

A Business Plan for a Wellness Centre

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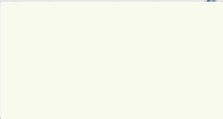
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ABSTRAKT

Tato bakalářská práce se zabývá vytvořením podnikatelského plánu pro wellness centrum v Rohatci, s cílem posoudit jeho proveditelnost. Práce se skládá ze dvou částí, a to teoretické a praktické. Teoretická část pojednává o vymezení základních pojmů jako je podnik, podnikání, podnikatel, či právní formy podniku. Poslední kapitola této části rozebírá jednotlivé složky podnikatelského plánu. Praktická část se věnuje sestavení vlastního podnikatelského plánu pro wellness centrum a podrobnému popisu jednotlivých kapitol, včetně managementu, marketingových strategií, marketingového mixu, analýzy konkurence, finančního plánu a analýzy rizik.

Klíčová slova: podnikatelský plán, podnikatel, wellness, marketingový mix, finanční plán, analýza rizik

ABSTRACT

This bachelor's thesis deals with developing a business plan for a wellness centre in Rohatec, intending to determine its feasibility. The thesis consists of two parts - theoretical and practical. The theoretical part deals with the definition and explanation of basic concepts such as enterprise, entrepreneurship, entrepreneur, or legal forms of business. The last chapter of this part discusses the individual components of a business plan. The practical part is devoted to the construction of the actual business plan for the wellness centre and a detailed description of each chapter, including management, marketing strategies, marketing mix, competition analysis, financial plan, and risk analysis.

Keywords: business plan, entrepreneur, wellness, marketing mix, financial plan, risk analysis

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

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INTRODUCTION

This bachelor's thesis aims to develop a business plan for a new company and ascertain the feasibility of the business. As an enthusiast of wellness, mental health, self-expression, and overall well-being, I wanted to explore through this work whether establishing a smaller wellness centre would be feasible.

A business plan plays a crucial role in deciding whether to invest in new business, as it indicates the potential for profitability. However, profit is not the sole consideration. Personally, I would appreciate having such a centre nearby, offering a combination of services as outlined in this business plan. I also prefer businesses that are more personal and create a sense of community and belonging and wanted others to have this option.

The importance of relationships and communication between the owner and customer is very important, and that is why this thesis focuses a lot on the personality of the business. Besides profitability, it is the added value, that the business offers to customers, that matters. This business plan takes a closer look at the various aspects important to consider in investing in this type of business.

This thesis consists of two parts – theoretical and practical. The theoretical part explains basic concepts such as enterprise, entrepreneurship, and entrepreneur, and further elaborates on various legal forms of business. The final chapter thoroughly describes individual sections of a business plan and serves as the basis for the practical part.

The practical part follows from the theoretical one and includes the actual business plan for a wellness centre, addressing marketing strategies, competitive analysis, management, business description, financial analysis, and risk analysis, and it also includes the company's logo and name – *BeWell*.

I. THEORY

1 ENTREPRENEURSHIP

There are many definitions of entrepreneurship. According to the Trade Licencing Act of the Czech Republic (455/1991 in Section 2), trade means “a continuous activity carried out independently, in its own name, on its own responsibility, for the purpose of making a profit, and under the conditions established by this Act.” Another definition of entrepreneurship, in the Commercial Code of the Czech Republic (513/1991 in Section 2), is that entrepreneurship is “a continuous activity carried out independently by an entrepreneur in their own name and on their own responsibility, for the purpose of making a profit.”

Synek explains, that entrepreneurship is an activity in which the entrepreneur satisfies other people’s (customer’s) needs while trying to make a profit and by doing that the entrepreneur satisfies their needs. This activity makes the entrepreneur either face the risk of failure or, conversely, makes them successful. Nevertheless, embracing the risk increases the chances of potential success. (1994, 17) In terms of business, greater risks often correspond to greater rewards. Generally, individuals who operate ventures with minimal or negligible risk do not achieve the same level of rewards as those who have embraced substantial risks and achieved success.

As highlighted by Synek et al., four essential features of a business not only contribute to its success but also serve as indicators for entrepreneurs to assess its market position effectively. These are effort to increase the return on invested capital, satisfying customer needs, facing and minimizing the risk, and investing capital (equity capital or borrowed capital) into the entrepreneur’s business. (2010, 3)

Srpová mentions, that every entrepreneur has a vision of what their business should look like, what it should entail, and what it should achieve. According to the vision an entrepreneur has, there is a specific type of business an entrepreneur builds. (2010, 22)

1.1 Entrepreneur

Entrepreneurship is a role that can be undertaken by either a natural person or a legal entity. (Synek et al. 2010, 12) Since entrepreneurship is about satisfying customer’s needs and making a profit, the person performing this activity, thus an entrepreneur, is a person or a legal entity whose intention or purpose is to satisfy customer’s needs and make a profit, unless they are non-profit.

The Commercial Code (513/1991 in Section 2) specifies, that an entrepreneur is either a natural person or a legal entity:

- registered in the Commercial Register,

- who operates a business based on a trade license,
- who operates a business under a license that falls outside the scope of a trade license as defined by special regulations,
- engaged in agricultural production and duly registered following special regulations

According to Ricketts, entrepreneurs should search for and acquire new knowledge that will be used for their own good and convenience. (2005, 53)

An entrepreneur can be viewed from various perspectives, as they embody different roles in the business world. From an economic standpoint, they are individuals who create value from resources and drive innovation. Psychologically, entrepreneurs are motivated by internal forces to achieve goals and take action. Lastly, from the perspective of a businessman, they may represent either a threat or competition, or conversely, a potential partner or resource. Hisrich highlights these three diverse perceptions, emphasizing the multifaced nature of entrepreneurship. (2002, 10)

Srpová recommends future entrepreneurs to find motivation and cultivate the determination to engage in business, assess personal requirements for business, generate a business concept, establish the initial budget, make a business plan, and select the suitable legal structure for the business before starting a business. The future entrepreneurs should contemplate these six crucial factors before initiating a business to mitigate the risk of business failure. (2010, 54)

Entrepreneurs can be divided into two groups: primary and secondary entrepreneurs, where a primary entrepreneur is always a natural person who owns the business, and the enterprise is the owner's tool for entrepreneurship. On the other hand, a secondary entrepreneur is an enterprise that does business in the interest of the owner. (Srpová and Řehoř 2010, 30)

There are two essential preconditions that an entrepreneur needs – **entrepreneurial ability** and **success**. (Srpová and Řehoř 2010, 34) The former has it in its name, an entrepreneur must have entrepreneurial ability to meet the business prerequisites. Srpová states, that a person can be born with this characteristic, but it can also be acquired as it involves several factors, such as skills that are learned. When it comes to success, it is an expectation of achieving a goal that was planned in advance. An important component of success is motivation, without which would be very hard to achieve the goals planned. (2010, 34)

1.2 Enterprise

According to Synek, the very core of the enterprise lies in managing human actions within a specific realm to meet the needs of others while also fulfilling the entrepreneur's own needs. (1994, 18)

Srpová describes enterprise from the most general concept, through a more comprehensive concept to the legal one, where the enterprise in the most general sense is viewed as an entity, in which occurs the transformation of inputs into outputs. (2010, 35) This means that the enterprise takes raw materials (inputs) and processes them to create finished products or goods (outputs) and by making that it converts it into something of value, which can be purchased later. According to Srpová, the more comprehensive concept is about businesses being both economically and legally independent entities that exist to do business. Given the autonomy of these units, from an economic perspective, it implies that the business owner is accountable for the specific results of the business. The legal independence entails that the company can establish legal connections and transactions with other market entities, thereby forming agreements that lead to the establishment of rights and responsibilities for the company. (2010, 35)

The legal description of enterprise can be found in the Commercial Code (513/1991 in Section 5) and states the following: "For the purposes of this Act, an enterprise is defined as a combination of tangible as well as personal and intangible elements within a business. This includes assets, rights, and other property owned by the entrepreneur and used to run the business or intended to serve this purpose."

According to Srpová, a business has certain general features and ranks among them:

- **A mixture of production factors** – a useful combination of factors such as machinery or supplies,
- **A principle of economy** – which requires the most economical handling of the business. Srpová mentions three variables – maximizing output, minimizing input, and enhancing the balance between outputs and inputs,
- **A principle of financial balance** – the company is capable of paying its obligations at the specified price and on the given date. (2010, 36)

Businesses can be defined by size. According to recommendations of the European Commission (2003/361) businesses are divided into micro, small, and medium-sized enterprises and defined as follows:

- **Medium-sized enterprises** – employ under 250 employees, their annual turnover is equal to or less than EUR 50 million, total assets do not exceed EUR 43 million,
- **Small enterprise** – employs under 50 employees, their annual turnover does not exceed EUR 10 million, total assets do not exceed EUR 10 million,
- **Micro-enterprise** – employs under 10 employees, annual turnover does not exceed EUR 2 million, total assets do not exceed EUR 2 million.

2 LEGAL FORMS OF BUSINESS

There are two types of business entities in the Czech Republic – a natural person and a legal entity. Those two entities are eligible to carry on a trade. According to Srpová, it is very important to choose the right legal form of entrepreneurship before one starts a business. Although it does not represent an immutable decision, changing the legal form at an advanced stage, i.e., already in a fully functioning business, entails many unnecessary difficulties and, among other things, costs. (2010, 67)

2.1 A Natural Person

A natural person is an individual human being. According to the Trade Licencing Act (455/1991 in Section 6), a natural person must have a full legal capacity or judicial approval and good character.

Pavlová mentions, that a natural person operates a business in the form of a sole proprietorship, which is a form of business where a single person, the so-called sole proprietor bears responsibility for all business-related pursuits and at the same time is the owner, manager, and controller of the business. (2017, 22)

A sole proprietor, according to Worthington, is a self-employed individual, and is their own boss, making decisions based on their judgments. They can also hire other employees either full-time or part-time. They have control over aspects such as the services or products they offer, or where their business is located. A sole proprietor is responsible for everything related to their business, so if they incur losses, they are personally responsible. (2009, 238)

Trade Licencing Act (455/1991 in Section 9) distinguishes between two types of trades – notifiable trades and permitted (licensed) trades.

According to Srpová, if a person chooses to do business as a natural person, it is necessary to determine in which of the two groups of trades the activity they want to perform belongs to. It is also necessary to find out whether the person meets the general and special conditions (if necessary) for obtaining trade. General conditions include a minimum age of 18, legal capacity, and good character. (2010, 67)

Pavlová explains, that the following five characteristics are typical of a natural person's business:

- A natural person owns the business and all the assets belonging to it while bearing all the possible risks alone and being liable for all commitments of the business.
- The owner of the business is also the man of power concerning control over the business, which includes all the decisions about running the business.

- The owner of the business is liable for all commitments of the business with all assets belonging to the company and with their personal possessions.
- The sole proprietor is the only one who owns the profit from the business but also the only one who assumes the responsibility for potential loss.
- The costs associated with establishing a business as a sole proprietor are lower, which results in reduced administrative burden for the individual operating as a sole proprietor. (2017, 22-23)

2.1.1 Notifiable Trades

In the Trade Licensing Act, notifiable trades are described as trades that are carried on by notification if they meet the specified conditions. Once they have been notified, they can be operated. Srpová explains, that there are three categories of notifiable trades in the Czech Republic: unqualified trades, vocational trades, and professional trades. (2010, 67)

- **Unqualified trades** – these trades can also be referred to as free trades. A person does not need any competence, professional or other, to obtain this trade. An entrepreneur carrying on business under this trade must choose the scope of the trade, which they do by selecting from a list of eighty activities that they will carry on. (Srpová and Řehoř 2010, 67) Those activities can be e.g., wholesaling, marketing and accommodation services, textile manufacturing, or glass manufacturing. (Pavláková 2017, 23)
- **Vocational trades** – for a person to obtain this trade and then run a business related to this trade, one must either have an apprenticeship certificate, graduation certificate in related area, diploma in related area, or six years of professional experience. (Srpová and Řehoř 2010, 67) These include butchery, dairy farming, carpentry, toolmaking, etc. (Pavláková 2017, 23)
- **Professional trades** – for a person to obtain professional trade, one must prove a professional competence that is established in the Trade Licensing Act. (Srpová and Řehoř 2010, 67) These include construction design, optician, manufacture of tobacco products, etc. (Pavláková 2017, 23)

2.1.2 Permitted (Licensed) Trades

According to Pavláková, licensed trades can be carried on once they have been given administrative consent and a concession comes into effect. The person performing the services belonging to the licensed trade must have professional competence. An important

thing to mention is that some of the services or activities included in these trades may pose a threat to the well-being, security, and possessions of the customer as well as areas in high need of public interest protection. (2017, 23)

These include any activity including alcohol, security, transport, public auctions, or pyrotechnical research. Srpová mentions, that approval from the pertinent state administrative authority is also necessary for these trades in order for them to be obtained. (2010, 67)

2.2 A Legal Entity

Civil Code (89/2012 in Section 20) describes a legal entity as an organized entity recognized by law to possess legal personality. This entity may have rights and obligations that align with its legal nature, regardless of the scope of its activities.

Srpová explains, that doing business as a legal entity entails much more demanding paperwork in terms of administration, at least when starting a business. Business as a legal entity also involves the deposit of share capital. Registration in the Commercial Register is mandatory for all categories of legal entities. (2010, 68)

In the Czech Republic, the Business Corporations Act specifies how many and what types of business corporations can exist in the country. (Act No. 90/2012 Coll. on Commercial Companies and Cooperatives) This Act categorizes corporations into two main groups: Commercial Companies and Cooperatives. Commercial Companies consist of two distinct types:

- a) Partnerships
- b) Capital companies

Additionally, Commercial Companies also include European business forms, namely the European Company and the European Economic Interest Grouping. Moreover, the Act No. 90/2012 Coll. on Commercial Companies and Cooperatives Commercial Companies specifies the regulations governing the establishment and operation of these various types of corporations within the Czech Republic.

2.2.1 Partnerships

In the context of a partnership, it is presumed that the entrepreneur will personally engage in the company's operations, meaning running the business, and partners typically bear unlimited liability for the company's obligations. (Srpová and Řehoř 2010, 68)

Worthington mentions, that similarly to sole proprietors, partners in partnerships have unlimited personal liability. Therefore, in case of losses, each partner is responsible for the debt until it is repaid. (2009, 239) In the case of a limited partnership, unlimited liability applies only to the general partner, not both partners.

The Act No. 90/2012 Coll. on Commercial Companies and Cooperatives Commercial Companies distinguishes among two types of partnerships:

- **General commercial partnership** – this type of partnership is characterized by its composition of a minimum of two individuals, who can be either two natural persons or legal entities, coming together to form a collaborative business structure. Partners engage in business operations utilizing a shared business name, and they bear unlimited liability for the company's obligations, extending to all their property. In general commercial partnerships, no mandatory registered capital is required. One of the major advantages of this form is that partners do not need to contribute any capital. The statutory body is made up of all partners of this partnership. (Pavlová 2017, 25)
- **Limited partnership** – this type of partnership is also characterized by its composition of a minimum of two individuals, who can be either two natural persons or legal entities. The difference is that at least one of these persons must be a general partner and one a limited partner. (Pavlová 2017, 25) The general partner is accountable for the partnership's obligations with all their property, unlike the limited partner who is held accountable for the company's obligations up to the extent of the unpaid portion of their contributions, as specified within the Commercial Register. Only the general partners form a statutory body. (Act No. 90/2012 Coll. on Commercial Companies and Cooperatives Commercial Companies)

2.2.2 Capital Companies

Unlike partnerships, where liability is usually unlimited, limited liability companies offer limited or no liability to the founders. The founders of Capital companies are solely obliged to make a contribution to the company. (Srpová and Řehoř 2010, 68)

According to the Act No. 90/2012 Coll. on Commercial Companies and Cooperatives Commercial Companies, two types of companies fall under Capital companies:

- **Limited liability company** - in a limited liability company there is a registered capital to which the shareholder must contribute. Since this is a limited liability

company, shareholders are only liable for the company's obligations to the extent of their unpaid contributions to the registered capital. The smallest possible amount of contribution is CZK 1 from each shareholder. Pavláková notes, that it represents the prevailing form of company structure in the Czech Republic. The statutory body of limited liability company is composed of executive directors who are appointed by the general meeting, which is the supreme body of limited liability company. The role of executive directors is to represent and administer the company autonomously. (Pavláková 2017, 25)

- **Joint-stock company** - the lowest mandated registered capital for a joint-stock company is CZK 2,000,000. The registered capital is segmented into a defined quantity of shares, each carrying a designated nominal value. The difference between limited liability company and joint-stock company is, that shareholders of a joint-stock company are not liable for any obligations of the company. The statutory body of a joint-stock company is made up of board directors, who are appointed and also recalled by a general meeting. All activities of the board directors must be controlled by a superior which in the case of a joint-stock company is a supervisory board, which must be established. (Pavláková 2017, 26)

2.2.3 Cooperatives

A cooperative requires a minimum of three members to form, with no maximum limit on membership. Its purpose is to offer mutual assistance and support among its members and third parties, as well as to promote entrepreneurial activities. Members are not personally liable for the cooperative's obligations. The cooperative's share capital is funded by member contributions, with no set minimum amount, although all members contribute equally. The cooperative's statutory body is the cooperative board, elected by members in a general meeting. In cooperatives with fewer than 50 members, the chairman may also serve as the statutory body. (Pavláková 2017, 26)

3 A BUSINESS PLAN AND ITS CONTENTS

Before starting a business, it is very important to create a good business plan. Regardless of the type of business an entrepreneur operates, this document is important in every field of business. (Galai 2016, 5)

Fernández-Guerrero compares this structured written document to a traveller's map because it guides the entrepreneur and can determine in advance what steps we need to take to get from our current position to one where we have already reached a predetermined goal. (2012, 2403) Similarly to a map, a business plan also shows what the entrepreneur wants to achieve and how will they do it.

Červený explains, that a business plan holds significance in securing necessary financial resources for a business, often serving as the persuading factor for investors or banks to consider investing in that specific business. (2014, 1)

Fernández-Guerrero in his article "The Business Plan as a Project: an Evaluation of Its Predictive Capability for Business Success" outlines the strategic and operational details of a business. Its purpose is to facilitate an evaluation of the feasibility of a business endeavour across economic, financial, commercial, legal, and administrative facets. Business plans can protect the company from potential risks to a certain extent because decisions made in the plan are more detailed and based on more qualitative information. (2012, 2403)

The purpose of a business plan is to precisely articulate the entrepreneur's strategies and intentions, acting as a mechanism to implement these plans into the day-to-day activities and operations of the particular enterprise. (Červený 2014, 3)

Srpová (2010, 60) explains, that one should stick to general principles when developing a business plan, as many companies are looking to raise financial resources from potential investors to build their business. The general principles require the business plan to be:

- Innovative
- Understandable and reasonably concise
- Logical and clear
- Truthful and realistic
- Risk-respecting

Sahlman explains, that a business plan allows us to assess four different factors that are crucial for any new venture. Those four independent factors are:

- **The people** – people who run the business and people outside the business who are important to the successful running of the business, e.g. lawyers or suppliers.
- **The opportunity** – a portrayal of the company clarifying aspects such as its target market for sales, obstacles, or challenges hindering its operations, etc.
- **The context** – the larger perspective encompassing elements, that naturally fluctuate but fall beyond an entrepreneur's control, e.g. inflation, regulations, or interest rates.
- **Risk and reward** – an evaluation of potential successes or setbacks, and ideas on how the entrepreneurial team can react or adapt to it. (1997, 99)

3.1 Categories of Business Plan Types

Gattis distinguishes the following three general categories of business plan types:

Formal

This business plan contains lots of details and is the most extensive of the 3 categories. The formal plan is intended for showcasing to bankers, investors, or other business partners. The detailed summary within the formal plan encapsulates the research, conclusions, goals, and objectives. (Gattis 2010, 7)

Informal

This type of business plan is commonly employed by the management team to steer planning, and budgeting, and direct the mindset regarding performance measurement. It's recognized more as a strategic plan, and it summarizes the same four components as the formal plan but in a less comprehensive manner. (Gattis 2010, 8)

Summary

It is often employed for marketing aims. Frequently, a summary business plan serves as a recruitment mean during job fairs or similar events where employers and potential employees engage. (Gattis 2010, 9)

There is no strict format for writing a business plan since many authors differ in the number of contents in them although there are contents that usually occur in most business plans because without them the business plan would lack good quality. These most frequently occurring contents will be further discussed in the following subchapters.

3.2 Title Page

Title page is essential because it includes important data, such as the company's name, logo, year and month of establishment, the name of the contact person who finances the business,

etc. It can also involve a non-disclosure statement that will protect the business idea from being stolen. This statement needs to be signed by the potential investor that receives the business plan. (Nunn and McGuire 2010, 97)

3.3 Executive Summary

According to Abrams, this section is the most important one. An executive summary should positively and confidently state the fact that the person operating in business can take advantage of the market opportunity and start a business. (2019, 54)

It briefly summarizes the whole business plan and its main ideas and aims to engage the interest of the reader and enthuse them enough to study the business plan more deeply. Since it summarizes the whole plan, it should be written last. It is usually this page that encourages investors to consider investing in it. (Gattis 2010, 23-24)

According to Gattis, it should state a problem and its solution and explain why that particular business is needed. It should mention the resources the business operator plans to use from the money they request. (2010, 24)

Nunn and McGuire (2010, 97) note, it should answer at least these three questions:

- **What** kind of business does the person want to do?
- **How** does the person plan to achieve it?
- **Why** does the person want to achieve the goal the way they planned it?

3.4 Business Description

Nunn and McGuire divide this part into three sections: mission, facilities, and business strategy. Each of the sections covers and focuses on a different area of the organization. (2010, 97-98)

3.4.1 Mission

This is the section where the operator focuses on the mission of the business. They should state the main objective of the business and define what is its purpose. This should encompass a set of fundamental values. Those are beliefs crucial to the business's success that the business operator intends to uphold while running their business. The business operator should remain concise, clear, and understandable in describing the mission of the business, while convincing the reader that they are enthusiastic and passionate about the business. (Nunn and McGuire 2010, 97-98)

3.4.2 Facilities

This section is focused on the facilities of the business, explaining what its present facilities are, including their size, placement, purpose, and utilization as well. It can also include facilities planned to be gained in the future with an explanation of when and why it will happen, and how will the facilities be built and financed. It should again only be briefly covered because it will be described and explained in the financial analysis in more detail. (Nunn and McGuire 2010, 98)

3.4.3 Business Strategy

In this segment, it is essential to address the products or services offered, value propositions, organizational setup, and partnerships with other businesses, and the strategy section should explore potential opportunities for the company. For products and services, it is necessary to mention the target group the entrepreneur is aiming at and the potential problems associated with it. Similarly, the entrepreneur should explain how they want the products and services to affect the customers and how they should perceive them. The key information in this section is the different values that the entrepreneur can offer to his customers, and they should also include the potential businesses through which customers can benefit from their business and thus form alliances with other businesses. The business operator needs to detail their plans for utilizing these opportunities and explain their competitive advantage. (Nunn and McGuire 2010, 98)

Gattis states, that it is important to include information about legal structure, ownership information encompassing names, involvement in the business, and ownership interest of owners. (2010, 28)

3.5 Management

Because a lot of investors or lenders are very interested in an entrepreneur's management team, this part of a business plan plays a significant role in it. A list of key personnel in the designated job positions should be provided, accompanied by brief resumes that highlight their qualifications for the position and demonstrate their contribution to the job. This part should also detail any external advisors the business operator has arranged, such as their accountant, lawyer, insurance agent, and general business advisors. (Nunn and McGuire 2010, 99)

3.6 Market Analysis

Market analysis and identifying different market segments are, according to Kotler, essential for business owners to answer the question of who their customers are. Customers in each market segment have different wants, needs or even buying attitudes. Through market analysis, entrepreneurs can identify their target audience. (2018, 213) Every target audience has different needs and desires therefore it is very important to be able to define it.

Abrams claims, that to be able to define the target market correctly, the definition needs to be:

- **Definable**
- **Meaningful**
- **Sizable**
- **Reachable**

Therefore, it must highlight shared customer traits, link meaningfully to buying choices, be expansive enough to sustain business success and enable effective and accessible marketing to the business's potential customers. (2019, 107)

Nunn and McGuire highlight, that the initial segment within this section should detail the present condition of the business. This encompasses the current structure and ongoing operations. These details are crucial for the lender/investor to comprehend the company's current position and performance relative to others. SWOT analysis should be included in this section since it assesses the strengths, weaknesses, opportunities, and threats of the business. (2010, 99)

Another strategic analysis, mentioned by Sedláčková and Buchta, is the PEST analysis. This analysis is important for analysing the macro environment of the company. (2006, 16)

This section should for example cover the size, trends, and expectations of the market the entrepreneur aims at. (Gattis 2010, 34)

3.6.1 SWOT Analysis

SWOT analysis enables both the entrepreneur as well as those investing in the business to make a critical and unbiased evaluation of the business. This analysis evaluates the company from the perspective of strengths, weaknesses, opportunities, and threats. (Nunn and McGuire 2010, 99)

It aims to recognize the primary internal and external factors that contribute to the success of the business. A company should leverage its strengths against the opportunities within the specific market to create the opportunity to develop new trends and to be more

successful. Understanding the weaknesses of the business can on the other hand be prosperous in the way that the company will stay away from areas where it does not have advantages compared to its competition. (Gattis 2010, 40)

A) Internal Factors

- **Strengths** – these are vital aspects of the business where the entrepreneur believes the company excels. (Nunn and McGuire 2010, 99)
- **Weaknesses** – these are things the company is not good at, or in which areas it needs help and more skills. (Nunn and McGuire 2010, 99)

B) External Factors

- **Opportunities** – these define gaps in the industry. (Nunn and McGuire 2010, 99)
- **Threats** – these include factors that could possibly put the company at risk. (Nunn and McGuire 2010, 99)

3.6.2 PEST Analysis

The PEST analysis examines how different factors affect the company and its environment, specifically the macro environment. This includes **P** - political, **E** - economic, **S** - social, and **T** - technological factors. (Sedláčková and Buchta 2006, 16)

3.7 Competition

According to Abrams, all businesses face competition, therefore it is important to understand what exactly they face. Assessing the competition is beneficial for the entrepreneur as it helps in a deeper comprehension of their company's products or services. Additionally, it provides reassurance to investors regarding the strength of their company. The assessment should be focused only on competitors whose target market is the same as that of the entrepreneur. (2019, 124-125)

Understanding who the competitors are and what they offer at what price is crucial, however, this kind of information is difficult to get. The more information concerning the strengths and weaknesses of competitors the business operator gets the better. It will help with identifying opportunities and threats. (Gattis 2010, 34)

3.8 Marketing Strategy

Every business should be able to find and keep their loyal customers. According to Kotler, a good marketing strategy operates in the following four steps: firstly, it is necessary to

analyse the market and divide it into segments. Then, from a certain segment or segments, the entrepreneur must select those they want to enter and focus on. The third step is for the entrepreneur and their business to differentiate themselves from their competitors by creating and offering a certain added value for customers, which Kotler refers to as a “value proposition”. The final step is positioning, which aims to establish a clear, distinct, and appealing place in the minds of customers for the specific product or service, based on the value proposition. (2018, 212-232)

A marketing plan aims to promote the business brand, products, and services by leveraging research, discussions, calculations, and other data. Its objective is to captivate the interest of the company’s target audience and persuade them to purchase its offerings. Each market segment necessitates an individualized marketing plan with a distinct and unique strategy. (Gattis 2010, 45-46)

Companies must consider various factors when selecting a market-targeting strategy, including their resources, the degree of product variability, market variability, and marketing strategies. (Kotler 2018, 227)

According to Abrams, every marketing strategy should outline how the company raises customer awareness about the product, the message the entrepreneur aims to communicate to customers regarding the product, service, or the company itself, and the particular approaches the entrepreneur intends to use. It is important to distinguish between marketing strategy and sales. Marketing strategy aims to raise customer’s awareness and convey a message, whereas sales are steps taken to request and obtain customer orders. (2019, 164)

3.8.1 Marketing Mix

Every company requires a marketing message that aligns with its strategic position and highlights specific attributes. This message motivates customers to purchase either the products or services the company offers. The 4Ps consist of product, price, place, and promotion, and these four factors influence the customer’s behaviour whether they will buy the products or services. It is important to share with the customers the benefits they will get from the product/service, not solely its functionalities. (Abrams 2019, 165-167)

Červený mentions three other factors, namely people, processes, and physical evidence, which are important to consider when offering services. (2014, 16)

3.9 Financial Analysis

Abrams highlights, that financial statements offer critical insights for entrepreneurs to make decisions about the company. It's crucial for every entrepreneur to comprehend financial data as it facilitates the evaluation of their business's condition. (2019, 290)

Gattis divides the financial section into two main parts:

- **Financial background** – it focuses on the needs and goals of the business. Among these goals and needs are sales goals and projections, resources the business requires, e.g., employees, capital equipment, or technology. To raise an entrepreneur's credibility with investors/lenders, the financial background should include financial statement assumptions which lists and explain or detail costs.
- **Financials** – this section should consist of income statement, balance sheet, break-even analysis, and ROI. (2010, 55-56)

3.10 Risk Analysis

Every entrepreneur should be able to think through potential risks the business might face, as it benefits in preventing various threats. By evaluating those risks the entrepreneur might persuade or reassure future investors/lenders that they understand those risks and are able to do something about them. (Abrams 2019, 154)

II. ANALYSIS

4 TITLE PAGE



Figure 1: Logo of the company (own creation)

Name of the company: BeWell

Establishment date: 14.2.2024

Location: Vítězná 696 01, Rohatec

Legal form: Sole trader

Founder & Owner: Alžběta Anna Koryčanská

Email: bewell@gmail.com

Telephone: +420 777 888 999

Website: www.bewell.cz

5 EXECUTIVE SUMMARY

BeWell will be a small holistic wellness centre dedicated to promoting physical, mental, and emotional well-being. The business will be established and managed by Alžběta Anna Koryčanská as a sole proprietorship.

As the name of this business implies, the owner wants the customers to feel and be well. It will offer a comprehensive range of services aimed at optimizing health and vitality. The vision for this small wellness centre is, that it will provide a one-stop destination for all customer wellness needs. From saunas and Kneipp pools, through a massage room and a room dedicated to yoga, meditation, and barre to online yoga and meditation sessions for those in remote areas or those with busy schedules. BeWell will also be hosting webinars focused on self-development, relaxation, health, and tips for a healthier lifestyle.

By providing online programs, this wellness centre shows its adaptability to ongoing trends. This approach can particularly benefit for example stay-at-home moms who may find it challenging to leave their babies to visit a wellness centre. Instead, they can relax and destress from the comfort of their homes.

The business will be funded with money from the owner's personal savings of 500,000 CZK and a bank loan in the amount of 990,000 CZK.

6 BUSINESS DESCRIPTION

BeWell is a holistic wellness centre dedicated to enhancing the overall well-being of its clients. It is a smaller centre that offers many activities and focuses on strong and close relationships and professionalism. The classes that the centre provides are designed to nurture the mind, body, and soul. From reviving physical activities to soul-soothing meditation, BeWell creates an experience that encompasses total well-being. Its commitments are excellence, personalized care, and dedication to creating a welcoming and inclusive environment.

6.1 Mission Statement

The main goal of BeWell is to be a one-stop destination for holistic health. The mission is to empower individuals to lead healthier and more fulfilling lives by offering a diverse range of services that address their wellness needs, such as spa room, yoga that combines many physical postures with breathing exercises, barre, or techniques of meditation and relaxation aimed at reducing stress, clearing the mind, and supporting mental well-being.

BeWell is driven by a set of values, including a commitment to excellence, a focus on personalized care, and a dedication to creating a welcoming and inclusive environment for all. It also offers online wellness programs. It not only expands the reach beyond the local community but also provides a convenient way for clients to access some of the services anytime, anywhere.

6.2 Legal Form

The establishment of this wellness centre will operate under the Unqualified trade “Operation of Physical Education and Sports Facilities and Organization of Sports Activities” (BusinessInfo.cz 2021) and Professional trade “Provision of Physical Education and Sports Services in the Field of Yoga, Barre.” (BusinessInfo.cz 2019) The business will be managed by Alžběta Anna Koryčanská.

6.3 Facilities

This centre features modern facilities, including a specialized treatment room for massage therapy, barre, yoga, and meditation space, or sauna rooms. Apart from the physical location, which is: Vítězná 696 01, Rohatec, it also supports the digital age by offering and operating online wellness programs and webinars, providing convenient access to its services to a wider audience. The building has two floors, of which the ground floor will be the reception,

sauna world, and massage room and the first floor will have rooms for yoga, barre and meditation and a small office. Clients can park their cars right next to the wellness centre building.

6.4 Services

On-site Services:

- **Massage Room**
- **Yoga**
- **Meditation**
- **Barre**
- **Sauna Rooms**
- **Kneipp Water Therapy**

Online Services:

- **Online Wellness Programs**

6.5 Opening Hours and Activities Overview

Opening hours of BeWell vary slightly throughout the week to accommodate diverse schedules. During these hours, visitors can enjoy the saunas, Kneipp water therapy, yoga, barre, and meditation sessions. On Fridays and Saturdays, BeWell extends its hours until 22:00 for an evening wellness option. On weekends, it opens at 12:00 for an early start on relaxation.

Yoga enthusiasts will find classes available four days a week - Monday, Tuesday, Thursday, and Friday. Each day offers three distinct one-hour sessions, allowing customers to choose the intensity that suits them best. For meditation, daily sessions (except Saturdays and Sundays) are scheduled, with 2 hours dedicated to this calming practice each day. Barre will take place from Monday to Friday, with a one-hour session scheduled for each day. Webinars will be hosted three times a month.

The massage room caters to those seeking relaxation even in the morning hours. The massage therapist follows their own schedule, ensuring clients are aware of the available time slots based on their published work hours.

This centre aims to provide a flexible and varied range of activities throughout the week to accommodate different client preferences.

Table 1: Opening hours of BeWell (own creation)

Opening hours	
Monday	14:00-21:00
Tuesday	14:00-21:00
Wednesday	14:00-21:00
Thursday	14:00-21:00
Friday	14:00-22:00
Saturday	12:00-22:00
Sunday	12:00-21:00

6.6 Competitive Advantage

Size

It may be a quite small centre but that is what makes it special. It offers a comprehensive range of services aimed at supporting physical, mental, and emotional health, although it is not large. By being small it enhances the feeling of cosiness, and inclusion. Clients will receive personalized care, fostering a sense of community and individual attention. This allows clients to feel connected to the BeWell wellness journey.

Online Wellness Programs

Providing online wellness programs extends the reach of the wellness centre and reaches a wider audience beyond the local community. Online programs reach people with busy schedules or in remote areas.

This adaptability, especially in challenging environments such as pandemics, encourages sustained engagement, building long-term relationships and loyalty. These online classes and webinars set BeWell apart from its biggest competitors and position it as progressive and responsive to the evolving needs of clients.

6.7 Target Audience

BeWell has three major target groups, which can be divided as follows:

1. Yoga and Meditation Participants

Yoga is an exercise for basically everyone, no matter how old they are or what their health condition is. (Fit-day.cz 2023) However, this target audience consists mostly of women, as they are usually the ones practicing yoga and similar exercises, seeking to

strengthen their bodies in ways distinct from weightlifting at the gym, while also relaxing. (Rossmann.cz 2023) This target group is closely aligned with people who like to meditate because physical activity from yoga or barre and meditation are connected. It is essential to emphasize that BeWell welcomes and embraces individuals of all genders.

2. Digital Wellness Seekers

This target group focuses on individuals who work remotely, have busy schedules, or prefer to practice yoga or meditate alone, aiming to provide them with convenient digital wellness solutions. This target group is also addressing the needs of busy parents by providing convenient and accessible wellness services, acknowledging their time constraints, and offering solutions that fit into their schedules.

3. Spa Services and Massage Treatments Seekers

The third target group consists of people who enjoy and appreciate typical wellness services such as high-quality massages offering a variety of options, saunas, or Kneipp pools. Both men and women belong to this group.

7 MANAGEMENT

The management strategy combines the owner's expertise as a certified yoga instructor with a cost-effective approach, eliminating the need for additional instructors. The owner is currently in the process of obtaining her certification as a yoga instructor and guided meditation practitioner. In the initial months, she will be co-teaching classes alongside her mother, who already holds these certifications and regularly teaches these classes. Her mother has expressed, that she does not wish to receive financial compensation for her assistance, as she is simply helping to get the business off the ground. However, she will be paid for teaching barre classes as she holds a certification, and the owner does not intend to obtain this certification in the near future.

There will be one full-time and one part-time receptionist. If necessary, the owner will also take on the role of receptionist. BeWell will employ one cleaning lady who will work twice a week, and each cleaning session is expected to last 2.5 hours.

One dedicated massage room will be rented to a certified masseuse on a fixed monthly basis. It is a profitable decision that gives the masseuse independence and contributes to the financial stability of the wellness centre.

Owner-Led Classes

The owner as a yoga and meditation enthusiast, will first complete courses for a certified yoga instructor and guided meditation practitioner and after that will use her skills to personally lead classes. This approach optimizes costs by eliminating the need for additional instructors. There will be a diverse class schedule for different preferences and needs.

Barre Instructor

The owner's mother will teach barre classes five hours a week (Monday to Friday). She holds a certification for teaching these classes and will be paid 250 CZK/hour.

Receptionists

1 full-time and 1 part-time receptionist on a rotating schedule will manage the reception area. They will receive thorough training to handle any customer needs that may occur and create a welcoming atmosphere for clients. Full-time receptionist will be paid 150 CZK/hour and part-time receptionist will be paid 130 CZK/hour.

Cleaning Lady

There will be one cleaning lady and she will be paid 135 CZK/hour. She is expected to work twice a week, with each cleaning session lasting 2.5 hours, resulting in 2,700 CZK/month.

Massage Room

For the massages in BeWell, the owner will collaborate with a certified masseuse, who is a friend of hers and is genuinely interested in working in the same space and having a dedicated massage room within the wellness centre. Implementing a fixed monthly rent of 7,000 CZK, this arrangement provides the masseuse with an independent space to deliver her services while generating additional revenue for the centre.

External Accountant

The financial affairs are managed by an external accountant, carefully chosen by the owner. This professional oversees invoicing, tax returns, and financial documentation, maintaining flexible hours for optimal efficiency. The accountant receives a fixed monthly compensation of 4,500 CZK.

8 MARKET ANALYSIS

8.1 Size of the Market

BeWell takes into account the importance of market size within local and national dynamics. It will primarily target residents of Rohatec and its surrounding areas, focusing on the local market. However, the inclusion of online services significantly expands the market reach to the entire Czech Republic. With online offerings, customers can access some of the services from any location, eliminating geographical constraints and broadening the market potential.

8.2 SWOT Analysis

Table 2: SWOT Analysis of BeWell (own creation)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Comprehensive range of services • Intimate atmosphere • Personalized care • Online programs • Webinars • Qualified instructors 	<ul style="list-style-type: none"> • Limited resources • Owner-dependent services • Significant initial investment • Limited space = capacity • Establishment of same level of personalization for online customers
Opportunities	Threats
<ul style="list-style-type: none"> • Growing market for holistic wellness • Demand for digital wellness solutions • Expanding the online presence • Popularity of webinars • Building strong local clientele • Long-term customer loyalty 	<ul style="list-style-type: none"> • Competition from larger wellness centres • Lack of customers • New competitors • Change in preferences • Economic crisis • Health crisis

Strengths

BeWell has multiple strong qualities that make it a great spot for people to relax, exercise, and feel well. It offers many different services all focused on the overall well-being of its

clients, creates cosy atmosphere, gives an option for online wellness services, and has skilled instructors for barre, yoga, and meditation.

The diversity of services allows clients to have access to a wide range of options. BeWell provides an intimate atmosphere with a cosy environment and fosters a sense of belonging and individual attention, making clients feel comfortable. Online programs are a big advantage. They are not just for people nearby because anyone from all over the Czech Republic can join in. Hosting webinars is another competitive advantage, as none of the closest competitors do this and these webinars are in demand.

Having certified instructors and a massage therapist shows that BeWell is serious about giving their clients quality guidance and massage. This indicates that BeWell prioritizes expertise in its services, ensuring that clients receive high-quality guidance in practices that are central to holistic wellness. A qualified instructor adds credibility and trust to its offerings.

Weaknesses

However, these strengths are balanced by notable weaknesses. BeWell may face constraints in terms of financial and operational resources. This limitation could impact the ability to invest in marketing, facility expansion, or other business development initiatives. It could also affect the scope and scale of promotional activities, which could limit the reach of the services.

Certain key services, especially those related to yoga and meditation classes, are dependent on the owner. If the owner is unavailable or unable to diversify these offerings, it may limit the variety and frequency of services that BeWell can provide, which may limit its attractiveness to the wider public. Significant initial investment implies that BeWell requires a high initial cost to establish its wellness centre. Such a large investment might impact its short-term financial position.

The limitation on physical space may restrict the number of clients BeWell can take at any given time. Achieving a comparable level of personalization online can be difficult and may not always be the same as on-site.

Opportunities

BeWell has a range of opportunities that align with current market trends and consumer preferences. By capitalizing on the growing interest in holistic wellness, including digital solutions, expanding its online presence, building a strong local customer base, and fostering continued customer loyalty, BeWell can very likely ensure continued growth and success in the wellness industry. BeWell prides itself on being perceived as a friendly and personal

environment where people are not strangers and are happy to meet each other. That is one of the reasons why the business owner herself will lead some of the classes, so that she can get to know her clients and build good relationships with them to earn their long-term loyalty.

Threats

Still, the company faces challenges in competing with larger wellness centres that have extensive resources and have been established for several years, requiring strategic differentiation to attract and retain customers. The potential entry of new competitors into the wellness industry may intensify competition and require BeWell to continually innovate and adapt to maintain market share and its customers.

The constantly changing consumer preferences in the wellness sector pose a threat that emphasizes the need for BeWell to be aware of the changes and to flexibly adapt its services to changing trends. External factors such as economic downturns or health crises introduce uncertainty that can impact the wellness industry and require BeWell to adapt quickly to changing circumstances in consumer spending, consumer behaviour, and overall market dynamics.

8.3 PEST Analysis

Political factors

The legal form of the business is a sole proprietorship, which means the sole proprietor must pay a tax rate of 15%. (Money.cz 2023) The sole proprietor is obligated to cover their own social and health insurance. Wellness centres must comply with laws relating to hygiene, safety, and licensing for spa services. BeWell is committed to complying with all regulations and laws of the Czech Republic after its establishment. This includes careful bookkeeping and compliance with safety regulations when offering wellness services. As for the modifications to the premises where BeWell will offer its services, BeWell will obtain the necessary building permits. (Celyoturismu.cz 2019)

As a sole proprietor, one may face several inspections from government authorities, such as the State Hygiene Office, Occupational Health and Safety Inspections, and the Czech Environmental Inspection. (Hovorka 2017)

Data from the Czech Statistical Office shows, that both in 2020 and 2016 the ANO party won the elections for the South Moravian Region assembly. Among other things, the ANO party focuses on healthcare and health protection as part of its policies, indicating that BeWell should not face any significant threats from this party. (Czech Statistical Office 2024)

Economic factors

According to the Czech Statistical Office, the Gross Domestic Product (GDP) experienced a decline of 0.4% in 2023. (Czech Statistical Office 2024)

Based on recent figures as of February 2024, the annual inflation rate in the Czech Republic is recorded at 2 percent, indicating a sustained deceleration compared to previous months. In 2023, the average inflation in the Czech Republic reached 10.7%. (e15.cz 2024)

Regarding the highest share of GDP in 2022, the South Moravian Region ranked third with an 11% share. The GDP per capita of the South Moravian Region averaged at 98.4% for the Czech Republic as a whole. It can be inferred that this region significantly contributes to the overall economy of the Czech Republic. (Czech Statistical Office 2024)

According to the Czech Statistical Office, the average monthly salary in the South Moravian Region has varied over the years. In the first quarter of 2023, it reached 40,146 CZK, marking an increase of 8.4% compared to the previous year, but in real terms, it decreased by 6.9% considering inflation. In the second quarter of 2023, the average salary rose to 41,912 CZK, representing a 7.8% increase from the previous year, but in real terms, it decreased by 3.0%. From this, it can be inferred that while there have been nominal increases in salaries, the real purchasing power has declined due to inflation. Given the fluctuating average monthly salaries in the South Moravian Region, there is hope for improvement in the future. (Czech Statistical Office 2024)

Social factors

According to data shown in the Czech Statistical Office, the population in the Czech Republic is growing. As data from the Czech Statistical Office shows, the Jihomoravský Region stands as the third most populous region in the Czech Republic. Within this region, Hodonín District is the third most populous; however, it faces a decrease in population. The average age in Hodonín District is 44.1 years, signalling an aging trend among its residents. The aging population may not necessarily be a problem, as many older individuals prioritize health and wellness centres. The district and the region experience higher unemployment rates than the national average, which could pose a potential challenge. (Czech Statistical Office 2024)

Importantly, while these statistics offer insights into the local environment, focusing also on online services means considering national data. This broader perspective becomes vital as BeWell aims to cater to the entire Czech Republic. The overall unemployment rate in the Czech Republic as of December 2023 is 3.7%. (Czech Statistical Office 2024)

Concerning national demographics, as of 2022, the average age of women in the Czech Republic is 44.0 years, and for men, it is 41.2 years. The overall average age in the Czech Republic is 42.6 years. These figures indicate a slight decrease compared to 2021. (Czech Statistical Office 2024)

Technological factors

Technological factors can have a significant impact on wellness centres as they rely on technology and wellness facilities. The difference in what these facilities can offer and how modern they are can significantly affect competitiveness. Social media presence and overall online engagement are also key factors, as the internet and the services it offers are now used by nearly everyone. Some of these services include various online classes, webinars, loyalty programs, and packages. BeWell is entering a market full of different online services and is offering its own, adapting to the demands of today. During the Covid-19 pandemic, the trend of exercising at home, such as yoga, from the comfort of one's own home has taken off. (iRozhlas.cz 2020) BeWell offers this option as well so that its clients are not deprived of anything. This business needs to adapt to the changing trends in terms of technological factors as this can greatly affect its competitiveness.

9 COMPETITION

As wellness centres are becoming more and more popular, BeWell faces competitors, primarily Wellness Veselí in Veselí nad Moravou and Lázně Hodonín in Hodonín.

9.1 Wellness Veselí

Compared to the BeWell, the Wellness Veselí also boasts two hot tubs, a bar with seating, and an outdoor terrace. It also offers one room for accommodation. This relatively new wellness centre is strategically located as it is right in the centre of town where everyone is close by, giving it a competitive advantage. However, unlike BeWell, it lacks the provision of regular yoga, barre, or meditation classes and there is no online relaxation service on offer.

Wellness Veselí occasionally offers yoga classes, but often as part of promotional packages rather than on a regular schedule. Yoga classes, meditation, and webinars personally led by the owner of BeWell are a great benefit. This is because they allow direct interaction between customers and the owner and encourage the establishment of strong relationships.

9.2 Lázně Hodonín

Lázně Hodonín boasts larger facilities and offers accommodations and a variety of services, which is significant competition for the new wellness centre. However, BeWell can take advantage of its unique strengths to stand out. Its emphasis on regular yoga, barre, and meditation classes under one roof again offers convenience not found in the offerings of Lázně Hodonín.

While Lázně Hodonín caters to a broader audience and has larger spaces, BeWell, on the other hand, can benefit from its intimate and cosy setting that provides individual attention and fosters a sense of community. Large spaces and lots of people are not always an advantage. Lázně Hodonín, given its large premises, might present a challenge in terms of potential overcrowding, which could cause discomfort for some clients.

To stay competitive, BeWell should emphasize its exclusive features, such as owner-led classes and a more personalized approach to holistic wellness. Highlighting the benefits of avoiding crowded spaces and the difficulty of travelling for regular classes could be a key selling point. Moreover, BeWell can focus on building a strong local clientele and community engagement. By showcasing these differentiators and adapting its marketing to highlight the unique benefits, BeWell can position itself as the preferred choice for those

seeking a more intimate and personal wellness experience compared to the more extensive services offered by Lázně Hodonín.

9.3 Summary of Competition

Summing up the competitive analysis, the two main competitors pose intimidating challenges. However, the key strategy is to focus on our distinctive features and actively promote them. This will give BeWell a competitive advantage and establish it within the industry.

BeWell understands the importance of customer relationships. Emphasizing a personal touch and cultivating strong and close ties will serve as an added competitive advantage. Building positive relationships is essential as it is highly likely to influence customer loyalty and encourage repeat business.

The fact that BeWell is a smaller company is not a disadvantage, but rather a cornerstone of its identity. This characteristic underlines its cosy vibe and its commitment to fostering intimate and meaningful relationships with customers. This not only sets BeWell apart but also positions it as a destination that values personal connections and provides a unique, enjoyable experience.

10 MARKETING STRATEGY

10.1 Product

Yoga

Yoga classes will be designed to include breath work, strengthening yoga postures, and subsequent relaxation techniques. Each yoga class will follow a given schedule. The yoga classes will be offered at different levels of difficulty so that each client can choose according to their abilities and preferences. Each class, regardless of difficulty, will last 60 minutes. Clients must bring their own exercise mats, especially for hygiene reasons. Spare mats will be available in case someone forgets.

Barre

Barre classes will be taught Monday through Friday and will include mainly full body strengthening elements. Each class will last 60 minutes. Barre includes a combination of yoga, Pilates, and ballet, so it is a bit more challenging. The aim of barre is for clients to have strengthened and stretched muscles. Weighted elastics will be available. BeWell requires clients to bring their own mats, but they will be provided if forgotten.

Meditation

The meditations will take place according to the given schedule. The meditation techniques practiced at BeWell will help clients release stress, tension, and accumulated emotions. They will help clients deepen their own understanding. Each meditation will last 60 minutes.

Sauna Rooms and Kneipp Water Therapy

Finnish saunas and aroma saunas are used to deepen relaxation, complemented by a therapeutic method using Kneipp hot and cold basins for therapeutic effects. BeWell offers sauna options for 60, 90, and 120 minutes. Cooling buckets will be available. BeWell will provide towels and linens to customers. No clothing or swimsuits are allowed in the saunas. Clients will always get a ticket with a barcode at the reception, which they can use to check how much time they have left on the device near the saunas. Clients will always have an extra 15 minutes for free to change clothes and shower.

Massage Therapies

BeWell will work with a certified massage therapist. The masseuse will follow her own schedule and therefore will offer her services even in the morning. Her services include facial, head, full body, and back massage.

Online Yoga and Meditation Classes

Online yoga and meditation sessions will be recorded and uploaded to the BeWell website and will be available to the visitor after paying 140 CZK for a specific video. The videos will be new each week with new content to keep clients up to date. It will also be possible for clients to join a live yoga class or meditation session currently in progress, with the same fee, but after pre-registering for a specific session in the schedule on the website.

Webinars

Webinars will be held three times a month, each time with a different or slightly different topic. All topics will be related to overall well-being and will include, for example, tips for better health, meditation styles, and exercise. The webinars will partly take the form of discussions, where customers can freely ask questions related to the topic.

10.2 Price

BeWell wants to offer competitive prices and ensure availability for the services provided. The pricing structure is based on a comparative analysis with competitors.

Compared to Wellness Veselí, where an adult pays CZK 240 for 60 minutes, CZK 270 for 90 minutes and CZK 300 for 120 minutes, and compared to Lázně Hodonín, where an adult pays CZK 290 for 120 minutes, BeWell will introduce an initial pricing strategy with relatively lower rates. For 60 minutes, adult admission will be set at CZK 230, for 90 minutes at CZK 260, and for 120 minutes at CZK 290.

For yoga and meditation, BeWell will introduce a simple pricing model. Each session, whether yoga or meditation, will be priced at CZK 140 per session. The price for barre classes will be CZK 170 per session.

The price for online yoga and meditation classes will be CZK 140 per hour. Webinars will be available for customers at CZK 500 per session.

10.3 Place

BeWell operates in two ways: a physical presence in Rohatec, Czech Republic, where it provides services to local and surrounding clientele, and an online presence on its website and social media. BeWell extends its reach through online platforms. For content such as online meditations or yoga exercises, clients access these through its website, with a nominal fee for certain video content. This dual presence allows BeWell to cater to both its local and online customers.

10.4 Promotion

BeWell will implement a dual promotional strategy that will use both online and offline channels to efficiently reach the target audience. Online promotion will include digital platforms such as social media, Google Ads, and its website to reach a wider audience interested in holistic wellness. BeWell also recognises the importance of personal connections and will therefore engage in offline promotion through public relations support by hosting occasional free seminars on the importance of health, promoting its service sales through the opportunity to purchase gift cards for saunas, collaborating with a local certified therapist and attending wellness fairs. The owner will also produce leaflets to distribute around the area.

Social Media

Assuming the vast majority of potential clients use social media, using platforms like Instagram, Facebook and of course TikTok is a big part of a marketing strategy. These social media outlets will serve to display that genuine, calm, unique and joyful atmosphere along with the personalized care that BeWell provides. There will be a content calendar, which is a schedule of what will be posted and when. Through Instagram stories, BeWell gives its followers a glimpse into what is going on at the centre, such as behind-the-scenes, customer stories, and helpful, fun, or even secret wellness tips. By keeping followers engaged with things like polls, Q&As, and live videos with the owner, BeWell wants to create a sense of community. There will be occasional giveaways for followers to win things like a free sauna voucher, free yoga or meditation classes, etc. The strategy to leverage social networks has a dual purpose. Firstly, to attract more customers and thus increase sales of the services BeWell offers, and secondly to help deepen the relationship with customers and help them get to know the centre more.

Online Advertising

The online advertising strategy focuses on reaching a wider audience in the Czech Republic who are interested in holistic wellness. Using platforms such as Google Ads and social media advertising, the centre intends to convey its distinct offerings and online programmes through visually engaging content and compelling messages. Through targeted investments in online advertising, BeWell seeks to expand its reach beyond the local community. The goal is to create visually appealing ads, increase visibility among the local community and beyond, and attract individuals seeking wellness solutions online.

Offline Promotion

BeWell plans to participate in wellness fairs. This provides an opportunity for direct engagement and face-to-face interaction with potential clients. Another direct interaction between the centre and clients is the occasional free seminars focused on a person's overall health. This will be similar to the webinars but on a smaller scale because they are still free. These seminars are intended to both deepen the relationships of local clientele but also to generate interest in the more specific and more informational webinars. Collaboration with Elena Chmelová, a certified Aura-Soma therapist and Schussler Salts practitioner working in Rohatec and Prague, is in line with BeWell's wellness practices. With her expertise in helping individuals find inner harmony, alleviate mental or physical problems, and initiate positive life changes, this therapeutic approach complements and enriches BeWell's offerings. This collaboration has the potential to greatly enhance the overall wellness experience that BeWell provides. The owner will design and create leaflets that will initially be distributed in the neighborhood to make it easy for people to learn about the new wellness centre.

Website with a Blog section

BeWell will establish its website. The website will feature the latest updates, information on services, and a blog section. The blog will be a space where BeWell continuously informs customers about new offerings, provides tips and tricks for holistic well-being, showcases regular practices, and shares stories from events and fairs. This section aims to engage and educate the audience, add a sense of community, and encourage active participation.

10.5 People

The staff plays an absolutely crucial role, as they have the main responsibility for providing services to customers and also interact closely with clients, who can judge whether or not they will return to the centre based on the staff's interactions with them.

When training receptionists, an emphasis will be placed on several things, as they are the first people the client encounters. The training will therefore be based on treating clients appropriately, creating a pleasant, friendly, and welcoming atmosphere, maintaining a clean environment around them, being professional and willing to help clients with anything they need. Instructors will also follow these rules about treating the customer. Instructors will also be tasked with increasing motivation and deepening interest in each lesson. BeWell will not employ non-certified instructors.

10.6 Processes

The operation of the wellness centre will be run in such a way as to be as efficient as possible. Each employee has a task or tasks to perform. The receptionist will efficiently process customer payments, issue towels and linens, and issue tickets to customers to check time in the saunas. Among other things, they will be responsible for processing the number of people registered for online live classes and checking the receipt of online videos purchased. The owner will be available to her staff or clients if there is an issue that needs to be addressed as she will be leading the lessons and sessions, and therefore will be present most of the time.

10.7 Physical Evidence

First impressions usually last the longest, which is why BeWell wants customers to be impressed on their first visit and on repeat visits. That is why BeWell emphasizes modern facilities with the right equipment and the right look and design. The design of the premises will be in the spirit of nature to correspond with the peace that nature brings. It will be a combination of earthy colours, mainly white and grey, wood and plant elements. The vision is that the space will have a calming effect, but at the same time retain a modern vibe. To save space, BeWell will have a communal changing room with lockers, but there will be the option to go into a changing cabin with a curtain. The men's and women's bathrooms will be separate. There will also be one room for yoga and barre classes, as the class schedules will not overlap, one equipped room will be sufficient. Another room will be for meditation. The room designated for massages will match the design of the entire centre, but all equipment needed for massages will be provided by the masseuse herself.

11 FINANCIAL ANALYSIS

The financial plan aims to show whether the business will make a profit or a loss. Financials play a fundamental role in a business by illustrating various aspects such as costs, revenues, and profit. The financial plan will cover key components like initial costs, balance sheet, estimated costs in the first three years, projected revenues in the first three years, income statement, and return on investment forecasted for the first three years.

The financial plan includes scenarios covering pessimistic, optimistic, and realistic perspectives to determine the viability of the business in the market. The business owner will take out a bank loan of 990,000 CZK and will repay it over 4 years. Tables for the fourth year will not be included in the financial plan, but it is assumed that the fourth year will look very similar to the third year, for which data is provided. The total sum of the founder's personal savings invested into this business venture is 500,000 CZK.

11.1 Initial Costs

The table below lists the initial expenses required to establish the business. These expenses are categorized into establishment, reconstruction, equipment, supplies, and promotion.

Table 3: Initial costs of BeWell (own creation)

Initial costs (CZK)	
Establishment	21,000
Trade license	1,000
Deposit	20,000
Reconstruction	1,110,000
Demolition work	80,000
Water supply	80,000
Building modification	750,000
Tiling and floors	200,000
Equipment	341,900
Decorations	5,000
Furniture	28,000
Reception	13,000
Cash register	16,000
Mobile phone	2,900
Saunas	236,700

Kneipp pools	6,800
Yoga mats and Barre tools	4,000
Speakers	5,000
Camera	24,000
Wi-Fi router	500
Supplies	14,100
Sanitation and cleaning supplies	6,500
Towels and linen	3,400
Aroma	4,200
Promotion	3,000
Online advertising	3,000
Total	1,490,000

11.2 Balance Sheet

To visualize the company's assets, owner's equity, and liabilities, the author created a balance sheet. The left side of the table presents the company's fixed, current, and other assets, including the categorized items from the initial costs. On the right side of the table, the company's liabilities, which consist of equity capital and borrowed capital, are listed.

Table 4: Balance sheet (own creation)

Balance sheet			
Assets		Equity and Liabilities	
Fixed assets	1,454,900	Equity	500,000
Equipment	341,900	Registered capital	500,000
Reconstruction	1,110,000		
Promotion	3,000		
Current assets	0	Liabilities	990,000
Other assets	35,100	Loan	990,000
Supplies	14,100		
Establishment	21,000		
Total assets	1,490,000	Total equity and liabilities	1,490,000

11.3 Labour Costs

BeWell will employ a barre instructor who will be working 5 hours a week, amounting to 20 hours a month. She will be paid 250 CZK/hour and will be employed under the “DPP” (Dohoda o provedení práce). Working under the DPP means that her working hours cannot exceed 300 hours per year. (iDoklad.cz, 2024)

There will be 1 full-time receptionist who will work 5 days a week, making 36 hours/week, and will be paid 150 CZK/hour. The owner is obligated to cover social and health insurance for this employee. BeWell will also employ 1 part-time receptionist. They will be paid 130 CZK/hour and will be employed under the “DPČ” (Dohoda o pracovní činnosti in Czech). Furthermore, this means that their weekly working hours cannot exceed 20 hours. (iDoklad.cz, 2024)

The cleaning lady will be paid 135 CZK/hour, and she will also be employed under “DPČ”.

Table 5: Labour costs of BeWell (own creation)

Labour costs (CZK)				
	Gross month salary	Social insurance (24,8%)	Health insurance (9%)	Total costs
Instructor	5,000	0	0	5,000
Full-time receptionist	21,600	5,356.8	1,944	28,900.8
Part-time receptionist	9,500	0	0	9,500
Cleaning lady	2,700	0	0	2,700
Total				46,101

11.4 Operating Costs

Every business has operating costs. These costs include for example energy and water consumption, labour costs, rent, internet connection, etc. To be able to cover these costs, a business must have sufficient capital. The table shows the operating costs per month and year. To simplify the calculation of annual operating costs, the operating costs are the same for each month in a given year.

Table 6: Operating costs in the first three years (own creation)

Operating costs (CZK)						
	1st year		2nd year		3rd year	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Energy and water consumption	30,000	360,000	35,000	420,000	35,000	420,000
Rent	20,000	240,000	20,000	240,000	20,000	240,000
Labour costs	46,101	553,210	46,101	553,210	46,101	553,210
Promotion	3,000	36,000	1,000	12,000	500	6,000
Liability insurance	1,144	13,728	1,144	13,728	1,144	13,728
Internet connection	600	7,200	600	7,200	600	7,200
Expenses on mobile phone	275	3,300	275	3,300	275	3,300
Loan repayment	22,741	272,892	22,741	272,892	22,741	272,892
Aroma	1,849	22,188	1,849	22,188	1,849	22,188
Cleaning supplies	2,500	30,000	2,500	30,000	2,500	30,000
Contingencies	2,500	30,000	2,500	30,000	2,500	30,000
Professional fees	4,200	50,400	4,200	50,400	4,200	50,400
Total	134,910	1,618,918	137,910	1,654,918	137,410	1,648,918

11.5 Projected Revenues

To accurately determine revenues in realistic, optimistic, and pessimistic scenarios, the focus should be on the daily/monthly number of visitors of BeWell. However, for wellness centres, where attendance fluctuates throughout the year due to different seasons, it is necessary to split the annual timeframe into two halves – summer and winter. It is assumed that there will be fewer visitors during the summer period and more in the winter period. The two projected visitor numbers for each revenue scenario will be averaged to show the result.

It is necessary to include also the rent paid by the massage therapist, which amounts to 7,000 CZK per month and therefore generates an annual income of 84,000 CZK.

In the realistic scenario, it is anticipated that BeWell will attract 15 visitors per day in summer and 35 in winter.

• **Summer:** 15 visitors/day.....**450 visitors/month**

• **Winter:** 35 visitors/day.....**1050 visitors/month**

Average annual visitors in the realistic scenario are therefore **750 visitors/month**.

In the optimistic scenario, it is anticipated that BeWell will attract 25 visitors per day in summer and 45 in winter, which adds up to **1050 visitors/month**. In the pessimistic scenario, it is expected that BeWell will attract 10 visitors per day in summer and 30 in winter, which is **600 visitors/month**.

Table 7: Revenue calculation - on-site services and room rental (own creation)

Revenue calculation - on-site services and room rental (CZK)			
	realistic	optimistic	pessimistic
Number of customers per month	750	1050	600
Average expenditure per customer	205	205	205
Monthly revenues	153,750	215,250	123,000
Annual room rental income	84,000	84,000	84,000
Yearly revenues	1,929,000	2,667,000	1,560,000

As BeWell will also generate revenues from online programs and webinars, two additional tables need to be created to show the annual revenues from these activities separately.

Table 8: Revenue calculation - online programs (own creation)

Revenue calculation - online programs (CZK)			
	realistic	optimistic	pessimistic
Number of customers per month	250	350	200
Average expenditure per customer	140	140	140
Monthly revenues	35,000	49,000	28,000
Yearly revenues	420,000	588,000	336,000

Table 9: Revenue calculation - webinars (own creation)

Revenue calculation - webinars (CZK)			
	realistic	optimistic	pessimistic
Number of customers per session	25	35	20
Price per session	500	500	500
Monthly revenues	37,500	52,500	30,000
Yearly revenues	450,000	630,000	360,000

Table 10: Total annual revenue in the 1st year (own creation)

Total annual revenue (CZK)	
Realistic	2,799,000
Optimistic	3,885,000
Pessimistic	2,256,000

With the assumption that BeWell will be more well-known in the second year, revenues are expected to rise. It is anticipated that BeWell will attract more customers.

Table 11: Revenue calculation of the 2nd and 3rd year (own creation)

Revenue calculation in the 2nd and 3rd year (CZK)			
2nd year			
	realistic	optimistic	pessimistic
Number of customers per month	825	1125	675
Average expenditure per customer	205	205	205
Monthly revenues	169,125	230,625	138,375
Annual room rental income	84,000	84,000	84,000
Annual online services income	462,000	630,000	378,000
Annual webinars income	486,000	666,000	396,000
Yearly revenues	3,061,500	4,147,500	2,518,500
3rd year			
	realistic	optimistic	pessimistic
Number of customers per month	855	1155	705
Average expenditure per customer	205	205	205
Monthly revenues	175,275	236,775	144,525
Annual room rental income	84,000	84,000	84,000
Annual online services income	478,800	646,800	394,800
Annual webinars income	504,000	684,000	414,000
Yearly revenues	3,170,100	4,256,100	2,627,100

11.6 Income Statement

The tables in this section outline the annual revenue in line with the realistic, optimistic, and pessimistic scenarios covering the first three years. For the legal structure of a sole proprietor, a 15% tax is applied. In addition to the tax, the final revenue also deducts the interest on the bank loan. The table also includes social (29.2%) and health (13.5%) insurance, which the owner is obliged to pay. (Penize.cz, 2023)

Lastly, the table includes a taxpayer discount of 30,840 CZK. (BusinessInfo.cz 2023)

Table 12: Income statement of the 1st year (own creation)

Income statement of the 1st year (CZK)			
	Realistic scenario	Optimistic Scenario	Pessimistic Scenario
Total revenue	2,799,000	3,885,000	2,256,000
Total expenses	1,618,918	1,618,918	1,618,918
EBITDA	1,180,082	2,266,082	637,082
Depreciation	-	-	-
EBIT	1,180,082	2,266,082	637,082
Net interest expense	272,892	272,892	272,892
EBT	907,190	1,993,190	364,190
Tax (15%)	136,078.56	298,978.56	54,628.56
Social Insurance (29,2%)	132,449.79	291,005.79	53,171.79
Health Insurance (13,5%)	61,235.35	134,540.35	24,582.85
Taxpayer discount	30,840	30,840	30,840
EAT	608,266	1,434,046	287,230

Table 13: Income statement of the 2nd year (own creation)

Income statement of the 2nd year (CZK)			
	Realistic scenario	Optimistic Scenario	Pessimistic Scenario
Total revenue	3,061,500	4,147,500	2,518,500
Total expenses	1,654,918	1,654,918	1,654,918
EBITDA	1,406,582	2,492,582	863,582
Depreciation	-	-	-
EBIT	1,406,582	2,492,582	863,582

Net interest expense	272,892	272,892	272,892
EBT	1,133,690	2,219,690	590,690
Tax (15%)	170,053.56	332,953.56	88,603.56
Social Insurance (29,2%)	165,518.79	324,074.79	86,240.79
Health Insurance (13,5%)	76,524.10	149,829.10	39,871.60
Taxpayer discount	30,840	30,840	30,840
EAT	752,434	1,443,673	406,814

Table 14: Income statement of the 3rd year (own creation)

Income statement of the 3rd year (CZK)			
	Realistic scenario	Optimistic Scenario	Pessimistic Scenario
Total revenue	3,170,100	4,256,100	2,627,100
Total expenses	1,648,918	1,648,918	1,648,918
EBITDA	1,521,182	2,607,182	978,182
Depreciation	-	-	-
EBIT	1,521,182	2,607,182	978,182
Net interest expense	272,892	272,892	272,892
EBT	1,248,290	2,334,290	705,290
Tax (15%)	187,243.56	350,143.56	105,793.56
Social Insurance (29,2%)	182,250.39	340,806.39	102,972.39
Health Insurance (13,5%)	84,259.60	157,564.60	47,607.10
Taxpayer discount	30,840	30,840	30,840
EAT	825,377	1,516,616	479,757

11.7 Return on Investment

ROI is calculated by subtracting the total cost from the total revenue, dividing that by the total revenue, and then multiplying by 100. If the ROI percentage is higher than 0, it indicates that the return exceeds the initial investment. The higher the ROI percentage, the greater the return and profit for the company. If the ROI result is negative, the company is experiencing a loss and not generating profit. The table below shows estimated ROI for the first three years in all three scenarios, realistic, optimistic, and pessimistic. Since the outcome is not negative in either scenario, the business generates profit.

Table 15: Return on Investment of the first three years (own creation)

ROI			
	realistic	optimistic	pessimistic
First year	42.16%	58.32%	28.23%
Second year	45.94%	60.09%	34.28%
Third year	47.98%	61.25%	37.23%

12 RISK ANALYSIS

BeWell faces several potential risks that could impact its success in the market. Among those risks are for example high operational costs, lack of customers, or economic risks.

High operational costs

One of the most significant challenges for BeWell is posed by high operational costs. While the owner can influence certain aspects of those costs through efficient resource allocation and cost-saving measures, some of them are still fixed, and therefore unavoidable. One of the most reasonable solutions to mitigate high operational costs is to consider increasing prices for services. However, this approach may negatively affect customer retention and lead to a decrease in the number of customers, increasing the risk of customer shortages.

Lack of customers

Another major risk that BeWell may face is not having enough customers and that is linked to the revenue and profitability of the business. One of the reasons could be that customers will prefer going to already existing wellness centres and therefore choose competition over BeWell. The risk can be prevented by promoting the centre more, emphasizing the benefits of exercising and relaxing in one place.

Competition

Naturally, the competition that has been established in this business for several years must be taken into account. And as people are becoming increasingly concerned about and interested in their overall health and well-being, and are taking up yoga and meditation, it would be no surprise if another competition appeared on the market.

Fluctuating market demand

Among risks that the owner may have limited control over is fluctuating market demand. While marketing efforts and promotions can influence the demand of customers to at least some extent, external factors such as seasonal trends can significantly impact market demand. BeWell may need to adapt its services and offerings to meet changing demand patterns to mitigate this risk.

Economic risk

In the case of recent global pandemic of Covid-19, businesses, especially those in the wellness industry, faced major challenges, such as mandatory closures. If there were such a case again, consequently, this could lead to significant financial losses. Despite being beyond the owner's control, such economic risks highlight the importance of implementing robust financial management strategies. Maintaining adequate financial reserves can help cushion

the impact of sudden revenue loss during periods of closure. However, BeWell would still be generating some profit since it is diversifying revenue streams by offering online services and alternative products in subscription-based content. This will provide income during economic downturns.

Inexperienced owner

As the business owner has never run a business before and this is her first business, this creates some risk. However, it can be mitigated through education, mentorship, or professional advice. Eventually, the owner will gain experience and the longer she is in business, the less risk there is from lack of experience.

CONCLUSION

Wellness centres and fitness studios are very popular nowadays, but there are not many places in the Hodonín District that offer both under one roof. This business plan intended to provide these services in one location. Providing quality service is key, as is client satisfaction, as only the client decides on future visits.

The main objectives of this project were to analyse the competition, devise a wellness project, develop a suitable financial plan, analyse the potential risks, and ultimately determine if the realization of this business would be feasible.

The theoretical part elaborates knowledge from the field of entrepreneurship, legal forms of entrepreneurship, and creation of a business plan. The practical part then uses this knowledge in the actual creation of the business plan.

At the beginning, the company was introduced in terms of its name, business form, location, mission, and logo. Subsequently, the three target groups that the business will focus on were introduced and identified. A sole proprietorship was chosen as the form of business as it is not a large complex. This business is to be seen as a personal and cosy place that offers all kinds of services focusing on the overall well-being of the client. The business plan describes its management and staff.

A SWOT analysis was conducted which focused on the strengths, weaknesses, opportunities, and threats of the business, and a PEST analysis which focused on analysing the political, economic, social, and technological factors. A marketing strategy was designed, which included a 7P marketing mix, detailing all the services BeWell offers, their pricing, place of operation, promotion, people, processes, and finally, physical evidence.

One of the most important parts was the financial plan, which included initial costs, balance sheet, labour costs, operating costs, projected revenues, income statement, and return on investment calculations. The whole practical part was concluded with the enterprise risk analysis.

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LIST OF ABBREVIATIONS

Coll.	Collection of Laws
CZK	Czech Crown
DPČ	Dohoda o pracovní činnosti
DPP	Dohoda o provedení práce
EAT	Earnings After Taxes
EBT	Earnings Before Taxes
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
e.g.	Exempli gratia
et al.	Et alia
etc.	Et cetera
EUR	Euro
GDP	Gross Domestic Product
i.e.	Id est
No.	Numero
per capita	By heads
PEST	Political, Economic, Social, Technological
SWOT	Strengths, Weaknesses, Opportunities, Threats
ROI	Return on Investment

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