

A Business Plan for a Language School

Štěpánka Kocourková

Bachelor's Thesis
2025



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně

Fakulta humanitních studií

Ústav moderních jazyků a literatur

Akademický rok: 2024/2025

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(projektu, uměleckého díla, uměleckého výkonu)

Jméno a příjmení:	Štěpánka Kocourková
Osobní číslo:	H21769
Studijní program:	B0231P090005 Anglický jazyk pro manažerskou praxi
Forma studia:	Prezenční
Téma práce:	Podnikatelský plán pro jazykovou školu

Zásady pro vypracování

Literární rešerše k zakládání nového podnikatelského subjektu
Analýza možností financování podnikatelského záměru
Analýza konkurence a segmentace trhu
Sestavení podnikatelského plánu
Sestavení marketingové strategie

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

Seznam doporučené literatury:

Abrams, Rhonda. 2019. *Successful Business Plan: Secrets & Strategies*. 7th ed. Palo Alto, CA: PlanningShop.
Ekanem, Ignatius. 2017. *Writing a business plan: A practical guide*. London: Routledge.
Kotler, Philip, and Kevin Lane Keller. 2016. *Marketing Management*. 15th ed. Boston: Pearson.
McKeever, Mike P. 2018. *How to Write a Business Plan*. 14th ed. Berkley, CA: Nolo.
Srpová, Jitka, and Václav Řehoř. 2010. *Základy podnikání*. Prague: Grada.

Vedoucí bakalářské práce: **Mgr. Petr Dujka**
Ústav moderních jazyků a literatur

Datum zadání bakalářské práce: **2. ledna 2025**
Termín odevzdání bakalářské práce: **6. května 2025**

L.S.

Mgr. Libor Marek, Ph.D.
děkan

doc. Mgr. Roman Trušík, Ph.D.
ředitel ústavu

Ve Zlíně dne 24. února 2025

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb., v platném znění bez ohledu na výsledek obhajoby;
- bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému a bude dostupná k nahlédnutí;
- jedno vyhotovení bakalářské práce v listinné podobě bude ponecháno Univerzitě Tomáše Bati ve Zlíně k uložení;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3;
- podle § 60 odst. 1 autorského zákona má Univerzita Tomáše Bati ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60 odst. 2 a 3 mohu užít své dílo – bakalářskou práci – nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům;
- pokud je výstupem bakalářské práce jakýkoliv softwarový produkt, považují se za součást práce rovněž i zdrojové kódy, popř. soubory, ze kterých se projekt skládá; neodevzdání této součásti může být důvodem k neobhájení práce.

Prohlašuji, že

- jsem na bakalářské práci pracoval(a) samostatně a použitou literaturu jsem řádně citoval(a); v případě publikace výsledků budu uveden(a) jako spoluautor;
- odevzdaná verze bakalářské práce a verze elektronická nahraná do IS/STAG jsou obsahově totožné.

Ve Zlíně, dne

.....

podpis autora

ABSTRAKT

Cílem této bakalářské práce je vypracovat podnikatelský plán pro jazykovou školu na Halenkově a posoudit, zda by byl podnik životaschopný a ziskový. Práce je rozdělena na teoretickou a praktickou část. V teoretické části jsou definovány klíčové pojmy týkající se podnikání, právních forem podnikání a struktury podnikatelského plánu. Praktická část obsahuje analýzu konkurence, PEST analýzu a analýzu rizik spolu s marketingovým a finančním plánem pro první rok provozu. Finanční plán představuje tři prognostické scénáře – optimistický, realistický a pesimistický – s odhady nákladů, výnosů a ziskovosti. Na základě výsledků analýz a finančních prognóz je podnik považován za životaschopný a ziskový ve všech třech scénářích během prvního roku provozu.

Klíčová slova: jazyková škola, podnik, podnikání, podnikatelský plán, jazykové kurzy

ABSTRACT

This bachelor's thesis aims to develop a business plan for a language school in Halenkov and assess whether the business would be viable and profitable. The thesis is divided into theoretical and practical part. The theoretical part defines key concepts related to entrepreneurship, legal forms of business, and the structure of a business plan. The practical part includes a competitor analysis, PEST analysis, and risk analysis, along with a marketing and financial plan for the first year of operation. The financial plan presents three forecast scenarios — optimistic, realistic, and pessimistic — with estimates of costs, revenues, and profitability. Based on the results of the analyses and financial forecasts, the business is considered viable and profitable under all three scenarios within the first year of operation.

Keywords: language school, enterprise, entrepreneurship, business plan, language courses

I would like to thank my supervisor, Mgr. Petr Dujka, for his guidance and valuable advice he provided me while writing this thesis. I would also like to thank my family, especially my mum, dad and sister, for their support throughout my studies.

CONTENTS

INTRODUCTION	11
I THEORETICAL PART	12
1 ENTREPRENEURSHIP.....	13
1.1 ENTREPRENEUR.....	14
1.2 ENTERPRISE.....	14
2 NATURAL AND LEGAL PERSON	16
2.1 NATURAL PERSON.....	16
2.1.1 Trade	16
2.2 LEGAL PERSON.....	17
2.2.1 Limited Liability Company	18
2.2.2 Limited Partnership	19
2.2.3 Unlimited Partnership	19
2.2.4 Joint Stock Company	19
3 BUSINESS PLAN.....	21
3.1 LEAN CANVAS.....	21
3.2 STRUCTURE OF A BUSINESS PLAN	22
3.2.1 Title Page	23
3.2.2 Executive Summary	23
3.2.3 Company Description.....	23
3.2.4 Management.....	23
3.2.5 Product and Service Description	24
3.2.6 Market Analysis	24
3.2.7 Competition Analysis.....	24
3.2.8 Marketing Plan	25
3.2.9 Financial Plan.....	27
3.2.10 Risk Analysis	28
II PRACTICAL PART	29
4 THE BUSINESS PLAN	30
4.1 TITLE PAGE.....	30
4.2 EXECUTIVE SUMMARY	30
4.3 COMPANY DESCRIPTION.....	31
4.4 MISSION STATEMENT	32
4.5 MANAGEMENT	32
4.6 PRODUCT AND SERVICE DESCRIPTION.....	34
4.6.1 Levels of English and Courses	34
4.7 MARKET ANALYSIS.....	36
4.7.1 PEST Analysis	36

4.7.2	Target customers	39
4.8	COMPETITION ANALYSIS	40
4.8.1	Competition from neighbouring towns and villages	40
4.8.2	Courses for companies in Vsetín	42
4.8.3	Online Language Schools	43
4.9	MARKETING PLAN	45
4.9.1	Marketing Mix – 7P	45
4.10	FINANCIAL PLAN	49
4.10.1	Initial Balance Sheet	49
4.10.2	Initial Costs	50
4.10.3	Fixed costs	51
4.10.4	Optimistic scenario	52
4.10.5	Realistic scenario	54
4.10.6	Pessimistic scenario	56
4.11	LEAN CANVAS	59
4.12	RISK ANALYSIS	60
CONCLUSION		62
BIBLIOGRAPHY		63
ONLINE SOURCES		65
LIST OF FIGURES		68
LIST OF TABLES		69
LIST OF ABBREVIATIONS		70
APPENDICES		71

INTRODUCTION

This bachelor thesis deals with preparing a business plan for a language school called Jazyková škola Halenkov, which will be located in the village of Halenkov in the Vsetín district. This thesis aims to determine whether this business plan is feasible and viable and whether the business will be profitable. The author chose this topic because English tutoring has become her passion and hobby, and she would like to create a place where children, students and adults from Halenkov and the surrounding villages could learn or improve their English.

This business plan is divided into theoretical and practical part. The theoretical part describes the basic concepts related to entrepreneurship, such as the definition of an entrepreneur, an enterprise and the legal form of entrepreneurship in the Czech Republic. The most comprehensive part is the structure of the business plan, which explains what the plan should contain and why. Based on the theoretical part, a practical part is compiled. The practical part deals with preparing the business plan for Jazyková škola Halenkov. It contains essential information regarding the business and its management, as well as a description of the services offered. Furthermore, market analysis, PEST analysis, competitor analysis, risk analysis, lean canvas and marketing plan are developed. The target customer is also described. The most important part is the financial plan, which determines whether the language school will be profitable and viable based on three scenarios – optimistic, realistic and pessimistic.

I THEORETICAL PART

1 ENTREPRENEURSHIP

The Civil Code of the Czech Republic (§ 420 Act no. 89/2012 Sb.) defines business and/or entrepreneur as whoever independently carries on a gainful activity on his own account and responsibility by means of a trade or similar activity with the intention of doing so on a regular basis to make a profit.

- *Continuous activity* – an activity that will be carried out repeatedly; it is not an accidental, sporadic, or occasional activity.
- *Independently* – the entrepreneur decides for himself all his business activities, such as the time and place of activity or the beginning and end of his business.
- *In one's own name* – each business entity must have a business name; in the case of a natural person, in most cases, it is the first and last name.
- *Own responsibility* – the entrepreneur cannot absolve himself of the risk and responsibility of the business; therefore, he is responsible for contractual relations and compliance with the law.
- *Achieving a profit* – profit is the main motive of the business, and the purpose is to continuously increase the value of the company (Kozubíková 2017, 16).

According to Martinovičová et al. (2014, 10–11), entrepreneurship entails identifying, uncovering, and capitalizing on business opportunities to address market gaps, as well as fulfilling personal and others' needs. It involves acquiring necessary resources, such as appropriate facilities, specific material equipment, and maintaining proper accounting records to meet tax obligations. To achieve success, a well-crafted and comprehensive business plan is essential. Entrepreneurship is also associated with making strategic business decisions and taking risks, which can lead to potential economic setbacks.

Veber and Srpová (2012, 14) define entrepreneurship in economic, psychological, and sociological terms. According to the concept of economics, business is a process of creating value. According to the concept of psychology, entrepreneurship is an activity motivated by the need to get something, achieve something, or fulfil something. According to sociological concepts, entrepreneurship is about creating well-being for all involved and creating new jobs and opportunities.

1.1 Entrepreneur

The Civil Code of the Czech Republic (§ 420 Act no. 89/2012 Sb., § 421 Act no. 89/2012 Sb.) defines an entrepreneur as:

- a) A person who, on his own account and responsibility, carries on a gainful activity by trade or similar means to do so on a regular basis for profit,
- b) a person registered in the Commercial Register,
- c) a person who operates a business based on a trade licence or other authorization under another law.

An entrepreneur is a person who initiates and executes business activities. It is a person who invests time, resources and effort, accepts responsibility and is willing to take risks to achieve financial and personal fulfilment. It is a self-employed person and can be either a natural or a legal person. Entrepreneurs have specific personality traits and characteristics, such as perseverance, self-confidence and purposeful striving for success. They are responsible for making decisions regarding the business's purpose, what goods to produce and in what quantities for whom, on what market to sell, what resources to use and how to allocate them (Martinovičová 2014, 10–11; Veber and Srpová 2012, 15).

According to Kozubíková (2017, 20), an entrepreneur is anyone who is entrepreneurial, that is, equipped with the potential for entrepreneurship. She suggests that entrepreneurialism is one of the fundamental requirements for being an entrepreneur, alongside success.

1.2 Enterprise

In the context of business, it is an organization or a project that engages in a variety of high-risk economic activities with the aim of generating profit (Cambridge Dictionary 2019).

An enterprise is an entity that converts inputs into outputs. It is an economically and legally separate entity that exists for the purpose of conducting business. Economic autonomy ensures the expression of freedom in business and legal autonomy allows an enterprise to enter legal relations with other market entities and to enter contracts. An enterprise also consists of tangible, personal, and intangible components of a business. It includes the assets, rights, and other property owned by the entrepreneur and used in the operation of the enterprise (Srpová and Řehoř 2010, 35).

Martinovičová et al. (2014, 13) states that the fundamental purpose of enterprises is the production and distribution of products and goods and the provision of services to customers to satisfy their needs.

According to Veber and Srpová (2012, 15–16), an enterprise is an entity that transforms resources into goods. It is an organized set of resources, rights and property values that are used by entrepreneurs to run their businesses. An enterprise can be any entity performing an economic activity regardless of its legal form, therefore it includes self-employed persons, family businesses and commercial companies and associations.

Based on size, businesses can be classified as micro, small and medium. Criteria for classification can include, for instance, the number of employees, the size of turnover, the size of capital, or the size of profit (European Commission 2020). In the Czech Republic, a combined criterion is currently used – number of employees and either annual turnover or annual balance sheet total. According to the European Commission (2020) classification, the language school will qualify as a micro-enterprise because it will have fewer than 10 employees and an annual turnover of less than EUR 2 million.

2 NATURAL AND LEGAL PERSON

This chapter focuses on the operations of both natural and legal persons, including the definition of trade and its division. It also covers the division of corporations.

2.1 Natural Person

In the context of natural persons entrepreneurship, we encounter the term self-employed person. It is a term used in Czech law for a natural person with income from business or self-employment. A typical self-employed person is, for instance, a sole trader, an independent farmer, a self-employed artist, or a forensic expert (Srpová 2020, 165).

The enterprise of an individual, i.e., a natural person, is owned by one person. It has two main advantages for a small-scale business – even a small amount of capital is sufficient to start it, and state regulation is minimal. The main disadvantages are difficult access to capital, unlimited liability for the company's debts, and the limited lifespan of the company determined by the owner's life expectancy. To become a sole trader, an individual must meet several legal requirements (must be over 18 years of age, legally competent, of good character, and professionally qualified to practice the trade). An individual must also obtain a trade or other business licence to operate a trade. Based on the trade licence, which he proves by an extract from the trade register, he either carries on a notifiable trade, which is divided into craft, bound and free trade, or a licensed trade (Synek and Kislingerová 2015, 80–81).

2.1.1 Trade

The Trade Licensing Act (§ 2 Act no. 455/1991 Sb.) defines a trade as a systematic activity carried out independently, on one's own behalf, on one's own responsibility, for profit and under the conditions set out in this Act. The trade can be operated by both natural and legal persons if they meet the conditions set by law. The activities of doctors, notaries, auditors, tax advisers, brokers or natural healers are not trades (Synek et al. 2011, 36).

According to the requirements for professional competence, trades are divided into:

1. **Notifiable trades** require a notification and are certified by an extract from the trade register. They are further divided into three categories:

- *Craft trades*: Require an apprenticeship certificate, a high school diploma in the field, or six years of experience in the field to obtain and operate (e.g., butchery, catering).
 - *Bound trades*: Acquisition and operation of these trades, like massage services and running a driving school, require proof of professional competence as specified in the Annex to the Trade Licensing Act.
 - *Free trade*: Entrepreneurs do not need any professional competence to obtain this trade. They can choose from a list of 80 activities to define the scope of their trade.
2. **Concessioned trades** are established and operated based on an administrative decision. They also require certification from the trade register and a positive statement from the relevant state administration authority. Examples include the operation of a travel agency, or taxi services (Srpová 2020, 165-166).

The operation of a language school is a free trade; therefore, it does not require proof of professional or other competence and only the general conditions of the trade must be met.

Specifics of trade business:

- suitable for start-up entrepreneurs,
- once the conditions are met, it is possible to start a business almost immediately,
- no initial capital is required,
- the entrepreneur is liable for the obligations arising from the business with all his/her assets,
- entry in the commercial register is at the will of the sole trader,
- keeping tax records is sufficient,
- the sole trader pays an income tax at the rate of 15% (Srpová 2020, 176).

2.2 Legal Person

According to the Civil Code (§ 20 Act no. 89/2012 Sb.), a legal person is an organised body which the law provides has a legal personality or whose legal personality is recognised by law. Establishing a business as a legal entity involves more administrative requirements than

operating as an individual. In some cases, it is necessary to deposit share capital when establishing a legal entity. Additionally, all types of legal entities must be registered in the commercial register. There are legislative requirements for each legal form, which must be familiarised with before starting a business (Srpová 2020, 176).

The Commercial Code defines legal entities as follows:

1. **Partnership** – A partnership is formed and owned by two or more persons who share profits and are jointly liable for all losses. The partners are personally involved in the business, and they are generally held fully liable for the company's obligations. There are two forms of partnership in the Czech Republic - the public partnership and the limited partnership.
2. **Capital Companies** – The involvement of shareholders is through their capital contribution, not their personal participation in the business operation or management of the company. The shareholders are obliged to contribute only a certain amount and are liable for the company's obligations only up to the amount of their contribution. In the Czech Republic, this is a limited liability company and a joint stock company.
3. **Cooperative** – a less common legal form in business (Synek and Kislingerová 2015, 81–85).

2.2.1 Limited Liability Company

Limited liability companies (s.r.o.) offer business operators the advantages typically associated with corporations while also providing the simplicity commonly found in sole proprietorships. Unlike corporations, LLCs are not restricted to a specific number of shareholders and are subject to less strict regulation (Crail, Haskins, and Watts 2022).

The advantages of an LLC include, for instance, protection of personal assets from business debts, no requirement for annual shareholder meetings or a board of directors, low establishment and maintenance costs, and the members can decide how to share profits. A key disadvantage is that each owner can enter into contracts and create debt on behalf of the entire company (Crail, Haskins, and Watts 2022).

LLCs are taxed as sole traders or partnerships, depending on the number of members. The members report their share of the business's income and expenses on their personal tax returns and pay personal income tax on any profits. Members who participate in the business

are considered self-employed and are responsible for paying self-employment taxes (Abrams 2019, 74–75; Crail, Haskins, and Watts 2022).

2.2.2 Limited Partnership

A limited partnership is formed by registration in the Commercial Register. The partnership must be established by at least two partners, of whom one or more partners are liable for the company's obligations up to the amount of their contribution (limited partners), and one or more partners are unlimitedly liable for their entire assets (general partners). There is no minimum amount of share capital. The business management of the company belongs only to the general partners, the limited partners have only controlling powers. Profits are distributed according to the partnership agreement (Majdúchová and Neumannová 2014, 145–146).

Some advantages of a limited partnership are that limited partners are not responsible for the company's debts and obligations, and therefore their personal assets are protected. It also limits the financial risk for investors. Disadvantages include the fact that limited partners cannot actively manage the company, and general partners are fully liable for the partnership's obligations. Regarding tax treatment, there is a limit on how much limited partners can invest (Abrams 2019, 74–75).

2.2.3 Unlimited Partnership

Unlimited Partnership is an association of at least two entrepreneurs doing business under a common name. The statutory body is each of the partners. The company is a legal entity and is entered in the commercial register. The partners make monetary and non-monetary contributions to the company, which become the company's property. They are liable for the company's obligations with all their assets. The management of the business is in the hands of all the partners, unless otherwise agreed in the articles of association (Synek and Kislingerová 2015, 81–82).

2.2.4 Joint Stock Company

A joint stock company is a capital company in which the share capital is divided into a certain number of shares of a certain nominal value. The share capital must be at least CZK 2 million. It may be established by one founder if it is a legal person or by more than one founder. It is liable for its obligations with its entire assets, and the shareholder is not liable for the obligations. The main advantages include limited liability and unlimited

business activity of the company, which means that the company can continue even if its founders leave. The disadvantages are the more difficult incorporation of the company, government control and double income taxation (Synek and Kislingerová 2015, 82–83).

3 BUSINESS PLAN

Putting together a business plan is one of the most important steps in starting a business. It is a written document that describes the internal and external factors critical to the business. It serves as a formal summary of the main objectives of the business, a justification of their realism and a plan for achieving them. Moreover, developing a business plan is also beneficial to the entrepreneur. By creating it, the entrepreneur will gain clarity on the necessary steps in various areas, such as reaching target customers, entering specific markets, assessing and differentiating from competitors and determining the number of employees needed (Srpová et al. 2011, 14).

Writing a business plan increases the chances of getting money from lenders or investors, as most require one before seriously considering a proposal. They want to ensure that the business has a good chance of success and that the plan's writer really understands the business. The plan should be designed to answer any questions that potential lenders or investors might ask. The aim of the business plan is to find out what the weaknesses and strengths of the business are and how likely it is to succeed (McKeever 2018, 5–7).

3.1 Lean Canvas

There are many ways a business plan can be created. Creating one using Lean Canvas is one of them. Lean Canvas is a simplified form of a business model that fits on one page. This template was created by Ash Maurya and focuses on nine key areas used to define a business plan, especially in the early stages.

The Lean Canvas consists of:

1. **Problem:** This section focuses on clearly defining the problem the entrepreneur wants to solve.
2. **Customer Segments:** This describes who the target customer is and who we are aiming the product or service at.
3. **Unique Value Proposition:** This section describes the benefits of our product or service, what makes it different and distinct from the competition, and why the customer should buy the service from us.
4. **Solution:** This section answers the question of how to solve the customers' problem and how to satisfy their wants and needs.

5. **Channels:** A description of how we will reach our audience – this includes all distribution channels as well as marketing and communications.
6. **Revenue Streams:** How much the customer will pay for the service. The price must be set so that the business is profitable and customers are willing to pay the amount.
7. **Cost Structure:** Quantifying all the costs and expenses we will have to launch our product.
8. **Key Metrics:** Description of how business performance will be measured and how results and success will be tracked.
9. **Unfair Advantage:** What is unique about our product or service that no one else does or can copy, mimic or acquire (Maurya 2012, 8–28; Pereira 2023).

PROBLEM Top 3 problems	SOLUTION Top 3 features	UNIQUE VALUE PROPOSITION Single, clear, compelling message that states why you are different and worth buying	UNFAIR ADVANTAGE Can't be easily copied or bought	CUSTOMER SEGMENTS Target customers
	KEY METRICS Key activities you measure		CHANNELS Path to customers	
COST STRUCTURE Customer Acquisition Costs Distributing Costs Hosting People, etc.			REVENUE STREAMS Revenue Model Lifetime Value Revenue Gross Margin	

Figure 1 Lean Canvas

(source: Maurya 2012, 5)

3.2 Structure of a Business Plan

Although there is no binding requirement as to what a business plan should contain, certain principles must be observed and respected in its preparation. There are vital points that should not be missing. Furthermore, the formalisation of the business plan must not be forgotten, as the external entity will most likely have plans from other companies that also want to impress and raise funds (Srpová 2020, 209).

3.2.1 Title Page

The title page should be appealing and looking professional. It should include the name and logo of the company, the name of the author and the founders, and the date of incorporation (Srpová et al. 2011, 2015).

3.2.2 Executive Summary

The executive summary is the most important part of the business plan as it outlines the fundamental business concept and is crucial in motivating investors to review the entire plan thoroughly. Even though this is the first section to be read, it is recommended to be written last. It should be at most two or three pages. The executive summary expresses the business's long-term goals, presents a comprehensive plan and realistic financial projections and highlights competitive advantage (Abrams 2019, 54–57).

3.2.3 Company Description

This section tells the reader about the basic details of the business, such as legal status, location, and offered services. It also outlines how the company intends to differentiate itself from the competition. The most demanding part of the company description is a „mission statement“, which describes the goals and objectives of the company (Abrams 2019, 68).

This part of the business plan is typically concise, often consisting of just one page or even a single paragraph, because it only provides a brief overview of the company, focusing on essential information (Shelton 2017, 73–74).

3.2.4 Management

The most crucial part of business success depends on capable management. A business plan must inspire confidence in the management's abilities, which is why the management team should be assembled carefully. Some of the traits that successful managers share are experience, realism, flexibility and the ability to work well with people (Abrams 2019, 9–10).

The company's management deals with managing the day-to-day running of the business. It covers all the activities necessary for the efficient delivery of services to end customers, especially the planning and control system. The manager will be responsible for providing a daily schedule of activities so that each employee knows what to do and when to do it (Ekanem 2017, 52–53).

3.2.5 Product and Service Description

This part of the business plan can be short. It gives a full description of the services or products to be offered. It is important to be specific and to state the services that the company plans to offer in the future. Photographs may also be included. This section may also include any intellectual property, such as patents or copyrights, that protects the idea from competitors (Abrams 2019, 76; Shelton 2017, 83–84).

According to Kotler and Keller (2016, 389), a product is anything that can be offered on the market to satisfy wants or needs, including services, information, or ideas.

3.2.6 Market Analysis

The purpose of market analysis is to determine how big the market is and whether our business is viable. It is essential to find out what the likely demand for our product or service will be and whether we will have enough customers to generate satisfactory revenue. Next, we need to describe our potential or ideal customer so that we know how we can reach them. The goal is to determine whether our target market shares the same or comparable characteristics, such as age, gender, income level, area of residence, or hobbies (Ekanem 2017, 24; Shelton 2017, 90).

PEST Analysis

PEST analysis describes to what extent the business environment is influenced by political, economic, social, and technological factors:

- *Political factors* – employment, taxation, health and safety regulations, legislative changes.
- *Economic factors* – inflation, interest rates, wage rates, economic growth.
- *Sociological factors* – education, lifestyle changes, population, demographics.
- *Technological factors* – recent technological developments, consumer attitudes to new products (Ekanem 2017, 23).

3.2.7 Competition Analysis

Many entrepreneurs believe that they will have no competition. However, it is important to remember that every business has competition. Competitor analysis is done by making a list of competitors and doing a quick analysis of who they are, what they do well and poorly,

what services they offer and at what price, and what competitive advantage our business has. The product or service offered should have unique features that will attract a broad customer base (Shelton 2017, 94–95; Gattis 2010, 34–38).

Benchmarking

Benchmarking serves as a tool for increasing competitiveness and can be used in all types of organizations, including the public space. It focuses on comparisons with other companies or their market activities, through which a company identifies its own strengths and weaknesses. This can contribute to more efficient performance of the organization, revealing areas for development or cost reduction (Otrusínová and Kubíčková 2011, 9).

3.2.8 Marketing Plan

According to Kotler and Keller (2016, 25) the financial success of a business often depends on good marketing because for a business to make a profit, it must have sufficient demand for its products and services.

Before creating a marketing strategy, it is important to clarify how we want to reach potential customers. The marketing must appeal to our target customer and match our image. It is good to use more than one marketing method to reach customers from multiple sources. Marketing should be affordable for our business. We can use both offline and online marketing (Abrams 2019, 169).

Service Marketing Mix – 7P

The marketing mix is a set of essential marketing tools that a company combines to achieve its goals, attract consumers, and get the desired response from target customers. The basic marketing mix comprises the 4 P's – product, price, place, and promotion. The services marketing mix is extended by the other three Ps – processes, people, and physical evidence (Kotler and Armstrong 2018, 77-78; Gattis 2010, 48).

Product

A product includes physical goods and intangible services and represents everything a company offers to use, solve problems, improve lives, or satisfy customer needs. It includes quality, design, brand, features and warranty. Payment is required to purchase a product (Kotler and Armstrong 2018, 77-78; Gattis 2010, 48).

Price

Price indicates the financial value of the product or service. It's the amount customers have to pay. The price is the easiest to change, but the most challenging part is to set it correctly and accurately. This includes discounts, repayment period and credit terms. It is also the only P representing revenue, all the rest being costs (Kotler and Armstrong 2018, 77-78; Gattis 2010, 48).

Place

Place refers to all activities of a company that facilitate product availability to target consumers through physical stores or online platforms. Simply, this P tells how the product gets to the customers. This includes inventory, distribution, and shipping (Kotler and Armstrong 2018, 77-78; Gattis 2010, 48).

Promotion

Promotion includes activities highlighting the product's benefits and influencing target customers to buy. It is defined by the company's objectives, budget and resources. It includes advertising, sales promotion and direct marketing (Kotler and Armstrong 2018, 77-78; Gattis 2010, 48).

People

People are mainly represented by employees who belong to internal marketing. For a company to be successful, employees are an indispensable component. Apart from employees, this category also includes customers (Kotler and Keller 2013, 56).

Processes

Processes encompass all the planning, creativity, structure and discipline that goes into creating a service that maximally meets the customer's needs. These include customer service, personal attention, and customer customization. It is crucial for maintaining long-term relationships (Kotler and Keller 2013, 56).

Physical evidence

Physical evidence is tangible, visible, and changing evidence that influences consumers' decision-making when purchasing a product or service. This includes a building, furniture, furnishings, the layout of a premises or the appearance of a website. Physical

evidence should be appealing to customers and should reflect how the business wants to be perceived by its customers (Kotler and Keller 2013, 56).

3.2.9 Financial Plan

The financial plan transforms the previous parts of the business plan into numerical form. It demonstrates the feasibility of the business plan from an economic point of view. The outputs of the financial plan consist mainly of the profit and loss statement, cash flow, balance sheet and calculation of the turning point. There is no sales history for a start-up business, so the goal is to predict what the numbers will be when the business is in the market. It may be that the business will not make any money in the first year. In the case of a start-up business, expenses may be greater than revenues (Evans 2016, 146; Srpová et al. 2011, 28).

Start-up Costs

Almost every business needs certain things to get started. This may be equipment, a computer or other technology, marketing expenses or staff expenses. It is important to list all the start-up costs and add them up. This list can help a company get a loan (Ekanem 2017, 36; Gattis 2010, 55).

Balance Sheet

The balance sheet is an accounting statement that shows the state of tangible and intangible fixed assets and their sources of financing (liabilities) at a specific date. Assets include what specific types of assets are tied up in and how they are valued, how much they are worn out, and how quickly they turn over. Sources of financing include the amount of own and external sources of financing and their structure. The enterprise's financial position gives information on how much profit the enterprise has made, how it has distributed it, and whether the enterprise can meet its obligations (Růčková 2021, 22).

Profit and Loss Statement

Profit and loss statement information is an important basis for assessing corporate profitability. It is a written summary of revenues, expenses and profit or loss for a specific period. It is compiled regularly at annual or shorter intervals. The most important part is the operating part, as it affects whether the enterprise is able to achieve positive effects with the help of its core business activities (Růčková 2021, 33–34).

3.2.10 Risk Analysis

Risk is a potential event that reduces the possibility of achieving the business objectives, and every business involves risk. A manager must, therefore, work with them effectively, and in the long run this is what can lead to the long-term prosperity of the business. Risk assessment helps the business prepare for and prevent threats to its success (Abrams 2019, 154–155).

Companies may encounter various types of risks:

- *Market Risk* – customers will not respond to the services offered.
- *Competitive Risk* – new competitors may enter the market.
- *Execution Risk* – inability to manage the company's growth due to incompetent management or lack of time.
- *Capitalization Risk* – lack of money due to underestimation of costs or overestimation of revenues (Abrams 2019, 154–155).

II PRACTICAL PART

4 THE BUSINESS PLAN

This analytical part will deal with creating a business plan for a language school called Jazyková škola Halenkov.

4.1 Title page

Name of the company: Jazyková škola Halenkov

Legal form of the company: Sole proprietorship

Date of establishment: August 1, 2025

Company address: Halenkov 856, 756 03

Founder: Štěpánka Kocourková

Phone: +420 777 666 888

E-mail: info.jazykovkahalenkov@gmail.cz

Webpage: www.jazykovaskola-halenkov.cz

Financing: registered capital of CZK 400 000

4.2 Executive Summary

The author created this business plan to establish what will be the first and only language school in Halenkov. Halenkov is located in the Vsetín district in the Zlín region and has approximately 2 400 inhabitants. The name of the language school will be Jazyková škola Halenkov.

The founder will be Štěpánka Kocourková, who is also the author of this business plan and will be the head of the language school. Ms Kocourková is a young woman who has found a passion for learning English and, thanks to her entrepreneurial spirit, sees an excellent opportunity to start a language school to pass on her knowledge and enthusiasm for the English language to others. She will not teach alone in the language school. She will have one experienced and university-educated teacher and one native speaker working for her, both of whom will be self-employed.

The language school will be dedicated to teaching all levels of English. Teaching will take place in a newly built home in the centre of the village, and there will be two modern classrooms. Jazyková škola Halenkov offers a wide range of courses that anyone can choose

from. Individual, group, specialised, corporate, and summer courses are on offer. A suburban summer camp will also be offered for elementary school children. The target customers of the language school are children, students, adults and seniors from Halenkov and the surrounding villages and towns. It also targets companies and businesses in Vsetín.

The competitive advantage of the Jazyková škola Halenkov is that there is no other language school within a radius of six nearby towns and villages (15 kilometres), and no private teacher offers so many different types of language courses and levels. The school also stands out for its unique teaching methods and practices adapted to all ages.

The establishment of the language school will be partly financed from Štěpánka Kocourková's savings account, and the other part will be a loan from her parents, so there is no need to pay interest. The self-financing will be CZK 200 000; the loan will be CZK 200 000. This initial capital will be used in the first year to buy the necessary equipment for the classrooms and lecturers' wages, to pay fixed costs such as energy or internet, and part will go into marketing and advertising to make the school more visible on the market.

The marketing plan includes both online and offline forms of promotion. The most important thing will be setting up a website, followed by paid and unpaid promotion on social media, PPC marketing, direct marketing in the form of sending out emails, a promotional banner on the language school building, and last but not least, advertising flyers to schools.

Jazyková škola Halenkov aims to establish itself on the market and help hundreds of people learn or improve their foreign language. Long-term goals include hiring more teachers and employing them on a full-time basis, adding more native speakers to the staff, expanding the facilities, having a larger course offering, and teaching more languages than just English.

4.3 Company Description

This company is called Jazyková škola Halenkov. The language school will be located in the village of Halenkov in the Vsetín district in the Czech Republic. Classes will be held on the first floor of the newly built house. There will be two classrooms, two toilets, a kitchen and a terrace with a garden. The advantage of this location is that it is close to the centre of the village and only 500 metres from the elementary school.

The company is founded by one natural person – Štěpánka Kocourková, who will also be one of the English teachers and will be responsible for the running of the whole company. In total, there will be three teachers. In the future, the goal is to have at least five teachers.

The courses are for complete beginners as well as for advanced speakers. We offer experienced and qualified English teachers, a choice of several courses, and unique teaching methods. Jazyková škola Halenkov will be open from Monday to Friday, even during the summer holidays (July–August).

Table 1 Opening hours during the year (September–June)

Opening hours during the year	
Monday – Friday	7:00 - 21:00

(source: own elaboration)

Table 2 Opening hours during the summer (July–August)

Opening hours during the summer	
Monday – Friday	8:00 - 21:00

(source: own elaboration)

4.4 Mission Statement

The aim is to provide English courses taught by experienced and knowledgeable teachers in a friendly and welcoming environment. Jazyková škola Halenkov wants to help everyone who wishes to learn or improve their English feel confident when communicating in real-life situations.

4.5 Management

The head of Jazyková škola Halenkov will be its founder and author of this business plan, Štěpánka Kocourková. She will run the company, do office work, create a marketing strategy, and recruit staff. She is also going to be one of the lecturers. Not only does she have a bachelor's degree in English for Business Administration, but she also has experience teaching English, as tutoring has been her part-time job for several years. With her education, experience and entrepreneurial spirit, she believes that starting a language school is the right move.

Jazyková škola Halenkov will be staffed by a team of three highly competent teachers. In addition to the head Štěpánka Kocourková, two more experienced teachers will join the team. One of the teachers will be a native speaker with at least five years of experience in English tutoring and a university degree in education, and the second teacher will be a Czech with a compulsory master's degree in English and at least five years of experience in English tutoring. Both teachers will be self-employed, eliminating the owner's obligation to pay health and social insurance for them. Each of them will be paid a salary of CZK 450 per teaching hour (60 minutes). In the future, the aim is to employ at least two more teachers, preferably native speakers.

Also working for the school will be external accountant Ing. Ondřej Plšek, who has a university degree and more than five years of experience in accounting. This person will also be self-employed and do the school's tax records, i.e. he will file tax returns with the tax office and report income and expenses to the health insurance company and the Social Security Agency. All this only needs to be done once a year, in the relevant month. He will receive CZK 4 000 for this activity, as agreed with him. Teachers and accountants will not work exclusively for Jazyková škola Halenkov; they will also provide services to other companies.

4.6 Product and Service Description

Jazyková škola Halenkov offers a wide range of English courses and levels.

4.6.1 Levels of English and Courses

Six levels of English will be taught, which means that a complete beginner can enrol in a course at the A0/A1 level, pre intermediate speaker at the A2 level, an intermediate speaker at the B1 level, an upper intermediate at the B2 level, an advanced speaker at the C1 level and a proficient speaker at the C2 level. A qualified teacher will assess the student's English level.

Table 3 Language and Levels

Language	Level	
English	A0/A1	Beginner
English	A2	Pre intermediate
English	B1	Intermediate
English	B2	Upper Intermediate
English	C1	Advanced
English	C2	Proficient

(source: own elaboration)

A total of five English courses will be offered so that everyone can choose what suits them best. You can enrol in an individual course, group course, specialised course, corporate course or an intensive summer course. Children aged six to fifteen can also sign up for a summer suburban camp.

The individual course lasts 60 minutes, and if it is more convenient for someone or if they are unable to attend due to time constraints, the course can also be held online. This will be a private English class with only the student and teacher present. This course is for someone who prefers to work alone rather than in a group and wants to learn at their own pace. The price is CZK 500.

The group course will run for ten months, from September to June, once a week for 1 hour. The course will, therefore, run for approximately 38 weeks, so the student is enrolled for 38 hours of the course. The group will be limited to a maximum of six people to ensure sufficient time for each participant to express their ideas. Groups will be divided according

to age and level of English. The total cost is CZK 7 500, which is approximately CZK 200 per hour.

Specialised courses include preparation for the Cambridge English exam, which both students and adults can take, high school and university entrance exams, and graduation exams from English for secondary school students. This preparation course lasts for three months (12 weeks), twice a week each day for 60 minutes. The price is CZK 4 200.

Corporate courses are tailored to the needs of the business environment and focus on improving employee proficiency in Business English. Emphasis is placed on expanding vocabulary, improving grammar and practical communication skills in a business context. They are suitable for both beginners and advanced learners, and classes will be held in groups of a maximum of six people. Courses can take place either in the classrooms of the language school or on the premises of the company. Companies can offer language courses as a valuable benefit for their employees. This course is intended primarily for companies in Vsetín, such as Austin Detonator s.r.o., CLIMAX, Coleman S.I., and SVĚT OKEN s.r.o. In case of interest, the language school will also provide these courses to companies in the surrounding area, outside Vsetín. The price of one session lasting 1 hour is CZK 1 500.

The intensive summer course will take place in July and August. This individual course will take place five days a week, Monday to Friday, for 2 hours each day, for a total of 10 hours. This course is suitable for students who want to improve their English before the start of the new school year or for adults who do not want to attend a course for ten months during the year. The price is CZK 2 500.

An addition to the courses already offered, children and students can enrol in a suburban camp. The camp will be for two groups of six children; the first group will be children between the ages of 6 and 10, and the second group will be children between the ages of 11 and 15. The suburban camp will run in July and August, Monday to Friday, for 4 hours daily. The camp will be divided into a morning group, from 8 am to 12 pm, and an afternoon group, from 1 pm to 5 pm. Classes will be held on the covered terrace of the house, in the garden of the house, and in the adjacent municipal park with climbing frames and a sandpit. The lessons will be conducted in a fun way with games and continuous conversation in English. Drinks and snacks will be provided. The price for this camp is CZK 2 900.

As an additional benefit, Jazyková škola Halenkov provides all customers with textbooks. Each student gets access to the online version of the textbook used and thus will not have to buy their own.

4.7 Market Analysis

This chapter will deal with market analysis. A detailed PEST analysis is done and then the target customer of the language school is described.

4.7.1 PEST Analysis

Political factors

Setting up a trade and the related administrative obligations are relatively simple in the Czech Republic. Before establishing a trade, an individual chooses from four types of trades according to their business. They must then fill in a single registration form and pay an administrative fee of CZK 1 000. The administrative fee can be paid personally at the Trade Licensing Office or Czech POINT. The person must have their ID card with them. After that, the individual can submit the notification, either online, by post or at the trade office. The office will then enter the trade register, usually within five working days of receipt of the notification. After that, the individual can start the business (Průvodce podnikáním n.d.).

A person who runs a business in the Czech Republic must pay for their health and social insurance. In 2025, an entrepreneur must pay a minimum health insurance of CZK 3 143 per month and social insurance of CZK 4 759 per month (Průvodce podnikáním 2024).

The entrepreneur also registers as an income taxpayer by submitting a single registration form. The personal income tax return is filed once a year. All expenses are deducted from all income to arrive at the tax base. A 15% deduction is then made from this tax base (Money.cz 2025).

Economic factors

Inflation is one of the economic factors that can affect the operation of a language school. In the Czech Republic, the price level rose by 3% year-on-year in December 2024, driven mainly by growing food, electricity and water prices. However, inflation is expected to slow down in 2025 and gradually return to the central bank's 2% target (CNB 2025).

Another economic factor is the unemployment rate. In September 2024, the ratio of the unemployed to the economically active reached 2.9%. The unemployment rate has thus increased by 0.2 percentage points year-on-year. The proportion of employed persons nationwide was 74.9% in September 2024, showing that the employment rate has remained unchanged (CZSO 2024).

Another significant economic factor is gross domestic product. GDP rose by 0.4% compared to the previous quarter and increased by 1.3% yearly. GDP growth had been supported mainly by higher final consumption expenditure, while changes in gross capital formation and external demand had had a negative effect. GDP growth is projected at 2,7 % for 2025 (CZSO 2024; SP ČR 2025). If people are spending more money, language schools may see increased demand because individuals have more disposable income that they can invest in education. However, this may also lead to more competitors entering the language education market.

Regarding education, the budget for 2025 for the education ministry is CZK 291 billion, which is almost CZK 22 billion more than for 2024. Universities will see the most significant year-on-year increase in the budget in the last 10 years as more and more employers demand higher education for their employees (MSMT 2024). This could lead to a higher demand for corporate courses or individual courses that focus primarily on Business English.

At the end of 2024, the average gross monthly nominal wage of employees in the Zlín Region was CZK 44 773, representing an increase of CZK 3 090 compared to the same period of the previous year (CZSO 2024).

The Czech Republic has a network of language schools with state language examination rights as part of non-formal education. The latest data show that there are 89 such language schools in the Czech Republic; 8 of them are located in the Zlín Region and 1 in the Vsetín District (Atlas of Education n.d.; MSMT n.d.).

Social factors

The total population of the Czech Republic in September 2024 was 10.88 million, of which the Zlín Region had a total of 579 180 inhabitants, representing 5.3% of the national population. The Vsetín District had 141 841 inhabitants, of whom 69 717 were male and 72 124 female (CZSO 2024). The municipality of Halenkov had 2 383 inhabitants, which was 21 fewer than in the previous year, 2023. Halenkov and the other municipalities besides

Vsetín, which the language school targets, have a total population of approximately 15 000 inhabitants (Obyvatelé Česka n.d.).

Table 4 Population in Halenkov and surrounding villages

	Population		
	2022	2023	2024
Halenkov	2 391	2 404	2 383
Vsetín	25 226	25 393	25 255
Velké Karlovice	2 310	2 348	2 373
Karolinka	2 426	2 419	2 409
Nový Hrozenkov	2 509	2 537	2 512
Huslenky	2 161	2 196	2 188
Zděchov	568	555	556
Hovězí	2 352	2 390	2 378

(source: Obyvatelé Česka n.d.)

Interest in language courses in the Czech Republic is growing, with English being the most popular language, followed by Spanish, German, and French. One of the main reasons for this increase is the desire for better employment opportunities, particularly among working adults. Additionally, many people learn languages to travel or socialize. During the COVID-19 pandemic, language learning shifted to an online format, and many individuals still prefer this method or a combination of online and face-to-face classes (Novinky.cz 2024).

Technological factors

As today's world evolves in technology and artificial intelligence, there may be significant technological advances in online learning platforms and language learning applications.

Nowadays, the most significant trends in language education are AI apps and tools that can create personalized learning programs, analyze student errors, or provide feedback. Conversational chatbots, which can help users improve pronunciation, remove accents or enhance their understanding of spoken English, are also in great use (KVIC 2024). This may threaten traditional language teaching in language schools. For this reason, language schools should keep up with technological trends and introduce online forms of teaching or the use of online applications in schools to remain competitive in the market. Jazyková škola Halenkov plans to use mobile applications such as Kahoot!, Duolingo and Quizlet to support classroom learning and encourage students to practise their learning using these applications at home.

4.7.2 Target customers

The potential clientele of the Jazyková škola Halenkov consists of Halenkov and the surrounding villages and towns, making a total of about 15 000 inhabitants (Velké Karlovice, Karolinka, Nový Hrozenkov, Huslenky, Zděchov, Hovězí). The school's reach and customers outside these towns can be extended by offering online courses. The target customers are children from six to ten years old and children from eleven to fifteen years old, i.e. primary school pupils, as well as secondary and university students, adults, seniors and companies and businesses in Vsetín.

4.8 Competition Analysis

This section will focus on conducting a competitive analysis. Since Jazyková škola Halenkov concentrates only on the surrounding villages of Halenkov, it has no competition in the form of another language school, as there is no other language school in the area. The nearest language schools are located in Vsetín, which is approximately 15 kilometres away from Halenkov. These schools compete with Jazyková škola Halenkov by offering corporate courses for companies in Vsetín. Other competition for Jazyková škola Halenkov is private tutors providing English lessons and a language camp in Nový Hrozenkov. The competition analysis will be carried out using the benchmarking method. As online courses are also offered, competition analysis for online language schools is conducted as well.

4.8.1 Competition from neighbouring towns and villages

To use benchmarking, we need to know the company's closest competitors. In this case, these are individuals teaching English in the Halenkov area and a language camp in Nový Hrozenkov. Their evaluation will be done on a scale of 1-5, with 1 being the best rating and 5 being the worst rating. The price, offered courses, target customer, location and levels of English will be evaluated. The same criteria will be used to evaluate language schools in Vsetín offering courses for companies.

Benchmarking will examine this information:

1. *Price* – whether the competitors' prices are higher, the same or lower than the prices of the Jazyková škola Halenkov.
2. *Offered courses* – what types of courses the competition offers (individual, group, specialized, etc.).
3. *Target customer* – for whom the courses are intended (children, adults, students). In the analysis, a rating of 1 indicates the courses are for all age groups.
4. *Location* – where the language school or lecturer is located, whether it offers online lessons or the possibility of commuting to the customer's home or business.
5. *Levels of English* – whether the competitor teaches English from beginner to advanced (A1–C2).

Angličtina s Katkou

The only competitor in Halenkov is Ms Kastner, a freelance translator and lecturer who has been teaching English for more than 30 years. She offers individual courses, group courses and short 20-minute English conversation lessons, which can take place both online and face-to-face. The individual lesson costs CZK 600/60 minutes, and the English conversation lessons cost CZK 300/20 minutes. She specialises in teaching adults and teaches all levels of English (Angličtina s Katkou n.d.).

Mgr. Jana Vaňková

Ms. Vaňková offers German, Dutch and English lessons but does not have more detailed course descriptions. However, as she is based in Hošťálková, she commutes to teach courses in Hovězí and Huslenky or offers online lessons. Her course costs CZK 300 per hour and is aimed at beginners only. She does not state if she only teaches a specific age group, so it can be assumed that the courses are offered to everyone (Naučím.cz n.d.).

Fajny.English.Camp

The Ostrava Church organizes the Fajny English Camp, which takes place at the Permoník Hotel in Nový Hrozenkov. Native speakers from the USA have been coming to the camp for 14 years to teach English. The camp lasts seven days in July and is open to 80 people – adults, students and children. In addition to teaching English, the camp offers sports activities, relaxation, singing songs and reading from the Bible. As for the price, children under 3 years old get it for free, 3–12 years old for CZK 4 400, 13–18 years old for CZK 5 500 and over 18 years old for CZK 5 900. As this is a week-long camp, no specified courses are offered, but people of any English level can attend. The camp is aimed primarily at people of faith (Fajny English Camp 2024).

Table 5 Benchmarking for competitors in the Halenkov area

Competitors	Price	Offered courses	Target customer	Location	Levels of English	Final rating
Angličtina s Katkou	2	2	3	1	1	1,8
Mgr. Jana Vaňková	1	x	1	3	3	2
Fajny.English.Camp	2	x	2	2	1	1,75

(source: own elaboration)

Jazyková škola Halenkov has no direct competition in this area. Mrs Kastner teaches only adults, offers only three types of courses and has a more expensive price for an individual course. Mrs. Vaňková teaches in this area only in Hovězí and Huslenky and specialises only in beginners, but her course price is lower. Fajny English Camp is mainly for believers but for all age groups. Jazyková škola Halenkov will compete with Fajny English Camp in offering camp for the entire summer holidays, not just one week in July.

4.8.2 Courses for companies in Vsetín

At least four language schools in Vsetín offer corporate lessons to Vsetín companies. However, only three language schools were selected for the competition analysis, as the other schools do not have the necessary course information on their websites.

Angličtina Vsetín

The language school Angličtina Vsetín offers only individual corporate lessons, and the first lesson is free. The price of subsequent courses is not indicated. Lessons can take place on the premises of the language school, or the teachers can commute to the company. Lessons can also be held online. All levels of English are taught, and all age groups can enrol in the course (Angličtina Vsetín n.d.).

Centrum Jazyků

Centrum Jazyků language school offers corporate courses for individuals and groups, provides all levels of English, and there is also the possibility of weekend courses. Courses can take place at the school or the company's premises. If there is interest, the course can be completed with an exam and subsequent certificate. This language school also offers lessons in languages other than English. The price of the course is not stated (Centrum Jazyků n.d.).

VictorEnglish

The VictorEnglish language school offers courses for individuals as well as groups and courses can take place both at the language school and at the workplace. It provides two types of courses, a conversation course and a comprehensive course, where conversations, vocabulary, grammar and business English are taught. The price of courses and levels of English are not mentioned (VictorEnglish 2025).

Table 6 Benchmarking for competitors in Vsetín

Competitors	Price	Offered courses	Target customer	Location	Levels of English	Final rating
Angličtina Vsetín	x	2	1	1	1	1,3
Centrum Jazyků	x	1	1	1	1	1
VictorEnglish	x	1	1	1	x	1

(source: own elaboration)

Jazyková škola Halenkov will offer corporate teaching of all levels of English, and the courses will be held both at the language school and at the company's premises. Since neither language school has a listed price, the author cannot state whether its price of CZK 1 500 per hour is less or more than that of its competitors.

Jazyková škola Halenkov is aware of the great competition in offering corporate courses in Vsetín. It will differ from the competition by offering only group courses, and the teaching will not only cover English grammar and vocabulary but will focus on practical skills such as business email correspondence, preparing company presentations, or learning commonly used business phrases. Jazyková Škola Halenkov believes that if the companies are satisfied, they will share their positive experiences with others, and thanks to this, these courses could be offered outside of Vsetín in the future.

4.8.3 Online Language Schools

There are dozens of online language schools in the Czech Republic. These schools attract customers to learn a foreign language from the comfort of their homes. Their significant advantage is that clients do not have to travel anywhere and can choose from a wide range of schools, as they are not limited by the choice of language schools in their area.

Since online teaching is prevalent nowadays and is offered by practically every language school in the Czech Republic, this type of teaching will not be the primary source of income for Jazyková škola Halenkov, and the school will not try to compete with online language schools. The online course offerings at Jazyková škola Halenkov are merely a benefit for clients who are unable to attend classes in person due to time constraints or who prefer online contact.

4.8.4 Competitive Advantage of Jazyková škola Halenkov

The most significant competitive advantage of the Jazyková škola Halenkov is that there is no other language school within a 15-kilometre radius, and there are only two private English

teachers who offer fewer courses and levels of the language than the Jazyková škola Halenkov.

Another advantage is that the language school will be taught by three experienced teachers with the necessary training and sufficient experience; one will be a native speaker.

Jazyková škola Halenkov will try to impress with its unique teaching methods and tools for all age groups, which will be used to make the lesson more varied.

Children can look forward to learning English through fun games, skits and dramatisation. Second graders and students will learn English through YouTube and TikTok videos and other social media sites and by translating subtitles from series and movies of their choice. The adult classes will focus mainly on discussion and brainstorming so that they learn not only to express themselves in English but also to think in English. Visual aids such as pictures or presentations and interactive games will primarily be used to teach seniors. Companies will be offered help with business correspondence, employees will learn how to create a company presentation in English, useful business phrases will be taught, and clients will be able to try out scenes that commonly take place in a business environment (such as customer-client or supplier-client communication). Each individual will be given constructive criticism and helpful feedback, and the approach to each client will be flexible, friendly and personal.

4.9 Marketing Plan

The choice of marketing strategy and advertising methods, especially in the start-up year, is crucial to increasing the business's success and gaining a broad customer base. This segment will cover a detailed analysis of the marketing mix of services.

4.9.1 Marketing Mix – 7P

Product

Jazyková škola Halenkov does not offer a product but provides services in language education, specifically courses that deal with English language teaching. All courses offered are described in detail in chapter 4.5.2.

Jazyková škola Halenkov offers an individual course, a group course, a specialised course, a corporate course, a summer course, and a suburban camp for children and students.

Price

The price of the individual course and the corporate course is per one hour of tutoring. The price of the group, summer and specialised course is for the whole course. The prices are set according to the competition and the desired profitability of the company.

Table 7 Prices for offered services

Service	Price
an individual course	CZK 500
a group course	CZK 7 500
a specialised course	CZK 4 200
a corporate course	CZK 1 500
a summer course	CZK 2 500
a suburban camp	CZK 2 900

(source: own elaboration)

Place

Jazyková škola Halenkov is located in the village of Halenkov, which has approximately 2 400 inhabitants. The headquarters is a modern, newly built house, located 500 metres from the primary school and only a 5-minute walk from the bus stop. The family of the plan's author built the house as an investment property, and since no one lives in it, Ms Kocourková will use it to set up a language school.

However, as the house is officially approved for housing, the owner (the author's family) will apply to the building authority for a change of use of the building. Since this change will not endanger life and public health, animal life and health, safety or the environment, the building authority will allow the change of use of the building within 30 days of the notification (Podnikatel.cz n.d.). The owner of the house will submit this notification on 1 July 2025. The premises of the house will be used only for the operation of the language school. Two rooms on the house's first floor will be equipped for English language teaching. Should the number of students and staff increase, additional rooms will be adapted and equipped for teaching courses. There are two toilets, one for women and one for men, and a kitchen. There is a garden with a terrace behind the house and two parking spaces in front of the house.

The school also offers online tuition for individual courses for those for whom commuting to school is inconvenient for time reasons.

Promotion

Jazyková škola Halenkov has opted for various online and offline advertising methods, as it does not have only one target group and its services are aimed at both teens and adults and businesses.

In today's digital environment, social media serves not only as an entertainment platform but also as an essential promotional tool. As part of its marketing strategy, the language school will have accounts on Facebook, TikTok and Instagram. These accounts will be set up before the school is operational and will be used to share informational and educational content engagingly. For example, short videos explaining English grammar will be shared. The aim is to attract and engage potential students, who comprise a significant clientele. Social media accounts will also be used to disseminate information about the language courses on offer, details of prices, applications and any news about the school. Although setting up an Instagram, TikTok and Facebook account is free, the owner has set aside a budget for paid advertising in the first year of operation to maximise reach and engagement and increase brand awareness.

The company must also have a website that serves as a source of information for customers and a promotional tool. The website will provide all the information regarding the language school, the services offered and their prices, a contact person, and a form for customers to enrol in courses.

The school will also invest in PPC (Pay Per Click) marketing. However, simply clicking on an advertisement is not the ultimate goal; the goal is conversion, such as selling a service or making a phone call. (MarketingPPC n.d.).

To extend its reach, the school will distribute promotional leaflets to the local primary school, primary and secondary schools around Halenkov. The owner will also use a form of direct marketing, where she will send out e-mails offering company courses, especially to companies in Vsetín.

Lastly, the author will invest in one outdoor banner to be placed on the front of the house to increase attention and let passersby know about her services.

Table 8 Types of advertising

Way of promotion	Price (CZK)
Instagram	18 000
Facebook	10 800
TikTok	42 000
PPC	50 400
Webpage	40 000
Leaflets	1 500
Promotional Banner	1 400

(source: own elaboration)

People

People are an essential part of the marketing mix, which is why the services of Jazyková škola Halenkov will be provided by highly educated and experienced professionals who will ensure exceptional quality. Three tutors will deliver these services, one of whom will be the owner of the language school. The owner will recruit teachers prior to the language school's opening by posting the job offer on both her personal and the language school's social media accounts. More detailed information about the tutors, including their education and experience, is available in the Management section (4.5), and their work schedules for the realistic scenario are provided in the Appendix. With a wide range of courses on offer, customers can be of any age and at any level of English.

Processes

The language school offers several forms of contact for ordering the services offered. Customers can order services via the order form on the website or contact us by phone, e-mail or SMS. The customer can always pay in cash or by card after the service has been

performed. All staff will take great care to ensure that all customer requests are heard and that they feel comfortable. Customers will also be asked to provide feedback, helping the owner understand what students enjoy about the lessons and where improvements may be needed.

Physical Evidence

Since it is important for the language school owner that the customers feel comfortable and pleasant when learning the language, the lessons will take place in a newly built modern house, which offers large and newly built classrooms. Part of the marketing campaign – the website and advertising leaflets will be designed by a professional to contain all the necessary information while being clear and engaging to the consumer.

4.10 Financial Plan

This section will present the financial plan for the first year of operation of the language school. It will include optimistic, realistic and pessimistic revenue and demand scenarios to assess the business's potential viability and profitability. The author has estimated the demand based on an informal survey conducted in her spare time, which forms the basis of these projections. The survey was distributed to all age groups in Halenkov and surrounding villages targeted by the language school.

For the purposes of this thesis, the author has also developed a timetable for teachers for a realistic scenario (available in the appendices). However, she is aware that demand may change throughout the year, and each day may look different.

Table 9 shows the types of courses offered, their durations, and their costs.

Table 9 Courses and its duration and prices

Courses	Course duration	Price per course (CZK)
Individual	1 hour	500
Group	38 weeks/38 hours	7 500
Specialized	12 weeks/24 hours	4 200
Company	1 hour	1 500
Summer	1 week/10 hours	2 500
Camp	1 week/20 hours	2 900

(source: own elaboration)

In the following years, the author will not pay any initial costs, but will set aside a budget for marketing. She also anticipates that she may need to either increase the hourly rate for lecturers or hire them full-time. With the assumption that attendance will increase each year, the language school has additional rooms that can be converted into classrooms to meet the demand.

4.10.1 Initial Balance Sheet

The owner will have a registered capital of CZK 400 000 to start the language school. This money will be used to finance start-up costs and any unexpected expenses.

Table 10 shows that the fixed costs include purchased equipment worth CZK 92 000. Of the remaining share capital, CZK 278 000 is held in a bank account and CZK 30 000 in cash.

Table 10 Initial Balance Sheet

Initial balance sheet (CZK)			
Assets		Liabilities and Equity	
Fixed assets	92 000	Equity	400 000
Equipment	92 000	Registered capital	400 000
Current assets	308 000		
Bank account	278 000	Liabilities	0
Cash	30 000		
Total assets	400 000	Total liabilities and equity	400 000

(source: own elaboration)

4.10.2 Initial Costs

The initial costs of setting up a language school include purchasing classroom equipment such as desks, chairs or computers, as well as investment in advertising and the costs associated with setting up a business. The total initial costs for the first year of operation of the language school are CZK 258 100 (Table 14).

Table 11 Initial costs – equipment

Equipment	Price per unit (CZK)	Number of units	Total price (CZK)
Desk	4 500	2	9 000
Chair	1 500	14	21 000
Computer	15 000	3	45 000
Printer	5 000	1	5 000
White Board	3 000	2	6 000
Office Supplies	1 000	1	1 000
Cleaning products	1 000	1	1 000
Loudspeaker	2 000	2	4 000
Total			92 000

(source: own elaboration)

Table 12 Initial costs – establishment of a company

Expenses for establishing a company	Price (CZK)
Trade license	1 000
Administrative fee for change of use of the house	1 000
Total	2 000

(source: own elaboration)

Table 13 Initial costs – promotion

Promotion	Price per month	Price per year
Instagram	1 500	18 000
Facebook	900	10 800
TikTok	3 500	42 000
PPC	4 200	50 400
Promotional banner	x	1 400
Webpage	x	40 000
Leaflets	x	1 500
Total	10 100	164 100

(source: own elaboration)

Table 14 Total initial costs

Total initial costs	Price (CZK)
Equipment	92 000
Establishment of a company	2 000
Promotion	164 100
Total	258 100

(source: own elaboration)

4.10.3 Fixed costs

Table 14 shows the fixed costs of the business, which include the cost of utilities, internet, mobile tariff, software licence, property tax and the salary of one accountant. Also included is insurance for the building and premises, electronics and other equipment, liability, business interruption and assistance services. This insurance is set up by Direct Insurance Company, which is listed in the appendix. The author will also pay monthly rent to the house's owners (her family). Petrol and car insurance were also included in the fixed costs due to commuting to Vsetín for company courses (once a week for 10 months). It does not include the salaries of the two lecturers, who will receive CZK 450 per hour, and their annual salary will change annually based on the hours worked. The author is aware that the cost of the lecturers may increase in future years if someone is employed full-time.

Table 15 Fixed costs in CZK

Fixed costs (CZK)		
Cost	Monthly (CZK)	Annually (CZK)
Rent	12 000	144 000
Utilities	8 000	96 000
Internet	900	10 800
Insurance of the business	1 639	19 668
Microsoft 365	843	10 116
Accountant's wage	–	4 000
Property tax	–	2 500
Web domain + hosting	–	1 625
Mobile tariff	400	4 800
Gasoline for the car	280	2 800
Car insurance	–	4 000
Total	24 062	300 309

(source: own creation)

4.10.4 Optimistic scenario

In the optimistic scenario, the profit of the language school is the highest due to high customer demand from the beginning. Lecturer salary costs will also be the highest, as two paid lecturers are compensated hourly. In this scenario, each lecturer is scheduled to work 30 hours per week (shown in Table 16).

Table 16 Lecturers' salaries in an optimistic scenario

Lectors	Hours taught per week	Wage per hour	Payout per week	Payout per year
Author	30	0	0	0
Lector A	30	CZK 450	CZK 13 500	CZK 648 000
Lector B	30	CZK 450	CZK 13 500	CZK 648 000

(source: own elaboration)

Table 17 shows that during the first ten months of the language school's operation (from September to June), the school is projected to teach 206 students per week, totalling 1 712 students over the entire period. English lessons will be conducted for 18 hours per week, with three teachers teaching six hours daily. It is anticipated that individual courses will have the highest attendance, with 38 students enrolled weekly, while the group courses will accommodate 138 students in 23 groups of six. The specialised courses are expected to have 12 participants over three months, resulting in 36 students over nine months. Lastly, three companies would be interested in the corporate courses.

Table 17 Course attendance in optimistic scenario (September–June)

Courses (September-June)	Number of students per week	Number of students per year	Number of hours per week
Individual	38	1520	38
Group	138	138	23
Specialised	12	36	24
Company	18	18	3
Total	206	1712	88

(source: own elaboration)

Table 18 shows that during the summer months (July to August), the school will offer classes to 26 students per week, equating to a total of 208 students over the summer. The most popular offering will be summer camp, attracting two groups of six children per week. The summer course will enrol four students per week, and the individual courses are expected to be less popular than during the academic year, with only 10 students per week.

Table 18 Course attendance in optimistic scenario (July–August)

Courses (July-August)	Number of students per week	Number of students per year	Number of hours per week
Summer	4	32	40
Camp	12	96	40
Individual	10	80	10
Total	26	208	90

(source: own elaboration)

Table 19 presents the projected revenues in the optimistic scenario, amounting to CZK 2 524 600. Table 20 illustrates the net income after all expenses, which is CZK 447 651. Based on these results, the author concluded that the language school would be profitable from the first year of operation.

Table 19 Estimation of revenues/demand in optimistic scenario

Type of service	Estimation of revenues/demand (CZK)
	1. year
Individual course	760 000
Individual course over summer	40 000
Group course	1 035 000
Specialised course	151 200
Summer course	80 000
Corporate course	180 000
Suburban camp	278 400
Total	2 524 600

(source: own elaboration)

Table 20 Profit/loss statement in optimistic scenario

Profit/loss statement - optimistic scenario (CZK)	
	1. year
Revenues	2 524 600
Fixed Costs	300 309
Initial Costs	258 100
Labor costs	1 296 000
EBT	670 191
Health insurance	45 232
Social Insurance	107 619
Tax (15%)	100 529
Taxpayer discount	30 840
Tax with deducted discount	69 689
Net income	447 651

(source: own elaboration)

4.10.5 Realistic scenario

The realistic scenario presents a more likely projection for the first year of the language school's operation. While demand for services and profit is expected to be lower than in the optimistic scenario, the school would still efficiently utilize its two available classrooms and the time of the three teachers. Each lecturer would teach 5 hours per day, which is one hour less than in the optimistic scenario, resulting in reduced salary costs (shown in Table 21).

Table 21 Lecturers' salaries in realistic scenario

Lectors	Hours taught per week	Wage per hour	Payout per week	Payout per year
Author	25	0	0	0
Lector A	25	CZK 450 CZK	CZK 11 250	CZK 540 000
Lector B	25	CZK 450 CZK	CZK 11 250	CZK 540 000

(source: own elaboration)

Table 22 shows that from September to June, 31 students would enrol in the individual course each week, totalling 1 240 students over the 10-month period. 126 students would sign up for the group course for the entire year, resulting in 21 groups of 6 people. The specialised course would have 10 people signing up every 3 months, meaning 30 students would attend the specialized course during the 10-month period. The demand for company courses would remain the same as in the optimistic scenario, with three companies from Vsetín expressing interest in these courses.

Table 22 Course attendance in realistic scenario (September–June)

Courses (September-June)	Number of students per week	Number of students per year	Number of hours per week
Individual	31	1240	31
Group	126	126	21
Specialised	10	30	20
Company	18	18	3
Total	185	1414	75

(source: own elaboration)

Table 23 shows that during the summer months (July to August), 3 students would enrol per week in the intensive summer course, making a total of 24 students over the 8-week period. The demand for the summer camp would remain the same as in the optimistic scenario, with 12 children signing up each week, divided into two groups of 6. However, demand for the individual course would be lower in the summer, with only 5 students enrolling per week, half as many as in the optimistic scenario.

Table 23 Course attendance in realistic scenario (July–August)

Courses (July-August)	Number of students per week	Number of students per year	Number of hours per week
Summer	3	24	30
Camp	12	96	40
Individual	5	40	5
Total	20	160	75

(source: own elaboration)

Table 24 shows the estimated income in the realistic scenario, which is CZK 2 229 400. Table 25 outlines the net income of the language school after all costs have been deducted, which is CZK 405 611.

Although the revenues are lower in the realistic scenario compared to the optimistic scenario, Jazyková škola Halenkov would still be profitable from the first year.

Table 24 Estimation of revenues/demand in realistic scenario

Type of service	Estimation of revenues/demand (CZK)
	1. year
Individual course	620 000
Individual course over summer	20 000
Group course	945 000
Specialised course	126 000
Summer course	60 000
Corporate course	180 000
Suburban camp	278 400
Total	2 229 400

(source: own elaboration)

Table 25 Profit/loss statement in realistic scenario

Profit/loss statement – realistic scenario (CZK)	
	1. year
Revenues	2 229 400
Fixed Costs	288 709
Initial Costs	258 100
Labor costs	1 080 000
EBT	602 591
Health insurance	40 669
Social Insurance	96 762
Tax (15%)	90 389
Taxpayer discount	30 840
Tax with deducted discount	59 549
Net income	405 611

(source: own elaboration)

4.10.6 Pessimistic scenario

The pessimistic scenario presents the lowest demand for services and profit among the three projections. In this scenario, all three teachers would teach only 4 hours per day, resulting in suboptimal use of classroom capacity and teacher time. As a result, salary costs would be the lowest of the three scenarios (shown in Table 26).

Table 26 Lecturers' salaries in a pessimistic scenario

Lectors	Hours taught per week	Wage per hour	Payout per week	Payout per year
Author	20	0	0	0
Lector A	20	CZK 450	CZK 9 000	CZK 432 000
Lector B	20	CZK 450	CZK 9 000	CZK 432 000

(source: own elaboration)

Table 27 shows that the individual course would have 23 students per week, totalling 920 students over the 10-month period (September to June). A total of 114 people would have signed up for the 38-week group, forming 19 groups of 6 participants. The specialized course would be attended by 8 students every 3 months, amounting to 24 students over 9 months. Interest in the company courses would also decline, with only two companies, which is 12 people in total, expressing interest, forming two groups of 6.

Table 27 Course attendance in pessimistic scenario (September–June)

Courses (September-June)	Number of students per week	Number of students per year	Number of hours per week
Individual	23	920	23
Group	114	114	19
Specialised	8	24	16
Company	12	12	2
Total	157	1070	60

(source: own elaboration)

Table 28 shows that during the summer months, only 2 students would attend the intensive summer course per week, resulting in 16 students in total over 8 weeks. The demand for the summer camp would remain as in the realistic scenario, with 12 children enrolling each week. However, there would be no interest in the individual course during the summer.

Table 28 Course attendance in pessimistic scenario (July–August)

Courses (July-August)	Number of students per week	Number of students per year	Number of hours per week
Summer	2	16	20
Camp	12	96	40
Individual	0	0	0
Total	14	112	60

(source: own elaboration)

Table 29 presents the projected financial income for the first year in the pessimistic scenario, amounting to CZK 1 854 200. Table 30 outlines the net income after deducting all costs. The net income in the pessimistic scenario is CZK 298 816. Even though the net income is the lowest in this scenario, the language school remains profitable.

Table 29 Estimation of revenues/demand in pessimistic scenario

Type of service	Estimation of revenues/demand (CZK)
	1. year
Individual course	460 000
Individual course over summer	0
Group course	855 000
Specialised course	100 800
Summer course	40 000
Corporate course	120 000
Suburban camp	278 400
Total	1 854 200

(source: own elaboration)

Table 30 Profit/loss statement in pessimistic scenario

Profit/loss statement – pessimistic scenario (CZK)	
	1. year
Revenues	1 854 200
Fixed Costs	288 709
Initial Costs	258 100
Labor costs	864 000
EBT	443 391
Health insurance	37 712
Social Insurance	71 194
Tax (15%)	66 509
Taxpayer discount	30 840
Tax with deducted discount	35 669
Net income	298 816

(source: own elaboration)

4.11 Lean Canvas

In this section the lean canvas model will be described according to the practical part of the thesis.

1. **Problem:** The problem that the author addresses in this thesis is that there is no language school in Halenkov or the six surrounding villages.
2. **Customer Segments:** The target customers are people from Halenkov and the surrounding area who want to learn or improve their English, people aged 6 to 60+ and companies from Vsetín.
3. **Unique Value Proposition:** The closest and only language school in the Halenkov area, with a large selection of courses to choose from for every age group, experienced teachers with a passion for English, and unique teaching methods for all ages.
4. **Solution:** The author solves the problem by establishing the first language school in Halenkov with a wide range of courses for all age groups.
5. **Channels:** Customers will be reached through a website, social media posts, PPC, emailing, banners and by handing out flyers to local schools.
6. **Revenue Streams:** The customer pays for the service provided. The price list of individual courses is given in chapter 4.8.1.
7. **Cost Structure:** Costs are divided into fixed and variable. Fixed costs include energy, internet, business insurance, accountant's wage and Microsoft 365. Variable costs include promotional costs, teacher pay and office supplies.
8. **Key Metrics:** The company's success will be measured by profitability, customer satisfaction and the number of visitors.
9. **Unfair Advantage:** The business will be distinguished by its unique teaching methods for all ages and its understanding, respectful, friendly, and experienced staff passionate about English and teaching.

4.12 Risk Analysis

Risk assessment is an important aspect of setting up a new business and entering a market. By understanding the potential risk factors that could threaten a company's operations, effective strategies can be developed to mitigate or avoid these risks.

The risk analysis will address market risk, competitive risk, capitalization risk, and execution risk, as the author believes that these four factors pose the greatest threat to her start-up and stay in the market.

Market Risk

Lack of customer engagement with the services provided is a significant risk for many start-ups, as the viability of the business depends on customer engagement. To mitigate this risk, creating a diversified portfolio of services is essential to meet a wide range of potential clients' needs. Similarly, it is crucial to have consistently strong customer relationships to gain a broader customer base and positive references and recommendations for the services provided.

Competitive Risk

Although this will be the first language school in Halenkov and the surrounding villages, there is competition from local English teachers and several language schools in Vsetín. An additional source of competition comes from individuals offering personal tutoring, including students who tutor to earn extra income. The primary concern is the potential inability of the Jazyková škola Halenkov to attract and retain customers. To mitigate this risk, part of the funding will be allocated to advertising to raise awareness of the language school and establish a permanent customer base.

Capitalization Risk

Lack of finance is another significant risk. Given the author's limited experience in running a business, there is a possibility that the initial capital investment may be insufficient, which may jeopardise the expected profitability of the company. To prevent the risk, it is essential to develop a detailed financial plan that includes contingency measures for any shortfall in funding. One of the contingency measures is to have an emergency fund in case of unexpected expenses, such as equipment malfunctions or damage.

Execution Risk

Execution risk can be challenging to identify and prepare for. However, this risk is relatively high due to the author's lack of business and management experience. To avoid this risk, careful planning, setting realistic goals, continuous learning, and getting valuable advice from experienced professionals are essential. The author will invest time in learning best operating practices through online business courses and mentorship from individuals who have successfully run businesses for years.

Furthermore, for a business to succeed, it is crucial to have capable and conscientious employees to carry out their work tasks.

CONCLUSION

This bachelor's thesis aimed to develop a business plan for a language school and determine its feasibility and viability. This assessment was mainly based on the practical part of the thesis, which included selected analyses and a financial plan.

After considering all the factors related to forms of entrepreneurship in the Czech Republic, which are laid out in the theoretical part, the author chose a sole proprietorship business. The structure of the business plan was also developed in this part, according to which the business plan for Jazyková škola Halenkov was subsequently drawn up in the practical part of the thesis.

The practical part starts with the title page, where the name of the language school, the legal type of business, the contact forms, and the amount of share capital are listed. Other sections are devoted to a mission statement, a detailed description of the company, its management, and the language course offerings. The marketing plan focused on the 7P marketing of the services, with most space devoted to describing the online and offline forms of promotion that the business will use in the first year of operation. A market analysis included a PEST analysis and a description of the target customer. The PEST analysis identified political, economic, social and technological factors that could affect the language school's operations. Another analysis that has been prepared is a competitor benchmarking analysis in which the author concluded that there is no direct competition in the six surrounding villages as there is no other language school. The last analysis is devoted to market, competitive, capitalization and execution risks. In this chapter, possible risks and how to address or avoid these risks have been described. A Lean Canvas is also constructed in the thesis to summarise the whole plan in a simplified way.

To assess the company's profitability, the author has developed a financial plan presenting three scenarios — optimistic, realistic, and pessimistic — to estimate potential demand for the services offered and the company's net profit in its first year of operation. After factoring in all associated costs, the author determined that the business would remain profitable across all three scenarios. In the optimistic scenario the net income is CZK 447 651, in the realistic scenario the net income is CZK 405 611, and in the pessimistic scenario the net income is CZK 298 816. Based on these results, the author assessed that this business plan is feasible and viable.

BIBLIOGRAPHY

- Abrams, Rhonda. 2019. *Successful Business Plan: Secrets & Strategies*. 7th ed. Palo Alto, CA: PlanningShop
- Ekanem, Ignatius. 2017. *Writing a business plan: A practical guide*. London: Routledge.
- Evans, Vaughan. 2016. *Writing A Business Plan*. 2nd ed. Harlow: Pearson.
- Gattis, Chris. 2010. *Business Plan Template: How to Write a Business Plan*. Huntsville: Blue Point.
- Kotler, Philip, and Gary Armstrong. 2018. *Principles of Marketing*. 17th ed. Harlow: Pearson.
- Kotler, Philip, and Kevin Lane Keller. 2016. *Marketing Management*. 15th ed. Boston: Pearson.
- Kotler, Philip and Kevin Lane Keller. 2013. *Marketing Management*. 14th ed. Praha: Grada Publishing.
- Kozubíková, Ludmila. 2017. *Významné atributy podnikatelské orientace v segmentu malých a středních podniků*. Zlín: Univerzita Tomáše Bati.
- Majdúchová, Helena, and Anna Neumannová. 2014. *Podnik A Podnikanie*. 2nd ed. Bratislava: Sprint 2.
- McKeever, Mike P. 2018. *How to Write a Business Plan*. 14th ed. Berkley, CA: Nolo.
- Martinovičová, Dana, Miloš Konečný, and Jan Vavřina. 2014. *Úvod do podnikové ekonomiky*. Prague: Grada Publishing.
- Maurya, Ash. 2012. *Running Lean Iterate from Plan A to a Plan That Works*. 2nd ed. Beijing: O'reilly.
- Otrusínová, Milana and Dana Kubičková. 2011. *Finanční hospodaření municipálních účetních jednotek po novele zákona o účetnictví*. Praha: C. H. Beck.
- Růčková, Petra. 2021. *Finanční analýza - 7. aktualizované vydání metody, ukazatele a využití v praxi*. Praha: Grada Publishing
- Shelton, Hal. 2017. *The Secrets to Writing a Successful Business Plan: A Pro Shares a Step-by-step Guide to Creating a Plan That Gets Results*. 2nd ed. MD: Rockville. Summit Valley Press.
- Srpová, Jitka, and Václav Řehoř. 2010. *Základy podnikání: teoretické poznatky, příklady a zkušenosti českých podnikatelů*. Expert. Praha: Grada.
- Srpová, Jitka. 2011. *Podnikatelský plán a strategie*. Expert. Praha: Grada.
- Srpová, Jitka. 2020. *Začínáme podnikat: s případovými studiemi začínajících podnikatelů*.

Expert. Praha: Grada Publishing.

Synek, Miloslav, and Eva Kislingerová. 2015. *Podniková ekonomika*. 6., přeprac. a dopl. vyd. Beckovy ekonomické učebnice. V Praze: C.H. Beck.

Synek, Miloslav and kolektiv. 2011. *Manažerská ekonomika*. 5., aktualizované a doplněné vydání. Praha: Grada Publishing.

Veber, Jaromír, and Jitka Srpová. 2012. *Podnikání malé a střední firmy*. Expert. Praha: Grada.

ONLINE SOURCES

Angličtina s Katkou. n.d. "Hlavní stránka." Accessed March 11, 2025.

<https://www.anglictinaskatkou.com/>

Angličtina Vsetín. n.d. "Individuální kurzy." Accessed March 11, 2025.

<https://www.anglictinavsetin.com/individualni-kurzy/>

Atlas Školství. n.d. "Jazykové školy v ČR." Accessed January 19, 2025.

<https://www.atlasskolstvi.cz/jazykove-skoly>

Cambridge Dictionary. 2019. "Meaning of enterprise in English." Accessed November 23, 2024. <https://dictionary.cambridge.org/dictionary/english/enterprise>.

Centrum Jazyků. n.d. "Firemní kurzy." Accessed March 11, 2025.

<https://www.centrumjazyku.cz/firemni-kurzy/>

Crail, Chauncey, Jane Haskins, and Rob Watts. 2022. "*What Is a Limited Liability Company (LLC)? Definition, Pros & Cons.*" Accessed November 23, 2024.

<https://www.forbes.com/advisor/business/what-is-an-llc/>.

Czech National Bank. 2025. "Inflace v prosinci 2024 vzrostla na 3 %." Accessed March 8, 2025. <https://www.cnb.cz/cs/verejnost/servis-pro-media/komentare-cnb-ke-zverejnenym-statistickym-udajum-o-inflaci-a-hdp/Inflace-vprosinci-2024-vzrostla-na-3-/>

Czech Statistical Office. 2024. "Tvorba a užití HDP - 3. čtvrtletí 2024." Accessed January 18, 2025. <https://csu.gov.cz/rychle-informace/tvorba-a-uziti-hdp-3-ctvrtleti-2024>

Czech Statistical Office. 2024. "Míry zaměstnanosti, nezaměstnanosti a ekonomické aktivity – září 2024." Accessed January 18, 2025.

<https://csu.gov.cz/rychle-informace/miry-zamestnanosti-nezamestnanosti-a-ekonomicke-aktivity-zari-2024>

Czech Statistical Office. 2024. "Pohyb obyvatelstva ve Zlínském kraji v 1. až 3. čtvrtletí 2024." Accessed March 11, 2025.

<https://csu.gov.cz/zlk/pohyb-obyvatelstva-ve-zlinskem-kraji-v-1-az-3-ctvrtleti-2024>

Czech Statistical Office. 2024. "Průměrná mzda ve Zlínském kraji ve 4. čtvrtletí 2024." Accessed April 11, 2025.

<https://csu.gov.cz/zlk/prumerna-mzda-ve-zlinskem-kraji-ve-4-ctvrtleti-2024>

Direct.cz. n.d. "Pojištění Podnikání." Accessed January 17, 2025.

<https://www.direct.cz/firmy/pojisteni-podnikani>

- European Commission. 2020. "User Guide to the SME Definition." Accessed January 5, 2024. <https://data.europa.eu/doi/10.2873/255862>
- Fajny English Camp. 2024. "Úvod." Accessed March 15, 2025. <https://fajnyenglishcamp.cz/>
- Kvic.cz. 2024. "Trendy v jazykovém vzdělávání." Accessed January 18, 2025. <https://www.kvic.cz/2024/05/02/trendy-v-jazykovem-vzdelavani/>
- MarketingPPC. n.d. "Úvod do PPC Marketingu." Accessed March 10, 2025. <https://www.marketingppc.cz/uvod-do-ppc-marketingu/>
- Money.cz. 2025. "Daň z příjmů fyzických osob u OSVČ: kolik zaplatíte a kdy je splatnost." Accessed February 6, 2025. <https://money.cz/novinky-a-tipy/podnikani/dan-z-prijmu-fyzickych-osob-u-osvc-kolik-zaplatite-a-kdy-je-splatnost/>
- Ministry of Education, Youth and Sports. n.d. "Jazykové školy s právem státní jazykové zkoušky." Accessed January 19, 2025. <https://msmt.gov.cz/vzdelavani/stredni-vzdelavani/jazykove-skoly-s-pravem-statni-jazykove-zkousky>
- Ministry of Education, Youth and Sports. 2024. "Rozpočet školství přesáhne 290 miliard korun. Největší nárůst zaznamenají vysoké školy." Accessed January 18, 2025. <https://www.msmt.cz/ministerstvo/novinar/do-skolstvi-pujde-ze-statniho-rozpocet-u-4-mld-vic-nez-letos>
- Naučím.cz. n.d. "Lektoři Angličtiny v Obci Huslenky." Accessed March 10, 2025. <https://www.naucim.cz/vyuka-anglictina/-/okres-vsetin/huslenky/>
- Novinky.cz. 2024. "Češi mají zájem o jazyky, nejvíce roste popularita španělštiny." Accessed March 12, 2025. <https://www.novinky.cz/clanek/veda-skoly-cesi-maji-zajem-o-jazyky-nejvice-roste-popularita-spanelstiny-40493541>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Halenkov, Vsetín." Accessed January 5, 2025. <https://obyvateleceska.cz/vsetin/halenkov/542679>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Hovězí, Vsetín." Accessed January 5, 2025. <https://obyvateleceska.cz/vsetin/hovezi/542768>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Huslenky, Vsetín." Accessed January 5, 2025. <https://obyvateleceska.cz/vsetin/huslenky/542784>

- Obyvatelé Česka. n.d. "Počet obyvatel v obci Karolinka, Vsetín." Accessed January 5, 2025.
<https://obyvateleceska.cz/vsetin/karolinka/542911>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Nový Hrozenkov, Vsetín." Accessed January 5, 2025. <https://obyvateleceska.cz/vsetin/novy-hrozenkov/544566>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Velké Karlovice, Vsetín." Accessed January 5, 2025. <https://obyvateleceska.cz/vsetin/velke-karlovice/545163>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Vsetín, Vsetín." Accessed January 5, 2025.
<https://obyvateleceska.cz/vsetin/vsetin/541630>
- Obyvatelé Česka. n.d. "Počet obyvatel v obci Zděchov, Vsetín." Accessed January 5, 2025.
<https://obyvateleceska.cz/vsetin/zdechov/545244>
- Pereira, David. 2023. "How to Use the Lean Canvas." Accessed March 17, 2025.
<https://dpereira.substack.com/p/how-to-use-the-lean-canvas>
- Podnikatel.cz. n.d. "Stavební zákon - Změna v užívání stavby." Accessed February 5, 2025.
<https://www.podnikatel.cz/zakony/zakon-c-183-2006-sb-o-uzemnim-planovani-a-stavebnim-radu-stavebni-zakon/f3031682/>
- Průvodce podnikáním. n.d. "Jak si založit živnost." Accessed January 17, 2025.
<https://www.pruvodcepodnikanim.cz/nastroje/jak-si-zalozit-zivnost/>
- Průvodce podnikáním. 2024. "Minimální zálohy OSVČ v roce 2025 přehledně." Accessed January 17, 2025. <https://www.pruvodcepodnikanim.cz/clanek/minimalni-zalohy-osvc-2025/>
- Svaz průmyslu a dopravy České republiky. 2025. "Zhodnocení roku 2024 a výhled na českou ekonomiku 2025." Accessed January 18, 2025. <https://www.spcr.cz/pro-media/tiskove-zpravy/17081-ceska-ekonomika-2025-otazky-a-odpovedi>
- VictorEnglish. 2025. "Kurzy." Accessed March 15, 2025. <https://victorenglish.cz/kurzy/>
- Zákonyprolidi.cz. n.d. "Zákon č. 89/2012 Sb. Zákon občanský zákoník." Accessed November 23, 2024. <https://www.zakonyprolidi.cz/cs/2012-89>

LIST OF FIGURES

Figure 1 Lean Canvas 22

LIST OF TABLES

Table 1 Opening hours during the year (September–June)	32
Table 2 Opening hours during the summer (July–August).....	32
Table 3 Language and Levels	34
Table 4 Population in Halenkov and surrounding villages.....	38
Table 5 Benchmarking for competitors in the Halenkov area	41
Table 6 Benchmarking for competitors in Vsetín.....	43
Table 7 Prices for offered services	45
Table 8 Types of advertising	47
Table 9 Courses and its duration and prices	49
Table 10 Initial Balance Sheet.....	50
Table 11 Initial costs – equipment.....	50
Table 12 Initial costs – establishment of a company	50
Table 13 Initial costs – promotion	51
Table 14 Total initial costs.....	51
Table 15 Fixed costs in CZK	52
Table 16 Lecturers' salaries in an optimistic scenario.....	52
Table 17 Course attendance in optimistic scenario (September–June)	53
Table 18 Course attendance in optimistic scenario (July–August).....	53
Table 19 Estimation of revenues/demand in optimistic scenario	53
Table 20 Profit/loss statement in optimistic scenario	54
Table 21 Lecturers' salaries in realistic scenario.....	54
Table 22 Course attendance in realistic scenario (September–June).....	55
Table 23 Course attendance in realistic scenario (July–August).....	55
Table 24 Estimation of revenues/demand in realistic scenario.....	56
Table 25 Profit/loss statement in realistic scenario	56
Table 26 Lecturers' salaries in a pessimistic scenario	56
Table 27 Course attendance in pessimistic scenario (September–June).....	57
Table 28 Course attendance in pessimistic scenario (July–August).....	57
Table 29 Estimation of revenues/demand in pessimistic scenario	58
Table 30 Profit/loss statement in pessimistic scenario	58

LIST OF ABBREVIATIONS

AI Artificial Intelligence

CZK Czech crown

EBT Earnings before taxes

EUR Euro

e.g. For example

Et.al And others

GDP Gross Domestic Product

h hour

i.e. That is

LLC Limited Liability Company

PEST Political, economic, social, technological

PPC Pay per click

APPENDICES

Appendix P I: Calculated insurance of the business

Appendix P II: Schedule of lecturers and courses in a realistic scenario