EBITDA	756,744	1,992,744	3,228,744
Depreciation/Amortization	90,186.09	90,186.09	90,186.09
EBIT	666,557.91	1,902,557.91	3,138,557.91
Interest	41,375.87	41,375.87	41,375.87
EBT	625,182.04	1,861,182.04	3,097,182.04
Income Tax	118,784.59	353,624.59	588,464.59
<b>Net Income</b>	<b>506,397.45</b>	<b>1,507,557.45</b>	<b>2,508,717.45</b>

## 11.6 Cash-Flow

In order to calculate the cash-flow for the first year, the direct method was employed. The cash-flow is once again divided into three scenarios. All of them include the bank account balance, operating income, expenditures incurred for the business operations, tax of 19%, the commercial loan of 500,000 CZK and annual amortization and interest of the loan.

Table 19: Annual Cash-flow for the 1<sup>st</sup> Year (own creation)

Annual Cash-Flow for the 1 <sup>st</sup> year			
	Pessimistic scenario	Realistic scenario	Optimistic scenario
Bank account	316,500	316,500	316,500
Operating income	1,080,000	2,160,000	3,240,000
CAPEX & OPEX	(1,400,776)	(1,490,776)	(1,580,776)
Interest	(49,500)	(49,500)	(49,500)
Income tax	-	(102,155.79)	(290,255.79)
Commercial loan	500,000	500,000	500,000
Annual amortization	82,061.95	82,061.95	82,061.95
<b>NCF</b>	<b>528,285.95</b>	<b>1,416,130.16</b>	<b>2,218,030.16</b>

## 11.7 Return on Investment

Thanks to the Return on Investment (ROI), the entrepreneur is able to find out whether the investment pays off and over what period of time. The table below shows the Return on Investment for the first year in three scenarios – pessimistic, realistic, and optimistic. The calculation of ROI is mentioned in the theoretical part of this work. In the pessimistic scenario, the calculation came out in negative numbers, which means that the investment is loss-making. The formula to calculate the Return on Investment is:

$$\text{ROI} = \text{Net Profit} - \text{Total Investment} / \text{Total Investment} * 100$$

Table 20: Return on Investment for the 1<sup>st</sup> Year (own creation)

Return on Investment for the 1 <sup>st</sup> year	
Optimistic Scenario	105%
Realistic Scenario	45%
Pessimistic Scenario	0

## 12 RISK ASSESSMENT

Having a contingency plan may be very helpful when something goes wrong in the business venture. Therefore, the risks and their assessment should be a part of every business plan so the investors see that the author is aware of them.

One of the most significant risks is insufficient demand for a company's goods or services. Hence, it is vital to conduct market research before establishing the company. In case the business struggles in sales, the owner will attempt to change it by advertising the company products in other cities to reach more potential customers.

Covid-19 also makes the business venture very tricky due to the high probability of business closure for security purposes. However, with an improving pandemic situation, it is very likely that the customers will be delighted to seize the opportunity of visiting restaurants, bars, or public events. Yet, once the government decides to close the business, nothing can be done. Despite this, the company still has some options to go for in this situation. One of them might be, for example, the pass-through window, from which the company's products will be offered to the customers. The second way might be the shisha delivery, but this will have to be discussed more thoroughly by the author and delivering company. One of the options is to get a subsidy from the government, which will depend on the current pandemic and economic situation.

The operational risk that needs to be considered is the equipment damage, more precisely, the damage to shishas and consoles. These are crucial for the run of the company; hence they must be well secured. In case of their damage, the company will enforce their compensation, which may be very complicated. It is one of the risks that the company must bear in mind and prevent.

Risks associated with the staff are often incompetency, unreliability, and unprofessionalism. Therefore, the employee selection process must be done carefully with attention to every detail.

## CONCLUSION

The purpose of this business plan was to establish a shisha club called The Dungeon in Frenštát pod Radhoštěm and to find out its overall feasibility. When concerning the topic, the author decided to make use of the information collected beforehand, for example, the location of the bar and the rent, the personal knowledge about the products, and the market research of the area.

The thesis was divided into two main parts: theoretical and practical. The theoretical one explained individual entrepreneurship concepts such as the conditions under which it is possible to establish a shisha bar in the Czech Republic or what options an upcoming entrepreneur has when creating a business. The author decided to set up the s.r.o. company in Frenštát pod Radhoštěm, which was monetized and validated in the second part. In the practical part, three scenarios were created (pessimistic, realistic, and optimistic), which depicted probable situations that could have occurred. In every scenario, the company was making profits. However, the realistic plan, in which the estimated revenues for the first year were 2,160,000 CZK, is the most probable scenario of all. The reason is that the company will be new on the market, and the entrepreneur lacks an experience in this industry.”

Moreover, the organizational structure and marketing plan needed to be dealt with, so the author used marketing techniques such as Marketing mix or buyer persona. To analyze the market, SWOT analysis and SLEPT analysis were adopted. The financial plan expressed the feasibility of the business plan in numbers. To have sufficient funds for the initial investment, the author decided to apply for a commercial loan of 500 000 CZK with an interest rate of 9.9% p.a. from Komerční Banka. The rest of the financial resources were the owners' own capital. The author created a cash-flow statement for the first year, an income statement for the first two years, a balance sheet and a loan payment schedule. Other fundamental indicators were estimated revenues, which expressed the company's annual revenues in three scenarios. These were subsequently applied to other financial calculations. Eventually, a risk assessment was created regarding all possible circumstances that may arise.

Some of the future plans are to create more shisha bars in the Czech Republic and Slovakia; and to organize various events in the current shisha bar called the Dungeon.

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**LIST OF ABBREVIATIONS**

CZK	Czech Crown
EET	Elektronická evidence tržeb
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
VAT	Value Added Tax
Etc.	Et cetera
e.g.	Exempli gratia
s.r.o.	Společnost s ručením omezeným
OECD	Organization for Economic Co-operation and Development
ROI	Return on Investment
MAU	Monthly Active Users
OSA	The Copyright Association

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## THE APPENDICES

### Appendix P I – The bank loan

## PŘÍLOHA K INDIKATIVNÍ NABÍDCE PRO SPOLEČNOST XXX s.r.o.

### Financování

#### Indikativní přehled financování a podmínek obchodu

Druh úvěru:	Profiúvěr
Výše úvěru:	500 000,- CZK
Účel úvěru:	Profinancování provozních potřeb
Splatnost:	5 let
Úroková sazba:	9,9% p.a.
Cena za žádost a realizaci obchodu:	4 000,- CZK
Cena za rezervaci zdrojů:	0,9% p.a.
Cena za vedení úvěrového účtu:	300,- CZK měsíčně
Zajištění:	blankosměnka s avalem

Konkrétní detaily naší nabídky v tabulkách výše považujte, prosím, za důvěrné. Nabídka slouží také jako vstupenka na naši další schůzku, kde vše probereme podrobně. Tato nabídka Komerční banky je pouze indikativní, není návrhem na uzavření smlouvy a nelze z ní proto dovozovat povinnost banky uzavřít smlouvu. Jednání o případném uzavření smlouvy může banka kdykoli ukončit i bez uvedení důvodu.

Nabídka vystavená dne: 7.4.2022

Platnost nabídky do: 7.5.2022

Figure 5: The Bank Loan (Komerční Banka)

Appendix P II – The Entrance to the Club



Figure 6: The Entrance to the Club (own creation)

