

# **A Project to Set up a Multi-purpose Leisure and Entertainment Venue Particularly Aimed at Old People**

Petra Barešová, MSc.

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 **Tomas Bata University in Zlín**  
Faculty of Management and Economics

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Fakulta managementu a ekonomiky  
Ústav managementu a marketingu  
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## ZADÁNÍ DIPLOMOVÉ PRÁCE (PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Bc. Petra BAREŠOVÁ**  
Osobní číslo: **M100316**  
Studijní program: **N 6208 Ekonomika a management**  
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Zásady pro vypracování:

Úvod

### I. Teoretická část

- Na základě dostupné literatury proveďte literární rešerš na oblast podnikání a problematiku spojenou se založením nových podniků.
- Vymezte základní pojmy související se stárnoucí populací a možnostmi trávení volného času seniorů.
- Zpracujte poznatky z marketingové komunikace zaměřené na služby a danou cílovou skupinu.

### II. Praktická část

- Analyzujte současný stav služeb pro seniory v Hradci Králové a jeho blízkém okolí.
- Vytvořte podnikatelský záměr víceúčelového volnočasového centra zaměřeného především na seniory.
- Zpracujte podrobnou integrovanou marketingovou komunikaci pro podnikatelský záměr.
- Proveďte studii proveditelnosti předloženého projektu.

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děkanka



  
Ing. Pavla Staňková, Ph.D.  
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## **ABSTRAKT**

Tato diplomová práce se zaměřuje na založení nového víceúčelového centra zaměřeného především na seniory. Tato práce je rozdělena do dvou částí. Teoretická část se zabývá demografickými změnami, charakteristikou starší populace, ale také se zaměřuje na podnikání a podnikatelský záměr. V analytické části jsou nejdříve analyzovány faktory, které ovlivňují podnik, dále potenciální zákazníci a jejich potřeby týkající se trávení volného času, analýza konkurentů a nalezení vhodné lokace pro založení centra a demografická situace v Hradci Králové. V druhé části je detailně popsán projekt, kde jsou zakomponovány výsledky výzkumu.

Klíčová slova: demografické změny, stáří, podnikání, podnikatelský plan, služby, marketingový mix služeb, volnočasové aktivity

## **ABSTRACT**

This thesis focuses on setting up a new multipurpose centre in Hradec Kralove aimed mainly at the elder population. This work is divided into two parts. In the theoretical part is talked about the demographic changes, characteristics of elder generation, but also about the entrepreneurship and business plan. In the analytical part are firstly analysed the factors which have influence on the market, potential customers and their needs, competitors and analysis of the best location for the centre and demographic situation in Hradec Kralove. The second part indicates the project, where are implemented the results from the particular analyses.

Key words: demographic changes, old age, entrepreneurship, business plan, services, marketing mix of services, leisure activities

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

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## INTRODUCTION

The choice of my master thesis was very easy. I have known from the beginning that I want to focus on the services for elder people. Nevertheless, the original idea was to launch the modern retirement home providing lots of leisure activities for seniors and pleased their everyday lives. However, after getting to heart of the matter, several interviews and visiting the retirement home in Hradec Králové and day centre Dům Portus in Prague, the idea was changed to the multipurpose centre. The interviews with the elder population convinced me that seniors wish to stay at their homes and familiar environment as long as possible. Also the visit of the retirement home and talks with the staff prove me that people who are living there are less movable and every day activities could be demanding for them or they will not be able to do them at all. Then I visited the senior centre in Prague and had opportunity to talk with the staff and clients. I had absolutely different feeling when I was leaving the centre, seniors who I met there were full of energy and very positive. For these reasons my thesis aimed at to the project of setting up the new multipurpose centre in Hradec Králové.

To be honest, I decided to focus on services for seniors because I feel guilty that I cannot spend time with my grandmothers as much as I wish and that most of the days they are alone. Actually this master thesis is not only my duty to complete the degree but it is pleasure and I wish and hope that in the future this idea will become reality and my dream of multipurpose centre will come true.

This study is divided into two parts: theoretical part and analytical which includes the project. The largest and the most significant section of the analytical part is a part which ascertains if there is an interest in the multipurpose centre, analyses the potential customers and their needs and also identifies the competitors and factors that can influence the business.

The most important part of this study is the project. This part contains schedule how the business will be set up, fundamental information about the business and further explains the marketing mix of services. The project also includes the financial part which provides prediction for one year. The whole project is summarized by the SWOT analysis.

## **I. THEORY**

# 1 DEMOGRAPHIC SITUATION

## 1.1 Introduction

The human population can be characterised by a number of different factors including family status, education, income, place of living and lifestyle. This study looks at the population from an age perspective and mainly focuses on the older generation. This chapter will examine the demographic changes related to the ageing of the population. Firstly, there will be a brief overview of the global demographic changes and then it will be aimed at the changes of age in the Czech Republic.

## 1.2 Demographic changes

In recent years, one of the most significant discussions has been about the rapidly ageing population. This fact is becoming more and more difficult to ignore, mainly because of related issues including economic, health and social problems.

Several studies have confirmed the rapid changes in the evaluation of the population. The ageing of the population is one of the significant characteristics of the demographic situation in the twenty first century. This trend is not only typical for a few, particular countries, but it is a global trend and is expected to continue in countries such as Canada, Japan and Australia, and also in countries such as Latin America, Asia. For example, according to the global AXA study (2008a), approximately 13% of the global population will be aged over 65 years old by 2030. The oldest segment (over 85 years old) is increasing even faster than the over 65's segment. For illustration, the global population aged over 65 years old increased to 104 % between 2005 and 2030, but the projection of the population 85+ is 151 % . (Bengston and Lowenstein, 2003 in Cook and Powell, 2009) In some countries significant growth is also evident in the "younger" generation – people over fifty years old. For illustration, in the United Kingdom people over fifty will make up more than 40 per cent of the population in 2024 and the prediction for America is twenty per cent in 2040. (Carrigan, 1998) As well as other institutions or studies, the Organisation for Economic Cooperation and Development (OECD) also states that the prediction of people over sixty years old in member's countries is more than 30%. (Carrigan, 1998) The following Table 1 shows the places with high numbers of seniors in 2020. One of the limitations with the predictions above is that it is difficult to compare them and see the differences. The reason why it is not possible is that the predictions are created with different age groups.

Table 1 Area of high number

Area of high number of seniors	Percentage of seniors in the population
Japan	31%
Greece and Switzerland	28%
North America	23%
East Asia	17%
Latin America	12%
South Asia	10%

Source: Malíková (2011), own processing

Also, the European Union faces a rapid growth of the older population. Malíková (2011) talked about the European Union as a grey-hair continent. This statement is confirmed by several statistics and figures. It is predicted that there will live the same number in 2060 as in 2009 but there are big changes in the structure of population in European Union. This scenario is illustrated in the following Figure 1 that shows the Euro stat’s latest prediction of how the situation was in 2009 and how it is expected to be in the year 2060 (EUROSTAT, 2011). The large changes are in the segments of the over 65 year olds. However, as it can be seen, the most significant changes are in the segment of people over 85 years old which confirms the global trends.

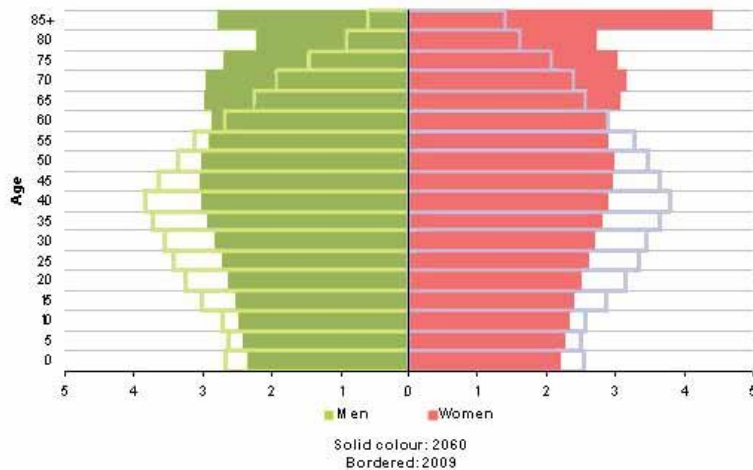


Figure 1 Population pyramids, EU-27, 2010 and 2060

Source: EUROSTAT (2011)

The current statistics show that Europeans increased by up to 17.4% in 2010 in comparison with 1990. For example the largest differences between 1990 and 2010 are in Slovenia, Germany and Latvia. On the other hand, in Ireland, Sweden, Luxembourg and Denmark

the growth is quite small. Even ageing in Norway is in negative values. The Czech Republic is placed in 16<sup>th</sup> position in the European Union. The summary of the differences between years 1990 and 2010 is shown in the Figure 2 below . (EUROSTAT, 2011)

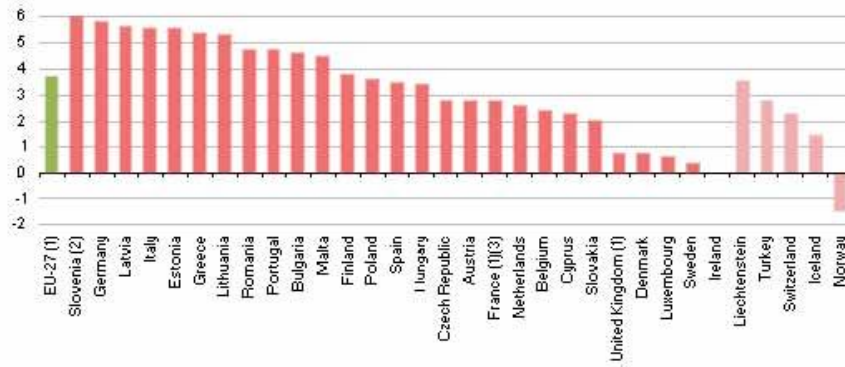


Figure 2 Change in the share of the population aged 65 years or over between 1990 and 2010

Source: EUROSTAT (2011)

### 1.3 Demographic situation in Czech Republic

Aswell as in other countries, the structure of the Czech population has changed and the population is getting older. In 2010 in the Czech Republic there lived 10,5 million people and the population aged from 65 to 100 years old was made up by 15,5% of the population, most of which were women. In the Figure 3 below is shown the structure of the Czech population aged between 65 and 100.

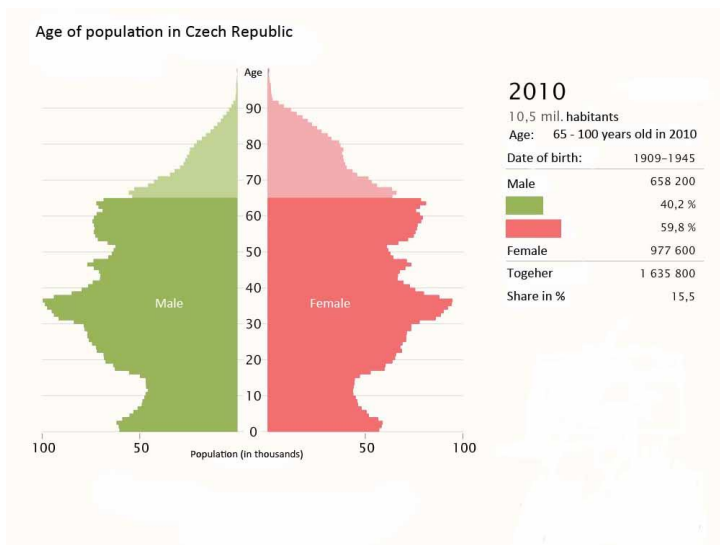


Figure 3 Population of Czech Republic in 2010

Source: Czech Statistical Office (2012)

For illustration, the population over 65 years old increased up to 15,2% with comparison between the years of 1990 and 2010. This is illustrated in Figure 2 (EUROSTAT, 2011) This trend will continue in the coming years. Table 2 below presents the data up to 2020 and is divided by the main age groups. It is apparent from this table that the largest growth will be in the older population, over 65 years old.

Table 2 Consumer Segmentation 2010-2020

Consumer Segmentation: 2010-2020				
'000	2010	2015	2020	% Growth
Babies/Infants (0-2 years)	352	329	306	-13.1
Kids (3-8 years)	591	694	663	12.1
Tweenagers (9-12 years)	362	398	478	32.2
Teens (13-19 years)	804	653	702	-12.7
People in their twenties	1,457	1,361	1,149	-21.1
People in their thirties	1,776	1,717	1,530	-13.9
Middle-aged Adults (40-64 years)	3,570	3,642	3,807	6.6
Older Population (65+ years)	1,601	1,880	2,140	33.7

Source: Mintel (2012)

According to the Czech Statistical Office the percentage of 65 years old’s and above will be 22,8% of the total population in 2030 and 31,3% in 2050. The next Figure 4 illustrates the prediction of Czech population up to 2065.

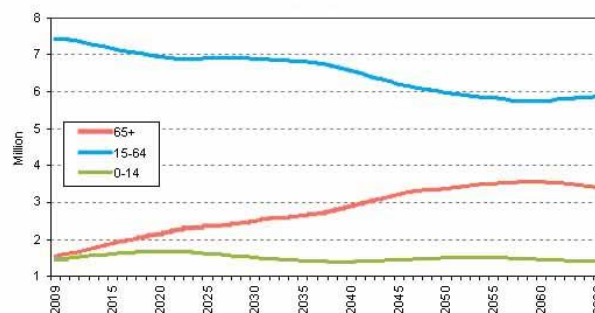


Figure 4 Expected population by major age groups up to 2066

Source: Czech Statistical Office, 2009

In 2009 the average age of seniors was 60 years old. In the following table is shown the average retirement age in particular countries, which is then divided into gender.

Table 3 Average retirement age

Average retirement age				
	2001	2004	2007	2009
European Union	59,9	60,9	61,2	61,4
Czech Republic	58,9	60,6	60,7	60,5
Germany	60,6	61,3	62	62,2
France	58,1	59	59,4	60
Holland	60,9	61,1	63,9	63,5
Slovakia	57,5	58,5	58,7	58,8
Sweden	62,1	62,8	63,9	64,3
United Kingdom	62	62,1	62,6	63

Source: Czech Statistical Office (2011)

## 1.4 Summary

There is no study about the demographic changes that predict the growing of the elder population. It is apparent that the ageing of population is not only local characteristic but it is the global trend and the Czech Republic is not an exception. It seems that these changes as well as the elder population will dictate the trends in the market and companies will have to adjust to these trends. On the other hand, this is a good opportunity for current companies to focus on new segment or for new companies to enter the market with a new product or services.



## 2 SENIORS AND THEIR SPECIFIC CHARACTERISTICS

### 2.1 Introduction

In this part will be shortly explained the common characteristic of the elder population, their segmentation and what are the global trends in the ageing. There is also examined the overview how they feel about the retirement and also how optimistic or pessimistic working Czechs are about retired age. Some authors suppose that the elder generation is segmented; therefore the last part is focused on the typology of current seniors. One of the most significant current discussion in this area is how seniors will behave in the future therefore there is explained the typology of future seniors in the perspective of consumer behaviour. The main question in this part reviews the senior's satisfaction with their leisure time, their opinion about working in retirement and volunteering, what the active ageing means for them and what the most preferable leisure activities are in elder age.

### 2.2 Old age

Old age is a natural human process and everybody will be met with it one day.

This chapter begins by laying out the definitions of old age. It will then go on to the segmentation of the older population, characterization of Czech seniors and the last part is focused on senior's activities.

The term 'old age' can be understood from two different perspectives, depending on the context:

- Providing adequate and quality service for seniors focusing on their needs and ensuring quality of life for the older population

And

- The ageing of population causes social and economical impacts that influence the economy and further development. (Barešová, 2011)

This work is more focused on the explanation related with service quality for older people and ensuring a quality of life for the older population.

### 2.3 Definition, characteristics and categorising of the old age

Older people can be called different names including retired, senior, older and elderly. (Livette, 2006) Some authors (Vuori & Holmund-Rytönen, 2005; Solomon et al, 2006) talk about older people as a ‘grey market’, some (Kreuzigerova, 2009) even talked about them as a ‘silver generation’. With the ageing of the population and an increasing number of seniors there has also been an increase in the amount of literature and research focusing on this topic. Therefore, there is more than one definition and they are slightly differentiated. Generally, old age is defined as a “natural period of human life” Haškovcová (1990) . In the focus group that was part of the Projekt 50+ Aktivně (Project of 50+ actively) one respondent explained retirement as a “time to do what I could not do before”. (Bočková,2011)

Muhlpachr (2004) highlighted that old age is not an illness, even though older people are often ill or they have more health problems than younger people. Obviously old age is the last period of human life and it is related with lots of different changes including physical, psychological and social. (Muhlpachr, 2004) Some of the these changes are illustrated in the following Figure 5.

Physical changes	Psychological changes	Social changes
Change in visual appearance	Memory impairment	Change of the lifestyle
Decrease of muscle mass	Scepticism	Loss of closed people
Degenerative change in joints	Lower self-confidence	Loneliness
Change in nervous system	Emotional unstableness	Financial problems

Figure 5 Changes in the seniors life

*Muhlpachr (2004), own processing*

Brennerová (2010) supposes that old age is seen as an unpopular part of life. However, the AXA Company (2008) indicated that the current seniors see old age as not solely in a negative way, but also in a positive way. Seniors positively explained retirement as a “time of rest, peace and quiet, a time to devote to oneself and to enjoy personal freedom”. Obviously, some seniors see old age as a life stage related with “death, poor health, financial and social problems”. (Axa Company,2008, p 25) According to the AXA Company (2008) conducted in 27 countries shows that 57% of seniors feel “quite happy” and 29% are “very

happy”. This study also illustrates the optimism/pessimism index of how working people see retirement. (see Figure 6)

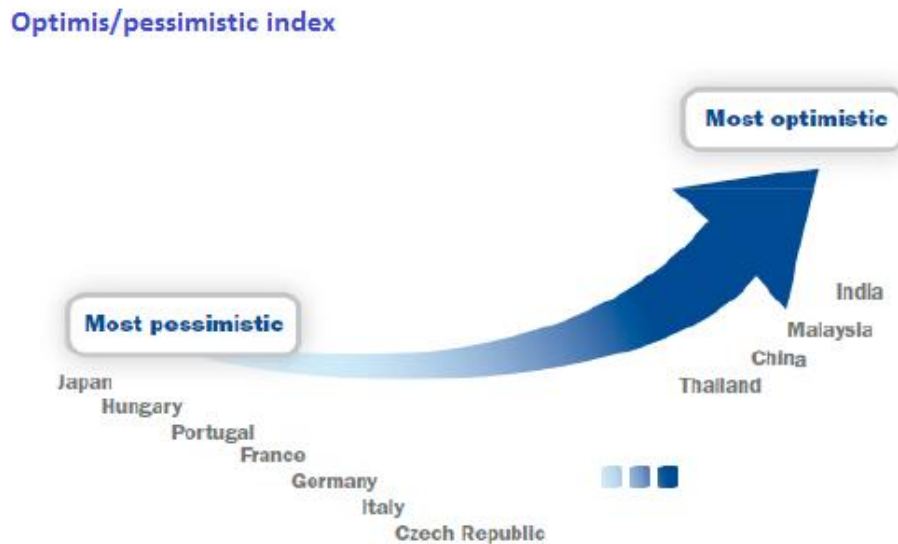


Figure 6 Optimise or pessimistic index

Source: AXA Company (2008)

International organisations are becoming aware of the increasing size of the older population. Therefore, they are creating statements and initiatives to broaden awareness about this issue. International organisations and global trends attend to the:

- Integration of seniors in the community and prevention of segregation,
- The toleration between the generations and minimisation of the discrimination of older people and ageism,
- Importance of the quality of life in old age,
- Help developing countries to deal with the rapid growth of seniors. (Malík-ová,2011)

For illustration, the European Union announced year 2012 as European Year for Active Ageing and Solidarity between Generations.

## 2.4 Segment of elder people

Carrig (1998) and Burt (1995) mentioned that the generation of older people is not homogenous. This is also supported by the World Health Organisation. (Holmerová et al.,

2006) Several authors agreed that there are different factors affecting how the older population can be segmented. To illustrate, there is life stage, financial status, lifestyle, customer habits and behaviour (Vuori and Holmund-Ryttonen, 2005) or discretionary income, health, activity level and discretionary times. (Burt, 2005) Moreover, Herzman and Petrová (2005) states that inborn skills and abilities significantly influence the dividing of the older segment. However, age is the most important and frequently used factor to categorise the older population. (Mulpachr, 2004) In the literature it can be found as a calendar age and it is usually used by different institutions including the World Health Organisation, European Union or Czech administration offices. This is very popular because it is one of the methods used for administration work. For example, Muhlpachr (2004) divided older people into three groups that are explained in the following table. However, the WHO declares that young seniors are from 60 years old. On the other hand, Czech marketers usually talked about seniors over 55 years old. (Malíková,2011)

Table 4 Segmentation of elder generation

<b>Young seniors</b>	<b>Old seniors</b>	<b>Very old seniors</b>
<b>65-74 years old</b>	<b>75-84 years old</b>	<b>85 + years old</b>
Problems related with retirement, lots of free time, self-realization.	Physical changes and specific health problems, atypical way of the illnesses	Problems related to the self-sufficiency and care about themselves.

*Source: Malíková (2011), own processing*

## 2.5 Czech seniors

Many Czechs see old age as an unpopular life stage and wish to avoid it or postpone it as much as possible. Unfortunately, they do not take inspiration from senior's life experiences, wisdom and mental balance as generations before. According to Haškovcová (1998) it may be because the current generation has a negative attitude towards the older generation and present trends tend to adore/praise everything that is young and beautiful. (Haškovcová, 1998) On the other hand, the AXA study shows that 89 per cent of Czech seniors feel happy which is in the average level in the European Union, and according to the Survey of Health, Ageing and Retirement in Europe (SHARE) around 60% of elderly Czechs

see retirement as a ‘relief’. (Intel, 2010) However, Czech seniors are most worried about age and money as they want to continue with their lifestyle.(Intel,2010)

It is becoming increasingly difficult to pay no attention to the demographic changes and new market situation in the Czech Republic. Furthermore, Herzman & Petrová (2005) argued that Czech companies have not immediately adapted to these changes. For this reason, in the Czech market there is still a lack of products or services intended for older people. (Břešťan, 2011)

### **2.5.1 Current seniors**

The organisations Factum Invenio created the typology of current seniors and create typical profiles for particular segment within the elder population. The module is based on the survey conducted in the population over 50 years old. (Kreuzigerová, 2009)

#### Resigned members

- They feel that they do not have enough money
- Very often they live alone and they have a pessimistic approach to life
- They are not looking for quality goods and well known brands
- Most of them rather pay off loans than save money

#### Members depended on the others

- Do not feel to be self-sufficient, they do not have enough money and they rely on others
- Generally, their typical view is that the government should ensure an acceptable standard of living for everyone
- They prefer familiar surroundings proven by experiences

#### Modern members

- They repay loans rather than save money
- They are willing to help others in financial trouble
- The members are younger within the generation over 50 years old
- They are relatively successful and they want to enjoy their life
- They are interested in new things and most of the time they spend within society

#### Materialistic members

- The members are from the background with low income
- Mostly they are economically inactive
- Jobs mean for them only getting some money and they still complain that they do not have enough
- Nowadays life makes some difficulties for them
- They are not interested in new technologies
- They do not like to adapt to new situations
- The majority live alone and they care about their household

#### Successful members

- The members are economically active and they are quite rich
- They do activities suitable for younger generations and most of their time they spend in society
- They are self-sufficient and have enough money to satisfy their needs
- Shopping is not one of their hobbies but if they go shopping then they buy goods of high quality

#### Traditional members

- Older people in the generation over 50 years old
- They have basic education and they are relatively poor
- They are not interested in new technologies
- They prefer familiar things and they see their current lives as very hectic
- They prefer saving money rather than spending it
- They are helping others, they are thinking in a positive way and follow traditions
- They suppose that the government should provide acceptable living conditions for everybody

#### Self sufficient members

- Particularly women of different age groups with higher education
- They like shopping and they prefer quality. They would also rather save money than pay loans back
- They think that everybody should care about themselves
- Generally they are happy and they have a good financial background
- They do lots of activities, especially walking and they care about family
- Their lives are based on traditions

Figure 7 Typology of generation 50+

Source: Kreuzigerová (2009)

**2.5.2 Future Czech seniors**

Herzman and Petrová (2005) agreed that the future generation of seniors will live in a different way compared with the current seniors. They indicated the model of future seniors and divided the future generation on the basis of the main characteristics. There are traditional seniors, modern seniors and wealthy seniors (see Table 5). Generally they will have more money to spend, they would like to live more actively, they will be more interested in education, it will be easier for them to adapt to new trends and they want to be more independent. Future seniors as customers will have the advantage of being common users of computers and the internet. The model predicts that future seniors will mainly seek out leisure activities, financial services, travelling, wellness, education and obviously health care.

Table 5 Typology of future seniors

Traditional seniors	Modern seniors	Wealth seniors
<ul style="list-style-type: none"> <li>- the largest group</li> <li>- low purchase power</li> <li>- non-branded products</li> <li>- health care</li> <li>- not the favourite target group</li> </ul>	<ul style="list-style-type: none"> <li>- middle class</li> <li>- quality products and services</li> <li>- purchase of quite expensive goods</li> <li>- services related with their development, fulfilment of their free time</li> <li>- basic products, but also products that improve their daily lives</li> </ul>	<ul style="list-style-type: none"> <li>- very different from two previous groups</li> <li>- created from successful business men and experts from different parts of industry</li> <li>- luxury products</li> <li>- services with high levels of quality</li> <li>- quite a small group</li> <li>- travelling, spa &amp; wellness, gastronomy, cars</li> </ul>

Source: Herzman and Petrová (2005), own processing

## 2.6 Activities for seniors

The European Union is aware of the importance of ageing and being active, therefore they announced the next year as the European Year for Active Ageing and Intergenerational Solidarity between Generations (2012). Leisure activities can help people not to lose contact with society and keeps them active. Foreign study suggests several factors how leisure activities can positively affect seniors. There is skill development, improvement of physical activities, increase in creative activity and self expression, feeling of responsibility and usefulness, satisfaction from caring about others, opportunities to say their opinion, opportunities to work and meet with other people, a reason to go out and travel, leading team, meetings in senior clubs or other groups. (Projekt 50+ Aktivně). In other words, seniors can do most of the activities that younger people do, only they have to adapt them to their physical and psychical conditions. The project 50+ active shows that 89% of the respondents are very satisfied or satisfied with their leisure time. The following graph illustrates the satisfaction with free time divided in the age groups. (Bočková,2011)

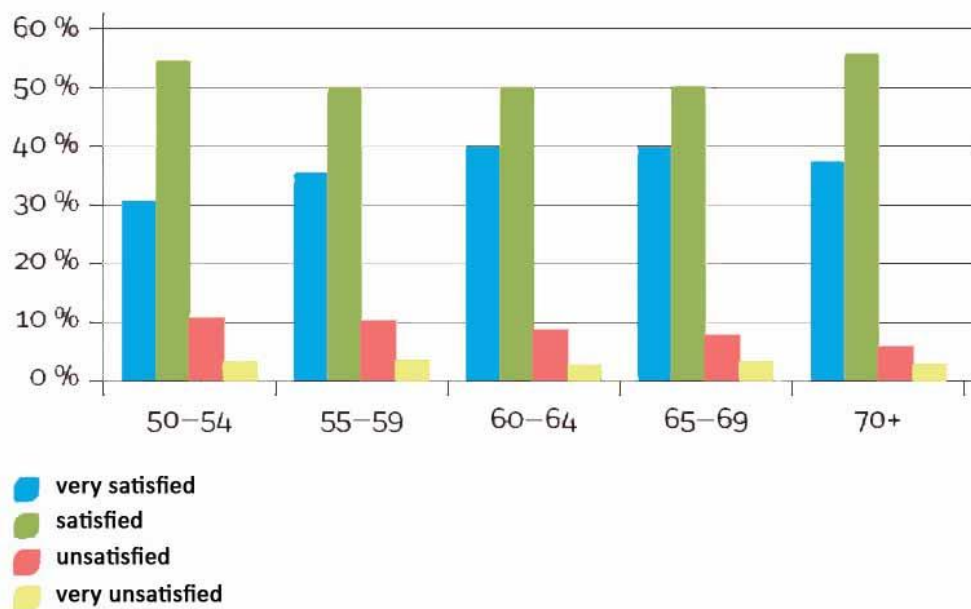


Figure 8 Senior's satisfaction with their leisure time

Source: (Bočková,2011), own processing

According to the seniors who participated in the survey, the preferred way of living is based on the individual and it depends on how they want to spend their later years. Seniors are differently motivated and everybody can be interested in something different. They



also suppose that it is very important to let seniors decide themselves what they want to do. (Bočková,2011)

### 2.6.1 Leisure activities

Leisure activities and how seniors spend their free time are closely related with the term ‘active ageing’. This term was first used by the World Health Organisation at the end of the nineties. It is not only about health and health care, but it covers more aspects. Briefly it can be explained as independence, participation in everyday activities in society, dignity, care and self-fulfilment. Active ageing also highlighted the human rights for elderly generations and their participation in the general decisions. The next table shows how seniors imagine the term “Active ageing”. (Bočková,2011)

Table 6 What does the term Active ageing mean for seniors?

What does mean for you the term “Active ageing”?	
Activity	Percentage
Stay in touch with the society	16%
Sport	14%
Hobbies	13%
Job	11%
Education	6%
Actively work on yourself	6%
I do not know	5%
Always do something	5%
Other opinions	4%
Trips and walking	4%
Positive way of living	3%
Garden, cottage	3%
Do not admit their ageing	2%
Family	2%
Spending free time passively	2%

Source: (Bočková,2011), own processing

From the table above it is clear that not only being in touch with society is important, but also physical activities. According to The project 50+ active the suitable sport activities for seniors are hiking, cycling, swimming, cross country skiing, dancing, rehabilitation exercises, yoga and tai-chi. The results obtained from the AXA study of seniors activities are presented in Figure 9 which illustrates the activities that Czech seniors prefer, as well as global trends. The most favourable hobbies in the Czech Republic are gardening, caring

about family and grand children, hobbies or special interests, travelling and cultural activities including reading. Czech seniors are interested in walking or hiking and in cultural activities and reading, which contrasts with the global trends. (Bočková,2011)

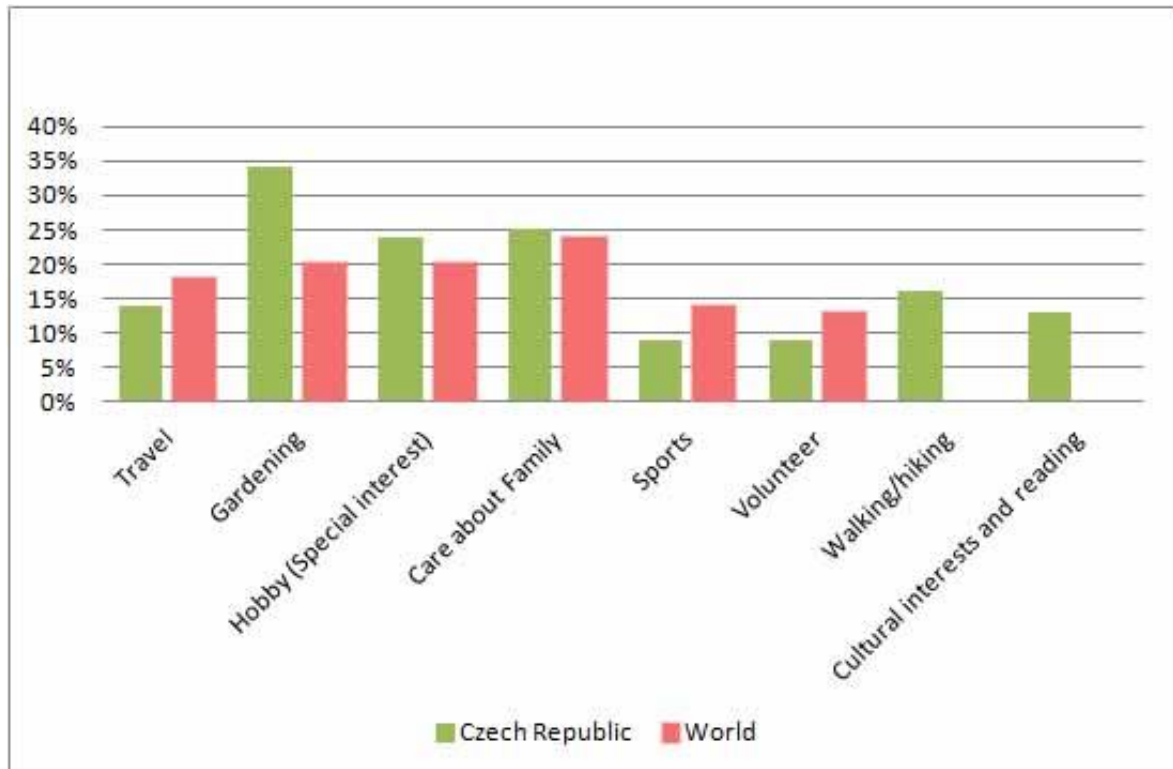


Figure 9 Senior's hobbies

Source: (Bočková, 2011), own processing

### 2.6.2 Jobs and volunteering

Seniors can fill their free time not only with leisure activities but they can still go to work or be volunteers. The AXA study (2008) shows that 22% of seniors have a job of some kind. Sociologist Jiří Remer supposes that the main reason is not a lack of money but to keep in touch with contacts and their lifestyles, because most seniors working in retirement are people with higher education and better paid jobs. (Mintel, 2010) The project 50+ active confirmed that seniors want to work because of the feeling that they are needed and that they are useful, rather than because of social contacts and their lifestyles. This study shows that seniors are mainly interested in part time jobs or temporary jobs. The results are shown in the figure below.

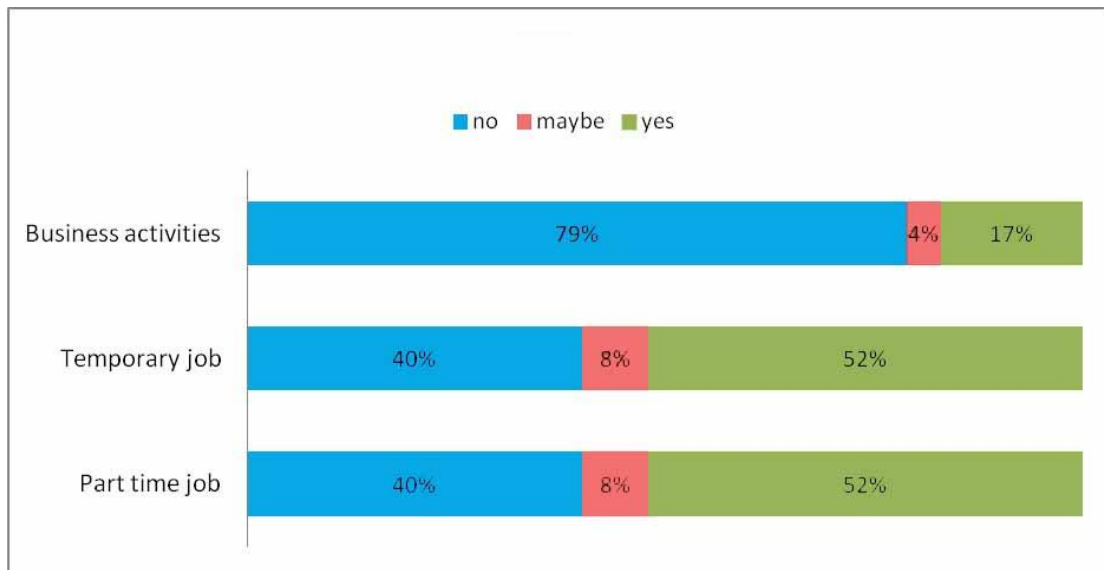


Figure 10 Interest in the jobs position in the retirement age

Sources: (Bočková, 2011), own processing

Another activity suitable for seniors that is not so popular in Czech Republic is volunteering. There are lots of different possibilities where seniors can help as volunteers because they have lots of valuable experience and a more sensitive perception than young people. Volunteering can bring seniors lots of positives including a feeling of being helpful, finding new friends, a feeling of usefulness, staying in touch with the community and an active way of living. The following Figure 11 shows how much seniors are interested in volunteering. In the second graph it shows the area where seniors would like to help.

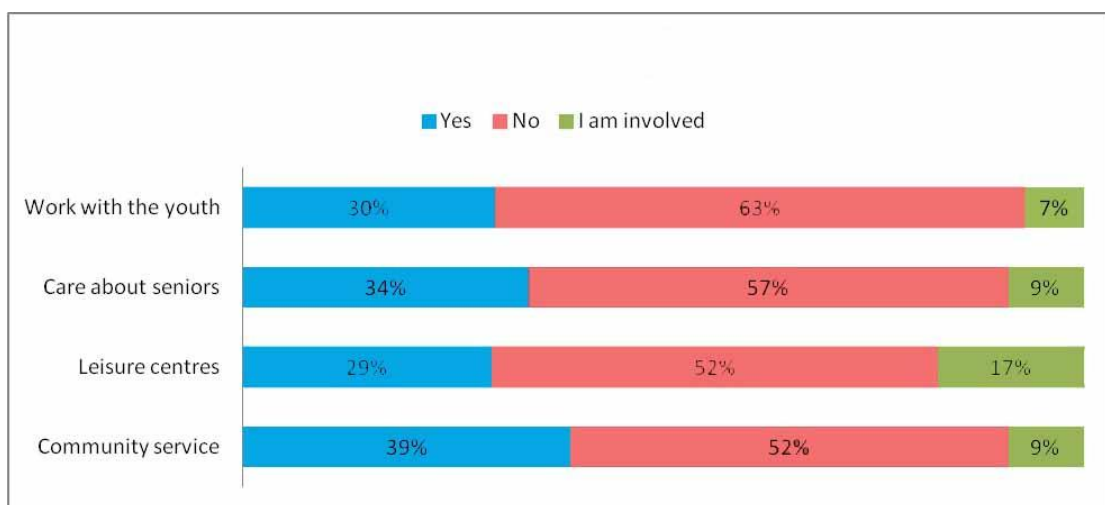


Figure 11 Volunteering activities

*Source: (Bočková,2011)*

## **2.7 Summary**

It was really positive to see that lots of seniors are happy with their lives and quite satisfy with the activities which they are doing. Although working Czechs are more pessimistic about the retirement. This might be because of the general negative attitude towards the ageing and also because the future is always uncertain. For this study is important the finding that they are interested in the different activities. At the end it does not matter what activities they are doing whether they are volunteers, they visit senior centre or care about grandchildren. From my point of view, it is extremely important that seniors stay in touch with the society and they have a feeling to be needed, have a reason to wake up, be helpful and feel active.

### **3 ENTREPRENEURSHIP EDUCATION**

#### **3.1 Introduction**

This part reviews the literature concerning on the basic information about the entrepreneurship, entrepreneur and enterprise. Then it is discuss the small and medium size enterprises, its characteristic, advantage and disadvantage. This study is focuses on the service, therefore there is given a deeply account of entrepreneurship in service, how the services are differentiate from the products and also marketing mix adapted for the services. One major issue in the marketing is how effectively addressing the elder people. For this reason the next part focuses on the advices from professional marketers.

#### **3.2 What is entrepreneurship?**

In recent years there has been an increasing amount of literature on the term ‘entrepreneurship’. However, researchers and tutors have not still found a common definition.(Kobia,2010;Howorth,2005) According to Kobia (2010) it might be because of the interdisciplinary nature of entrepreneurship. Entrepreneurship has been studied in a variety of disciplines and therefore different opinions and definitions have been created. Some authors seek for one theory of entrepreneurship (Bull and Willard, 1993) while others suggest that it is not relevant/possible to have only one theory and that it is necessary to create a complex of theories (Gartner, 2001). Even though researchers and professionals have not been able to agree on the same theoretical definitions, Carsrud & Brñnback (2007) point out that they all think that entrepreneurship is very “important for the economic prosperity of individuals, regions and nations”.

As an individual science discipline, entrepreneurship was primary talked about in the 1980’s. Before this it was classed as part of others sciences. Therefore, entrepreneurship can be understood and explained from different ways including economics, politics and from the perspectives of business people or psychologists. (Veber,2005) However, there exists a numer of general definitions of the term entrepreneurship. For example, the explanation is that the “process of entrepreneurship is a dynamic process of vision, change and creation” (Kuratko and Hodgetts, 2007) and that “it is closely linked to the need for self realism and independence” (Kobia, 2010). Nevertheless, Veber (2005) rather summarized the common factors and general characteristics of any explanations instead of creating an-

other definition. There are purposeful activities, initiatives and creative attitudes, organising and leading the transformational process, practical contribution, benefit and added values, thinking about the risk during the activities and cyclical process. This is supported by Srpová (2010) who wrote that for successful entrepreneurship it is necessary to have the appropriate skills and talent. On the other hand, she also supposed that the theoretical knowledge and familiarity can help to overcome barriers and avoid failure in entrepreneurship.

A very clear definition of an entrepreneur was used by Edward Lazear (2005). He said that an entrepreneur is somebody who “puts people together in particular ways and combines them with physical capital and ideas to create a new product or to produce an existing one at a lower or competitive cost”. (Lazear, 2005)

### 3.3 Entrepreneur

The first mention of the term entrepreneur was in the 18<sup>th</sup> century, when Richard Cantillon introduced this term. He explained an entrepreneur as a “specialist in taking risk (Casson, 2003) of buying at a certain price and selling at uncertain prices” (Carsrud & Brñnback, 2007). Later, Jean-Babtiste Say announced the theory of three product factors and entrepreneurs have become to have a leading role in economic activities. (Srpová, 2010) According to Carsrud & Brñnback (2007) many authors agreed that an important role in the theory of entrepreneurship was taken by Austrian Joseph A. Schumpeter who saw the entrepreneur as an “innovator who creates new industry and thereby precipitates major structural changes in the economy” (Casson, 2003). A different view of the entrepreneur was taken by Israel Kirzner (1973). He saw the entrepreneur as an actor in process conscious market theory who exhibits deliberate behaviours. Casson (2003) found that a common issue for both approaches is judgement. The entrepreneur as an actor buys before he knows the selling price and must make a judgement about the future price. The entrepreneur as an innovator must assess whether a new product will prove attractive enough to consumers in order for them to buy it. Moreover, Casson (2003) highlighted in his paper that entrepreneurs in the market economy are much more motivated by achieving profit from cheap purchases and expensive sales than bureaucrats in a social economy. According to the Czech commercial code the entrepreneur can have two forms. It is juridical or natural person. Commercial code defines the term entrepreneur as a person who is registered in the commercial register; a person who is doing business based on the trade licence; a person

who is doing business based on a different licence than trade licence along the special legislation; a person who provides agricultural activities and it is written in the register according to the special legislation.

Obviously, each entrepreneur behaves differently and they use a variety of strategies to be successful. On the other hand, all entrepreneurs have some common characteristics. According to Srpová (2010) the main characteristic of a good entrepreneur is that they are enterprising. An entrepreneur can be born with this characteristic but also can acquire it over time and learn from their life experiences. Veber (2005) also agreed that one of the entrepreneur's characteristics is their life experience, but he suggested other characteristics as well. They are the skills to find new opportunities and new goals, dealing with financial resources for entrepreneurship, understanding entrepreneurial activities, dealing with risk, confidence, endurance and a hard working nature. Srpová (2010) in her work identified the differences between an entrepreneur and their employees. Among other things, the entrepreneur becomes relatively financially independent and makes decisions on their own.

### **3.3.1 Enterprise**

The terms 'entrepreneur' and 'entrepreneurships' are closely related with the term 'enterprise'. According to Veber (2005) the most general one is: Enterprise is the process when changing the resources in the goods (property). Enterprise can be divided into different groups according to a variety factors. The most common categories are large, medium or small sized enterprise. This work will focus more on the small sized company. However, the current literature explains the small and medium sized companies together because of several common issues. Therefore this work will also give a brief overview about small as well as medium sized company.

### **3.3.2 Small and medium-sized enterprises**

The small and medium-sized enterprises (SMEs) are important parts of the economy and play key roles in economic development. For illustration, Forsman (2008) explained small and medium sized enterprises (SMEs) as "catalysts for the future economy". According to Srpová (2010) in the European Union 99 per cent of companies are SMEs and they create 60 per cent of GDP. From these reasons the SMEs are priorities of the EU and they try to

support their activities as much as possible. It is obvious that SMEs significantly influence the EU's economy, therefore the European Commission created the Business Act for Europe (SBA). The aim of the SBA is to support SMEs and improve the environment in the European Union. According to the OECD, SMEs have not only significant importance for economic development, but also for social development. In developing countries the "self-help" business is one of the tools used to eliminate poverty. (OECD, 2004). Moreover, SMEs provide a large number of jobs, for example in the countries of OECD it is around 70 per cent (OECD, 2004) and in the European Union they are the largest employer. Also, most of the new job opportunities are also created by SMEs and employees that are fired from large companies because they are moving their manufacturing activities in to other countries are employed by them. (Srpková, 2010) The situation in the Czech Republic is similar as in the EU. In 2009 there was the highest number of the SMEs in the EU in comparison with the number of inhabitants. Moreover, in the Czech Republic there are 99.8 per cent of SMEs and they provide 60 per cent of jobs. (Srpková. 2010)

There are varieties of characteristics by which small companies can be differentiated from large, including "resource and knowledge limitations, lack of money, reliance on a small number of customers and need for multi-skilled employees" (Forsman, 2008). Stokes (2006) divided the characteristics of SMEs into two categories. In the first category there are the quantitative aspects, for example headcount, turnover, balance sheet value or number of employees. These characteristics are usually used by different organisations and institutions. However, they can have slightly different explanations of SMEs. In the following Figure 12 you can see the particular categorisations. The categories created by the European Commission are the most important for receiving grants. The categorisation from EUROSTAT is used by the Czech Statistical Office and both organisations used them for statistic analysis. Also, the Czech Social Security Administration has its own categorisation of enterprises that are divided according to their level of administration. (Srpková, 2010)



### European Commission (2003)

- Micro companies - max. 10 employees, annual turnover to 2 mil. EU, assets to 2 mil. EU
- Small companies - max 50 employees, annual turnover to 10 mil. EU, assets to 10 mil. EU
- Middle companies - max 250 employees, annual turnover to 50 mil. EU, assets to 43 mil. EU

### EUROSTAT

- Small companies - to 20 employees
- Middle companies - to 100 employees
- Large companies - over 100 employees

### Czech Social Security Administration

- Small organisations - to 25 employees
- Organisations - 25 employees and more

Figure 12 Categorising of the businesses

Source: Srpová

The categorisations above mainly use the number of employees as a factor to divide the companies. On the other hand, Curran and Blackburn ( ) argued that the number of employees is becoming inappropriate because of the increasing number of part-time, casual or temporary workers. Additionally, the number of employees is different across the sectors and industries. The same is true with the financial measures, for example “wholesalers tend to have high levels of sales but operate with very low margins in comparison with higher margin service companies with similar turnovers”. (Stokes, 2006) Also, inflation and exchange rates complicate the comparisons over time and between the countries. (Stokes, 2006)

The second category is based on non-quantitative definitions. The Committee of Inquiry on Small Firms, set up by British government that created the paper known as Bolton reports. In the report SMEs are characterised as:

- Small firms managed by its owner(s) in a personalized way.
- Having a relatively small share of the market in economic terms

- Being independent in the sense that it does not form part of a larger enterprise and its ownership is relatively free from outside control in its principal decisions.

(Bolton report, 19; Stoke 2006)

Some authors also criticize the Bolton reports, especially the low market share is not always characteristic and independence is difficult to measure (Stokes, 2006). However, according to Nooteboom (1994), the most important characteristic is the diversity, because a large number of SMEs can be found in different industries and markets.

Also, lots of owners of SMEs focus more on survival than growth (Storey, 2006). In most small and medium companies the owners have the role of manager as well. Their know-how and expertise are extremely important and influence the running of the company. Usually it is supposed that owners have the appropriate technical knowledge, but also they have managerial skills and little experience (Maes et al. 2004). Martinsuo and Karlberg (1998) suppose that SMEs have limited capacity for marketing, strategy, acquisition of new knowledge and technology, and they are sensitive to external pressures and risks. According to Winch and McDonald (1999) SMEs have an advantage in the internal communication system as it is faster and usually less formal (Winch and McDonald, 1999). Also, small companies can easily adapt to market changes and for them some segments and production can prove interesting that may not be so to large companies or monopolies. They are also important for large companies as sub-suppliers. Many SMEs, for example groceries, coffee bars or shops with different services, complete the urbanization of towns and improve particular regions. Also, their corporate social responsibility is important for local activities. Mainly the owners are part of the community and they are more likely to support the environment compared to owners of larger companies living further away. SMEs are also good ways for people to self-realization themselves. In the table below are shown the advantages or disadvantage of SMEs.

To sum up this part, in the tables below the advantages and disadvantages of SMEs are shown as suggested by Srpová (2010).

Table 7 Advantage of SMEs

Advantage
Flexibility – fast adapt to the customers and situation in the market
Simple organisational structure and formal relationships with and between employees
The ability to generate job opportunities in the case of low capital expenses.

More friendly and close relationships with the customers
Less administration work and more frequent use of the outsourcing
Smaller demands on energy and materials

Source: *Srpová (2010)*

Table 8 Disadvantage of SMEs

Disadvantage
Influenced by market changes
Limited capital resources and limited access to states contracts
Limited personal sources – professionals and high qualified employees
Limitation of monitoring
Influenced by large companies and their behaviour
Legislation changes

Source: *Srpová (2010)*

### 3.4 Entrepreneurship in the service

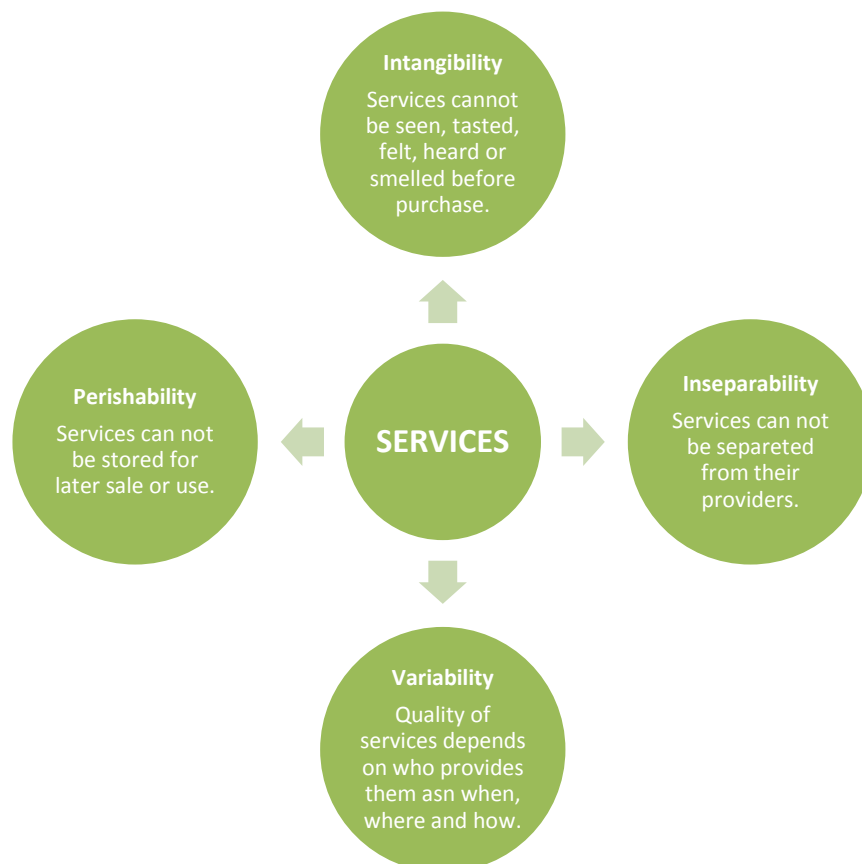
Nowadays, customers require more and more services than before therefore the number of companies providing these services has also increased. These services can be provided by three different owners. A large number of services are provided by states including education, health care, security, legislation, social services, transport service or financial services. Obviously, these services can also be provided by private sectors. The private sector also has an important role in providing these services, especially in banks, tourism, aviation, insurance companies, private transport, repair services etc. Another important provider of services, especially in social services, are the non-profit organisations including charities, civic associations or church societies.

#### 3.4.1 Definition and characteristic of services

The service is specific with its characteristics in comparison with the products. Fill (2009) explained service as “any act or performance offered by one party to another, that is essentially intangible and where consumption does not result in any transfer of ownership”. Kotler & Armstrong (2008) suggests four main characteristic of service (see Figure13). They are intangibility, inseparability, perish ability and variability. Vašítková (2008) also highlighted ownership. Intangibility can be understood as something that cannot be touched, tried or tasted before purchase (Barešová, 2011). This makes it difficult for customers to decide which service to buy, therefore customers receive and make decisions according to

different factors including price, design, communication, place, equipment, people etc. (Kotler & Armstrong, 2008). Previous experience and word of mouth also have significant influence (Barešová, 2011). Part of the service is often a person or a machine that provides the service and it is not possible to separate the service from these providers, therefore the quality and process of the service is influenced by the providers as well as the customers. (Kotler & Armstrong, 2008). The inseparability of the service is also related to its. Even though we go to same restaurant or we always sleep in one chain of hotel, the quality of the service can be different because it depends on who provides the service. The service is not like a product in that it can be stored and sold later (Kotler & Armstrong, 2008). If the service is not used at the time when it is provided then it is lost or destroyed. According to Vašítková (2008) customers get only the rights to provide or use the service, but cannot own the service. All of the characteristics above have to be considered when marketers are creating their marketing plans.

Figure 13 Characteristics of the services



Source: Kotler & Armstrong (2008), own processing

### 3.4.2 Marketing mix for services

The basic tool for marketing, identified by Jerry McCarthy, is the marketing mix. The fundamental model is created from the four Ps (Product, Price, Place, Promotion) (Kotler & Armstrong, 2008). However, Lovelock & Wirtz (2007) describe that the “4Ps” are mainly for products and the elements of the marketing mix has to be adapted further developed for services, therefore they suggest 8Ps of the marketing mix for services in order to create valuable strategies. They are: product elements, place and time, price and other user outlays, promotion and education, process, physical environment, people, productivity and quality. Vašítková (2008) also agrees that the marketing mix for services has to be diffused by other elements. Whereas Lock & Wirtz (2007) defines the “8Ps”, she mentions only “7Ps” in the module, which misses productivity and quality. Throughout this paper the marketing mix for services will refer to model of the “8Ps”.

#### 1. Product elements

The service becomes the core product by companies focusing on services. For this reason, the most important issue in the marketing mix for services is a well designed and created service. The service has to bring significant value to the customer in order to evoke their interest. Also, the service has to offer better value than the competition. According to Lovelock & Wirtz (2007) “service products consist of a core product that responds to the customers’ primary need and an array of supplementary service elements that help customers to use the core product effectively as well as adding value through welcomed enhancements.”

#### 2. Place and Time

Delivering product elements depends on the characteristics of the service. Providers have to decide where, when and how the service will be delivered to the customers. It does not matter if it is used physically or electronically or combination of both, but the “speed and convenience of place and time have become important determinants of effective service delivery” (Lovelock & Wirtz, 2007). Obviously, the easiest way how to make the customer purchase the service is to get him as close to this service as possible. (Vašítková, 2008)

#### 3. Price and other user outlays

Customers consider price as one of the most important factors in their decision making process. Moreover, marketers also have to think about customer’s additional costs such as

“other monetary costs, time expenditures, unwanted mental or physical effort, and exposure to negative sensory experience”. (Lovelock & Wirtz, 2007) On the other hand, the price has to cover the provider’s costs and make them profit. It is usual that the price is not stable and can change depending on several factors. They are “type of customers, time and place of delivery, level of demand, available capacity” (Lovelock & Wirtz, 2007), “and promotion sales” (Vašítková, 2008). According to Vašítková (2008) the price is a significant determinant of the quality.

#### 4. Promotion and Education

Marketing service communication can be distinguished from marketing product communication, predominantly by its educational nature. The provider can not only inform the customers about the service or convince customers to purchase the service in the right time or place, but they also have to explain to them how to use it and how to get the best profit. This is even more evident in the case of new customers. People can have a big effect on promotion, i.e. sales people, staff who are in contact with customers and also customers who have experience with the company. These people can bring new customers but at the same time they can also discourage them. Lovelock and Wirtz (2007) determine the marketing communications mix for services that is illustrated in the Figure below.

Figure 14 Marketing communication for services

Personal Communications	Advertising	Sales Promotions	Publicity and Public Relations	Instructional Materials	Corporate Design
<ul style="list-style-type: none"> <li>• Selling</li> <li>• Customer service</li> <li>• Training</li> <li>• Telemarketing</li> <li>• Word of mouth</li> </ul>	<ul style="list-style-type: none"> <li>• Broadcast</li> <li>• Print</li> <li>• Internet</li> <li>• Outdoor</li> <li>• Direct mail</li> </ul>	<ul style="list-style-type: none"> <li>• Sampling</li> <li>• Coupons</li> <li>• Gifts</li> <li>• Sign-up rebates</li> <li>• Prize Promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Press release/kits</li> <li>• Press conference</li> <li>• Special events</li> <li>• Sponsorship</li> <li>• Trade shows, exhibitions</li> <li>• Media-Initiated Coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Web sites</li> <li>• Manuals</li> <li>• Brochures</li> <li>• Interactive softwares</li> <li>• Voice mail</li> </ul>	<ul style="list-style-type: none"> <li>• Signage</li> <li>• Interior decor</li> <li>• Vehicles</li> <li>• Equipmnet</li> <li>• Stationery</li> <li>• Uniforms</li> </ul>

Source: Lovelock & Wirts (2007)

## 5. Process

The impact on the process of the marketing mix for services is mainly because the customer becomes part of the service. For illustration, if a customer has to wait a long time, does not get enough help or the advantages of the particular product are not explained well enough then the customer is left without their needs being satisfied. It is highly presumable that a customer will not return and they will visit the company's competitors. Therefore, it is very important to do an analysis of the process to deliver a service in the shortest way but at the same time satisfy the customer's needs. (Vašítková, 2008). Also, a badly designed process can cause some complications for front-line employees.

## 6. Physical Environment

The physical environment also has a large impact on the customer decision making process. According to Lovelock & Wirtz (2007) the visible cues are buildings, landscaping, vehicles, interior furnishing, equipment, staff members' uniforms, signs and printed materials. These signs are very important because they can help the customer assume the quality of the service. (Vašítková, 2008)

### 7. People

In service companies, it is very important to choose convenient employees and appropriately motivate them because they can affect the first impression that customers make about the company. Also, the regular trainings of staff can help to improve service (Lovelock & Wirtz, 2007). Many companies set up rules for how employees should behave towards customers and they control them if they do not break these rules. (Vašítková, 2008)

### 8. Productivity and Quality

Lovelock & Wirtz (2007) explain that “the productivity and quality should be seen as two sides of the same coin”. Productivity can be increased to reduce costs but the quality has to stay at least the same, as it is essential to differentiate the company from its competitors whilst satisfying customer’s needs. Conversely, it does not make sense to invest in improving quality if the customers do not require it. (Lovelock & Wirtz, 2007)

#### **3.4.3 Specifics in the marketing communication for elder generation**

Current literature talks about the majority of marketers not knowing how to target the older population or even that they simply ignore them. However, Dvořáková talks about seniors as a customer of the future. (Dvořáková, 2007) Reidl et al (2012) determined three main suggestions how to create marketing communications for the older population that will be effective (Reidl et al, 2012).

- Seniors are not happy to be called seniors because they want to still feel young. Therefore the products or services that are named “for seniors” are not welcomed by this generation and it does not reach them effectively.(Reidl et al, 2012)
- Seniors are people with lots of experiences and they know the brands that satisfy their needs. For this reason, if they are happy with the product or service they can make a decision very quickly. On the other hand, if they are not happy then it is very problematic when trying to convince them to change their mind. Older people are expecting more information and accurate descriptions in advertising. According to them, the messages should include information more about the function of the product and how to use it. (Reidl et al,2012)



- Reidel et al (2012) also recommends using images in advertising and to emphasize ageing. They definitely do not agree to use older models, rather people who are typical representatives.

According to Dvořáková (2007) marketers have a stereotypical vision about seniors and do not think about their variety of lifestyles. In the view of marketing communication she supposed that direct marketing is very effective. However, Czech marketers have to realize that current seniors are limited by their knowledge about modern communication technologies. She also suggested personal selling. In this hectic time there is probably only one segment that is willing to invest their time in listening to information about a product or service. Reidl et al also said that seniors do not react impulsively and they prefer the brands which are familiar to them. She highlighted that they do not have a problem with talking on the phone or with stopping to taste things in the supermarket or with promotion presents (Dvořáková, 2007).

Nowadays, the trends centre around the young generation, but in the future it will be people around the retirement age who will strongly influence market trends. (Dvořáková, 2007)

### **3.5 Social services**

This study focuses on services provided for seniors and most of them belong to the category – social service. For this reason, the next part gives a short overview of the history of social service, briefly introduces the social services provided in the Czech Republic and finally it focuses on the services for older people, especially day centres.

#### **3.5.1 Definition and history overview**

Sometimes it might happen that people get into a complicated life situation when they need help from others or when they are not available to manage everyday activities. For those people who need help there are different kinds of social services. These services are usually provided by the government or non private institutions. (Matoušek, 2007)

The first mention of social service can be considered in the 16<sup>th</sup> century when the first hospices and orphanages were established. Another important turning point for social services was in the 18<sup>th</sup> century, when Joseph II introduced the first social system and suggested the first basis of the central state system. During the war period social services were mostly focused only on war veterans. After the wars the development of social services in Europe

depended on the political and economic situation. There was significant difference between Eastern and Western Europe, where social services were more developed. The situation in Eastern Europe was mainly changed in the 1990's. Even though the Eastern countries have changed their social systems and tried to rapidly adapt to the new trends, the differences are still visible. (Malíková, 2011; Barešová 2011)

### 3.5.2 Current social system

According to Matoušek (2007) the current social services protect people so that they can manage their situation, improve their life and sometimes it is also necessary to help them return to society". Everybody who provides any kind of service and wants to get financial support from the government has to be registered at the Ministry of Labour and Social Affairs which controls the required quality of services (Malíková, 2011).

Czech legislation divided social services into three main forms/groups. First, *social counselling* mainly provides information about different possibilities how to sort particular problems out. Second, the aim of the *social prevention service* is to help to sort unfavourable situations out before they get into trouble. The last category is *services of social care* that help people with their difficulties and to be self sufficient in mental and physical ways or enable them to have the greatest participation in society. (Malíková, 2011)

Service can also be divided according to the way in which it is provided. There are outpatient services, which are services provided at a client's home and residential services.

### 3.5.3 Social services for older people in Czech Republic

Social services for old people went through lots of positive changes after 1989. Before 1989 older people were isolated from society in state retirement homes which represented only one possible choice for social service. The quality of the social system was poor, they had to adapt to the routine regime and show no individual attitude. Therefore it is not surprising that most seniors were disappointed, felt humiliated, and were passive and pessimistic. (Malíková,2011)

After 1989, the system of social service changed and new rules of the system have been introduced. However, the considerable changes were brought about with the law of the social service no. 108/2006 few years later. One of the most important changes put emphasis on the individual requirements and needs. Then, the responsibility of social services was split into more providers including municipalities and regions, non-governmental non

profit organisations and individuals and the Ministry of Labour and Social Affairs. In addition, there was an effort to provide social services based on local needs (Evers in Kubalšíková, 2005). Moreover, the current trends in the Czech Republic are taking inspiration from abroad, especially from other European countries. However, private providers particularly complain about the poor state of support and confessed that it is very difficult to find funding for their social services. Most of them declare that they could not exist without sponsors or sometimes they donate it from their private resources (Břešťan, 2011). Current seniors in the Czech Republic can use different kinds of services including home care, personal assistance, respite care, social consulting, day care or week care centre, protected and supported housing etc.

### **3.6 Summary**

From my point of view the biggest advantage of the entrepreneurship is the independence, the possibility to decide about everything themselves and also the personal development and self-realization. Obviously there are also some disadvantages, for me the responsibility for the business, customers, employees and good awareness about the company are the largest challenges. In this part was explained the social system because the idea of this project is very closely related to the social services and most providers of the social services are operating by local governments or financially supported by the state.

## **4 SETTING UP A NEW BUSINESS**

### **4.1 Introduction**

The process of the setting up the business is not easy and it takes time and many decisions to do it. This part focuses on the literature related with the setting up the business. It begins by identification some main types of the business, then there is explained the business plan and its structure is illustrated in the Appendix.

### **4.2 Introduction to setting up the business**

It is not important which definition of the entrepreneurship is chosen, because the way of setting up a business is basically the same even though the subjects and aims of the business are different. The size of the company is also not important in the process of setting up the business, because the steps are the same. At the beginning of the process, somebody sees an opportunity in the market and tries to exploit it in the best way and turn the idea into a profitable business. Nevertheless, to see only a good opportunity does not mean that the entrepreneurship will be successful. (Srpová, 2010) Obviously, every company deals with specific problems but they have some common issues including adapting to the market, being innovative, understanding customers and listening their needs and being enterprising every day and not only leading the company (Srpová, 2010).

#### **4.2.1 Legal forms of the business**

Before setting up the business the entrepreneur needs to know what kind of legislative form they will set up. The Czech Commercial describes two main legal approaches to a business. They are a juridical person and a natural person. Each approach is also classified and each form has its advantages and disadvantages. Moreover, each form is more suitable to different kinds of business and for setting up the particular form the entrepreneur has to meet certain conditions and rules. The business of the natural person is more specified in the Trade act no. 455/1991 Sb.

#### **Business of natural person**

The Trade act no. 455/1991 Coll., identified trade as “a systematic business activity carried out independently, based on their own names and their own responsibility for profit and under the conditions of the Trade Act” (Srpová, 2010) The main condition for the business of a natural person is that they have to obtain a trade licence or other specific licence for

their business. Other conditions are that they must be aged over 18 years old, be in full legal capacity and have a clean record and special knowledge or skills.

### **Business of juridical person**

The business of a juridical person is second option for a business. This form is more complicated within the administration and in the beginning entrepreneurs have to pay a fixed registered capital. There are three main types of juridical person. They are: partnership company, stock company and cooperatives.

### **4.2.2 Business Plan**

The business plan is a significant document for entrepreneurs. It is used to analyse the feasibility of the business, to assist the launch of a new business and to help it be successful, competitive and prepared for changes over time (Koráb, 2005). The importance of the business plan illustrates the quotation: “If you don’t know where you are going, any path will get you there” (Hormozi, 2002). The basic aim of the business plan is to transform the idea of the business into reality and minimise the risk of failure (Koráb, 2005). It shows the history, current situation, and the projections for the near future (Pinson, 2005). According to Pinson (2005) the business plan has two main benefits for the business. Firstly, it is a guide for the business. Obviously, the business plan of a new business will be different in comparison with the business plan of a long term existing company (Pinson, 2005). However, in both cases the document describes a variety of significant factors related with that particular business.

Probably the most important are the goals and aims of the business as well as the way how to achieve them. Also explained is the process of setting up the business and illustration is given to the important forms and legislation that is necessary to follow. The next significant part of the business plan is the internal and external factors that influence the business. The business plan should give an answer to what tools are appropriate to use and if the ideas meet the expectation of the potential customers. Basically, the business plan tells where a company is, where they want to be and how they will get there. (Koráb, 2005) Hisriche and Peterse (2005) gave a clear definition of the business plan. They said the business plan is a “written document created by the entrepreneur that describes all the main internal and external factors related with setting up and managing the business”. Secondly, Pinson (2005) explained the business plan as a document for financing. Many authors agree that the business plan is a helpful document for the entrepreneur but also for inves-

tors and bankers to make the right decision. Investors want to know how their money will be used and if it will be profitable for them and lenders are interested in the company's cash flow and to see if the entrepreneur can repay the money as promised. From these reasons the business plan is essential when an entrepreneur is seeking the money to fund their business. In summary, the business plan can be defined "as operating a company on paper" and brings a large number of the benefits and advantages. (Hormozi, 2002) According to Pinson (2005), to create a good business plan it is helpful to still think about the answer of who, when, what, why, where, how unique, what benefit to the customers and how much. The business plan can also help to find out the possible problems and weaknesses of the business and try to improve them. (O'Connor, 1998)

Obviously the business plan cannot promise success but it can help to reduce the main mistakes and avoid failures (Crawford-Lucas, 1992). However, if the business plan is not prepared carefully and with realistic views then it is not effective at all (Koráb, 2005). It is also worthy to include all the information that the entrepreneur has, but they have to keep it in mind to make the business plan understandable and accurate. According to Brown (2008) a "good and individual plan will show you if that business is going to give you back what you're looking for". However, it is important to update the document and adapt to changes as well (Pinson, 2005). According to Sharon King (director of the Boulder Small Business Development Centre in Colorado) the updating of the business plan is one important way of keeping it customized to the growing need of the business." (Brown, 2008)

The length of the business plan is discussed. Hormozi (2002) suggested that the number of pages depends on the entrepreneur, but the plan cannot be too long or it will become boring for the reader. Arkebauer (1995) supposes that the average page total of a business plan is about 40 pages. Also the Small Business Administration (in the US) in 1993 recommended the length of between 30 and 40 pages including the part of the supporting documents. However, nowadays (2011) Sharon King from SBDC highlighted that the business plan does not have to be created with 80 pages, but it is more effective to do it as short as possible. (King, 2011)

Many authors and experts (Brown, 2008; Koráb, 2005) recommend to ask some professionals to check the plan and ask them for advice. They can also advise how to grow the business on the entrepreneur's basic plan. Nowadays, there are lots of companies that provide this service help new entrepreneurs. The American Woman's Economic development Corporation suggests that is very important to create the business plan itself because then

the entrepreneur knows exactly all of the details about their business. But, of course, experts can bring into the plan new aspects and a different view of the business as a whole. (SBA, 1997)

Mullins & Komisar (2010) argued that first ideas (business plan A) rarely achieve the aims and the position which entrepreneurs desire, even though they think it will work. They also said that true success depends on how the entrepreneur will manage and deal with the initial problems. Therefore, they suggested a better way how to launch a new business – “discovering a business model that works” (Mullins & Komisar, 2010). It takes less time and obviously less money. The most important thing is to find out the main area of risk, identify the hypotheses and test them. In practice for example, opening a small shop to see the customer’s interest or how best to set up the prices. This will prove if plan A works. They identified a tool that can help to verify the best journey to get to a business model which works. They called it a ‘dashboard’, which “drives an evidence-based process to plan, guide and track the results of what you learn from your hypothesis testing”. Of course, it takes some time and mistakes are made but from this the entrepreneur can learn a lot. The advantage of the dashboard is that it gives the entrepreneur a true answer and responds as in real life rather than using guesses or projections as a usual business plan might do. For illustration, Max Levchin firstly wanted to start his business on cryptography expertise, but finally he ended up with a successful business – PayPal Inc.

### **4.2.3 Structure of business plan**

The current literature agreed on the same content of the business plan, but it is slightly differentiated how it is structured. Basically, it includes fundamental information about the business and the entrepreneur, an organizational plan, a marketing plan, financial documents and the supporting documents. Pinson (2005) divided the business plan into a cover sheet, table of contents, executive summary, the organizational plan, the marketing plan, financial documents and supporting documents. Hormozi (2002) suggested an easier structure; introductory elements, the business section (including marketing plan), financial statements and appendix of the business. The detailed structure is shown in appendix.

### **4.3 Summary**

There is no doubt that the business plan is very helpful document for any entrepreneur and needs to be carefully prepared if the entrepreneur wants have successful business or receive some financial support.



## 5 SUMMARY OF LITERATURE REVIEW

In the theoretical part were examined the important information that will be implement in the practical part.

Based on the literature there were set up the hypotheses of this study and they will be proven or rejected in the practical part. They are formed in the following way:

1. To examine whether there is demand for a new multipurpose centre focusing on the older generation.
2. To test the assumption that the leisure activities founded in the survey provided by company AXA are identical with the activities that seniors in Hradec Králové are looking for.
3. To test the prediction that the activities for seniors provided in the Hradec Králové do not fulfil the demand completely.

## **II. ANALYSIS**

## 6 ANALYSIS OF THE CURRENT SITUATION IN HRADEC KRÁLOVÉ

### 6.1 Methodology for primary data research

For any kind of research it is very important to choose an appropriate research method. This study used deductive research. It means that before the research a hypothesis was identified that was to be proven or rejected. (Lewis et al, 2007) The time horizons also played an important role in the research. This study was limited by time, therefore it was conducted as a cross sectional study.

All research includes a research strategy. The most common strategies are surveys, case studies, experiments, action research, ethnography (Denscombe, 1998), grounded theory or archival research (Lewis et al. 2007). The researchers make decisions about the research strategy depending on a variety of factors including the research questions, objectives, time, and the researcher's previous experiences.

For this study, a survey was used. This method has been frequently used for business research in recent years. According to Lewis et al (2007) the survey is a "research strategy that involves the structured collection of data from a sizeable population". There are several reasons why the survey was used and they are illustrated in the table below.

#### Reasons to use the survey

- Obtaining quantitative or qualitative data
- Gathering data from a large population
- Showing the situation in the current time
- Low costs
- Cheaper than other research strategies including experiments and ethnography
- More control over the research
- No dependence on other people
- The data is suitable for comparison
- Relatively short time for collecting data

(Lewis, 2007; Denscombe, 1998; Quinlan, 2011)

A survey allows the researcher to gather two types of research: quantitative or qualitative data. Qualitative data is usually collected by interview and it can be explained as non-

numerical data. (Lewis et al. 2007) This data gives a deeper answer about the particular issues. In contrast, quantitative data allows obtainment from a large scale of respondents. Quinlan (2010) explains quantitative data as “data in the form of numbers or data that can readily be coded numerically and represent feelings, thoughts, ideas and understanding non-numeric data”. They are mostly gathered by different kinds of questionnaires and statistics and graphs are usually used for the analysis. Obviously, the researcher can combine both research choices and conduct the research using multi-methods, which was used for this study.

For gathering quantitative or qualitative data, different collection methods are used. The data collections methods have to be created individually for each piece of research according to the aim of the study, population, location of the research and the required data. The techniques have to be chosen in order to gather the data in the easiest way. According to Sekaran (2010) the most appropriate data collection methods for survey are interviews, questionnaires and observing respondents or phenomena. This study used two different data collection methods: questionnaires and interviews.

Firstly, the questionnaire was created to gather data from older people about their life, needs and whether they are interested in a multipurpose centre. According to Sekaran (2010) “the questionnaires have the advantage of obtaining data more efficiently in terms of the researcher’s time, energy and cost.” In this survey both types of questions were conducted – open questions and closed questions with pre-coded answers. There are different ways how the questionnaire can be distributed to the respondents. This questionnaire was printed and handed out in Hradec Králové during a lecture for seniors. This way was chosen because all of the other methods were unsuitable for this study. A face to face interview would take a long time, the questionnaires interviewed via phone would be costly and also could be difficult to get the appropriate database. The online way of distributing the questionnaire via the internet could also be problematic because population / elements in this study are not typical internet users. The results obtained by the questionnaires were limited by the structure of the respondents.

The second technique was used to obtain qualitative data and a deeper overview from professionals in the field of study. At first an interview was conducted with MUDr. Tamara Tošnerová, who is a professional in active ageing and has focused on this segment for more than ten years. This interview was arranged to get more information about this segment and understand their needs.

Obviously, any kind of research has to be conducted in line with ethics. Every researcher should, during their planning and conducting of the research, think about ethics and eliminate potential issues. Schindler (2006) described ethics as “norms or standards of behaviour that guide moral choices about our behaviour and our relationships with others”. Quinlan (2010) highlighted that the basic rule is that researcher cannot harm any of the respondents. Also, the researcher has to be sure to avoid plagiarism and the data has to be valid. This survey was created with the awareness of all potential ethical issues. Also, many authors suggest informing the respondents about the purpose of the survey and telling them some basic information about the researcher. To do this the respondents got a small flyer with this information and they were informed about the anonymity of the research and length of the questionnaire. Also added were the researcher’s contact details. The flyer and questionnaire are illustrated in the appendix.

To analyse the quantitative data, different software programmes including Microsoft Excel, SASTM, SNAPTM or SPSS can be used (Lewis et al. 2007). For this study Excel was used because of its better design quality and SPSS was chosen for statistical analysis. Different graphs and cross tabulation were also used. The Chi-square statistic was used to “test the statistical significance of the observed association in a cross tabulation and whether there exists a systematic association between two variables.” (Malhotra, 2009, p. 495). The null hypothesis expects that there is no association between the variables and the Chi-square statistic helps to reject or fails to reject it. The variables were tested at 5% of the significant level. It is also possible to see how significant the association is between two variables by using the coefficients. (Malthora, 2009) The strength of the association has the value  $<0;1>$  or  $<+1,-1>$ . When the strength of absolute value is high then the strength of association is higher. (Kozel et al, 2011)

### **6.1.1 Analysing of the market**

For analysing the whole market in this study a PEST analysis was used. It should help to identify all the aspects and factors that influence the business and the entrepreneur should be informed about them. The model is divided in to four parts. Each part is related with particular issues which are political and legislation, economical, social and technical.

- Political and legislation

Recently there have been reforms and changes in the Czech legislation that significantly influences the situation in the Czech market, especially the increase in taxes and changes in

legislation and administration which might cause some difficulties for businesses. Also, the bureaucracy in social services has increased and workers are busier with administration work. The cutting of grants and funds in the social system will not help to improve the quality or broaden the range of services, therefore the businesses or non profit organisations have to be more dependent on themselves rather than on state benefits. Also, the decrease in senior's rent might mean that some senior will not be able to pay extra services. Moreover, the current unstable situation in the Czech government is not ideal for business purposes.

- Economical

Businesses are influenced by the legal entity income tax, which is at the current time 19%. The uncertain situation in the Czech Republic, as well as in the European economy, does not provide the best conditions for businesses. Also to be considered is the attitude of spending money by the older generation. Generally they prefer to save their money just in case they will need it as a result of an unforeseen event, such as health problems or illness, purchase of special equipment or if an everyday piece of equipment needs replacing. It is also important to mention the adjustments of seniors' rent. New legislation was passed that determined that in the next three years the rent will increase by one third growth of the real wage and only one third growth of the inflation. So far, the increase every year was by one third of the real wage and inflation. The labour union and also the senior's organisation, including the Council of seniors (Rada Seniorů), strongly disagree with this decrease.

- Social

Current trends is the increasing interest in active ageing and a more active way of living. These trends are supported by different institutions, for example the European Union announced 2012 as a Year for Active Ageing and Solidarity between Generations. Also, the Czech Ministry of labour and social affairs highlighted the importance of active ageing and during this year it will support many different activities focusing on the older population including IFA, Trade fairs and exhibitions for seniors, cultural activities such as Senior Fest or different workshops related with health or how to be aware of cheaters. Active ageing is also supported by the trend of further education institutions and the University of the Third Year focusing on the older population becoming more popular.

- Technical

The technical part can be considered in two perspectives. At first negatively, because the fast development of new technologies and equipment can create difficulties for seniors because it takes more time for them to learn how to use new technologies and adapt to the new trends in comparison with younger generations. Secondly, new technologies also have a positive impact, because they can make their lives easier, especially new technologies in medicine which can improve and extend human life.

### 6.1.2 Analysing of the targeting segments

To analyse the target segment, demographic data related with the town of Hradec Králové, the capital of Královehradecký region, was used.

The total number of inhabitants is 94 463 (1.1. 2010) and almost 20 per cent are aged over 65 years old. In the Figure below it shows the structure of the population in 2010 compared with 2001. It is apparent that the older population has increased in size.

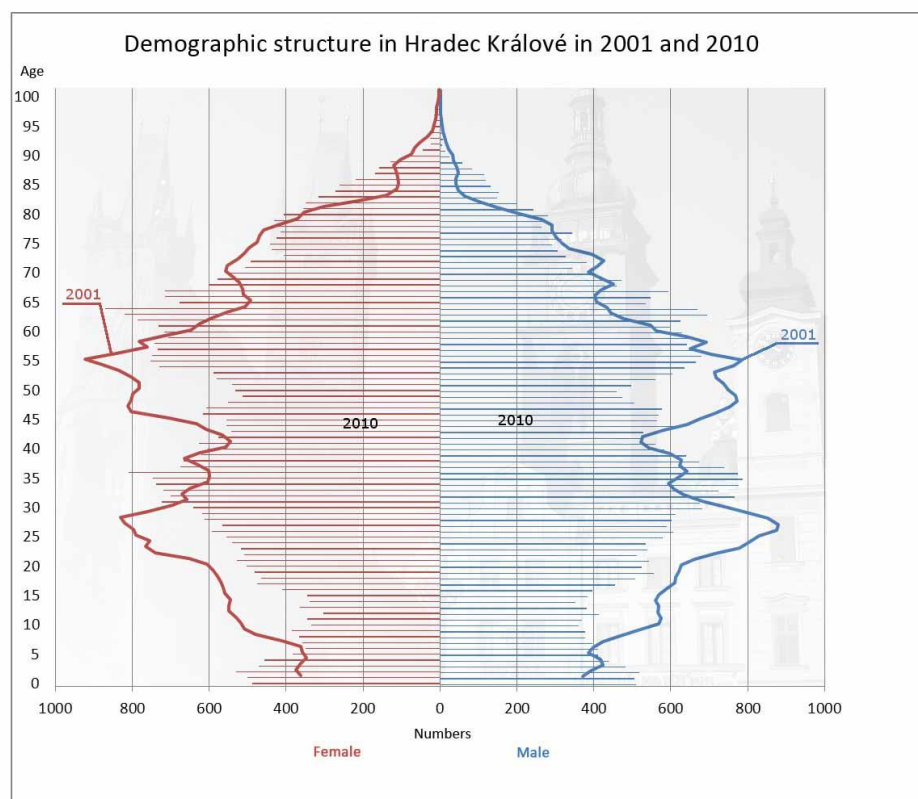


Figure 15 Demographic structure in Hradec Králové in 2001 and 2010

Source: Šubrt (2012)

Also illustrated is a map of the town with the proportion of age structure in percentage. Highlighted is the the large concentration of habitants over 60 years old. The particular parts are divided according to the level of green colour tone. The dark green colour shows that in these parts live more than 35% older people, lighter green is between 25% and 30 % seniors, and the lightest green is under 25% seniors. As can be seen, there are two places where there is a large number of seniors; Slezské předměstí and Pražské předměstí. The whole structure of habitants according to the age and town parts is show in appendix\_.

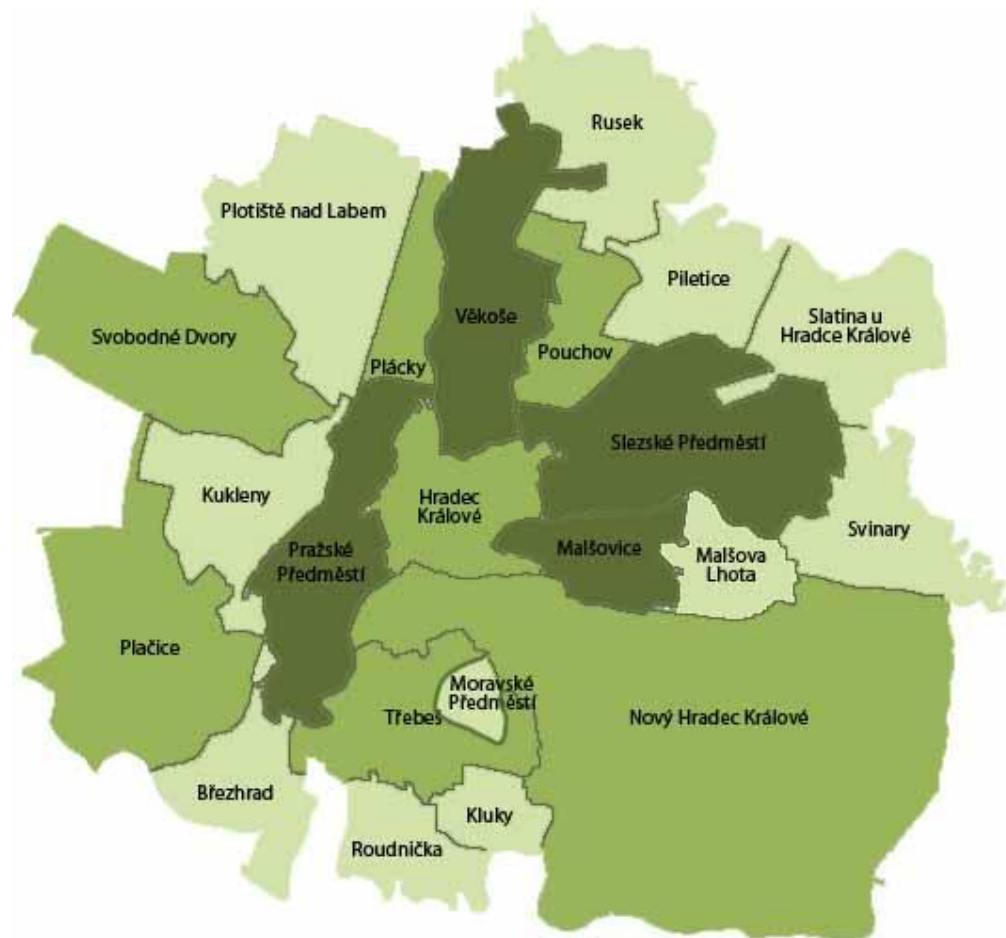


Figure 16 Map of Hradec Králové

Source: <http://www.hradeckralove.org/file/3175>, own processing

As well as in the rest of the Czech Republic, in Hradec Králové there is a trend in the growth of the population, which is shown in the last graph. The prediction shows that only the segment of habitants over 60 years old will increase. (Šimůnek, 2010)



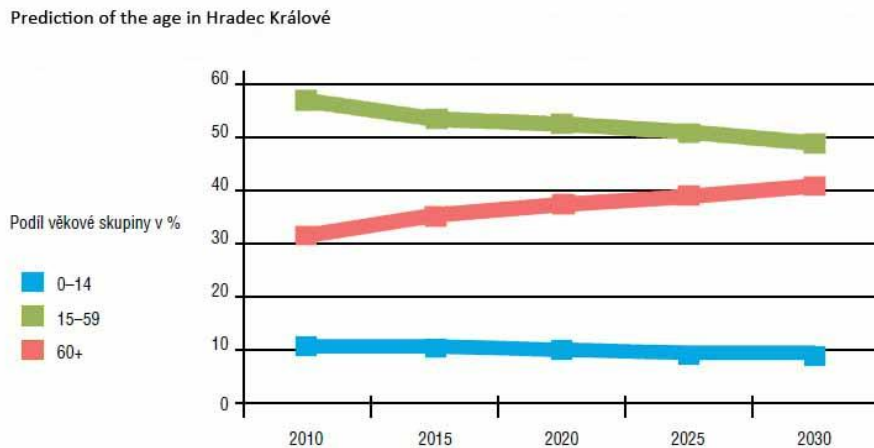


Figure 17 Prediction of age population in Hradec Králové

Source: Šimůnek (2010)

In the demographic characterisation, the senior’s rent also has to be considered. In Figure 18 is shown senior’s rents in the region from 2005 to 2010. The average senior’s rent is 10 003 CZK. There is a difference in the average male rent (10 996CZK) which is higher than the senior female salary (9 187CZK).

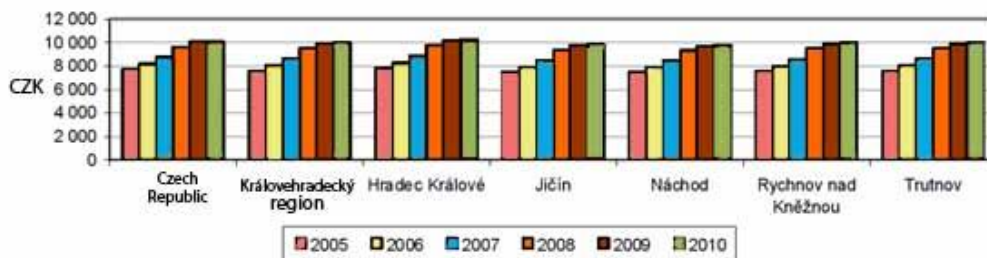


Figure 18 Senior’s rent in Královehradecký region

Source: <http://www.hrdeckralove.org/urad/dokumenty-1>

In 2009, the local government conducted a survey within the older population in order to try and understand their needs. Seniors answered different questions related with the social system in Hradec Králové and how much they are satisfied with it. Also included was a question focusing on day centres. Seniors between 65 and 74 years old have a higher inter-

est in day centres than the current supply offers. Experts focusing on this issue in Hradec Králové supposed that the social system in the town is on a relatively good level, but they also suggested that there is gap for day centres and that this kind of service should be broadened.

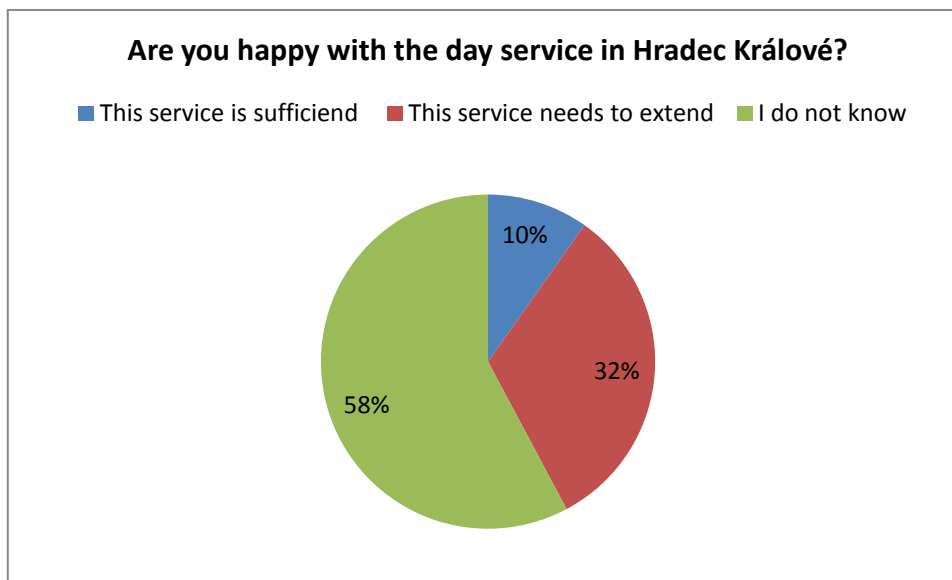


Figure 19 Are you happy with the day service in Hradec Králové?

Source: <http://www.hradeckralove.org/urad/dokumenty-1>, own processing

## 6.2 Analysis focusing on potential customers and their needs

Two different ways were used to analyse the potential customers. Firstly, potential customers filled in the printed questionnaire and secondly interviews were conducted with MUDr. Tamara Tošnerová, who is one of the most specialized experts focusing on old age and active ageing.

### 6.2.1.1 Analysing quantitative data

In the research focusing on potential customers of a senior centre and cafe the printed questionnaire was used. These questionnaires were distributed before the lecture for older people with an agreement with the University Hradec Kralové, which is a provider of the university for older people. The first questions were focused on demographic data and

were specified on the leisure activities and café. In total 200 questionnaires were handed out, of which 178 were returned, so the response rate was 89%.

The data from the first questions illustrated some of the main characteristics of the respondents. The first graph 20 illustrates the respondent's gender. What is interesting in this data is that there were nearly 90% women and only 10% men. A possible explanation for this is that the survey was conducted before and after the lectures focusing on older population where mostly women attended. The higher interest in these kind of activities might be because women generally live longer and during their lives they are more interested in educational activities. For these reasons, it can be expected that in the centre there will be more women than men attending.

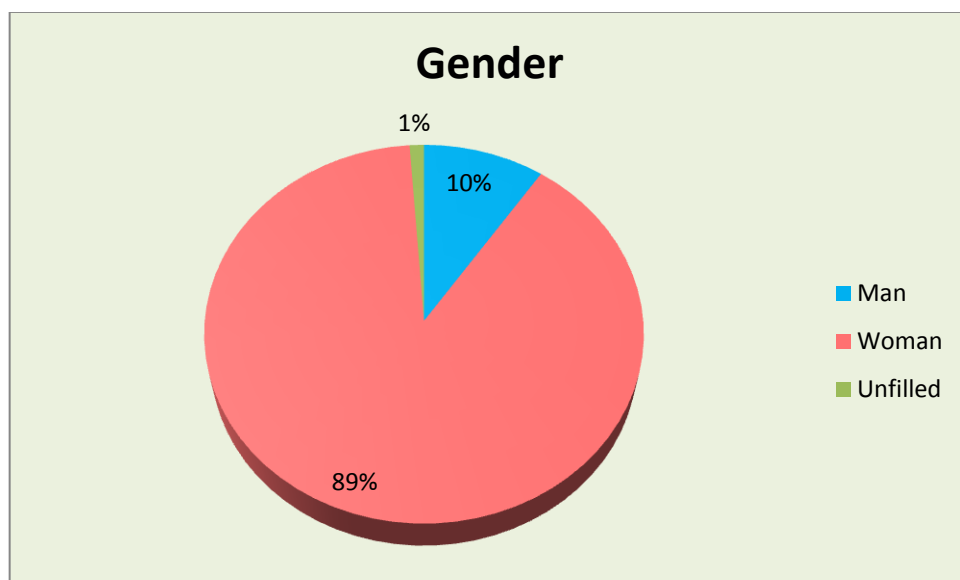


Figure 20 Gender

*Source: own processing*

As can be seen from graph 21 below, the largest age group (57%) was people aged between 66 and 75 years old. A possible explanation for this might be that this age group want to still stay in touch with society and remain active. The second group (25%) of respondents between 56 and 65 years old is significantly smaller than first group. The reason for this might be that this segment is very often employed or they will not want to be considered as a senior. The next group was represented by people between 76 and 85 years old (15%). This result might be affected by the increasing number of health problems, seeking quiet activities or that they have low motivation. The rest of groups created a small amount of the respondents.

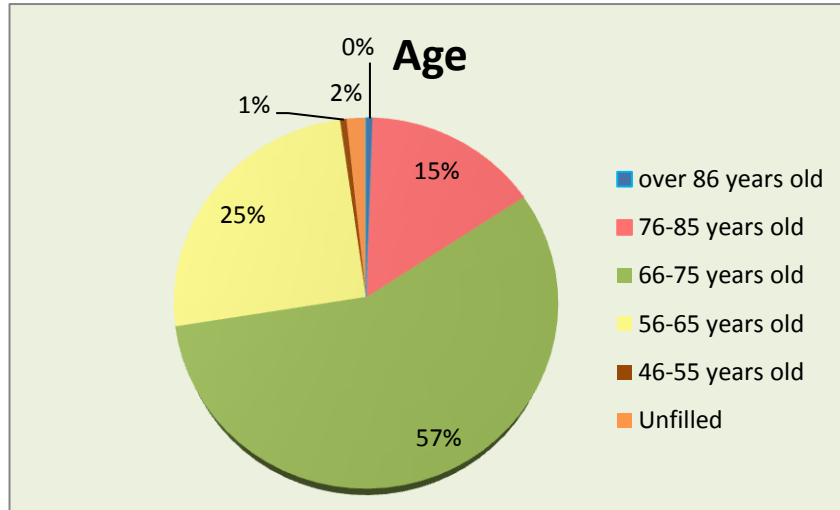


Figure 21 Age

Source: own processing

Cross tabulation 22 below presents the results obtained from the first two questions focusing on age and gender. It is apparent from this table that the greatest group of respondents were women aged between 66 and 75 years old. Also, this age group contains the largest amount of male respondents. These results are highlighted in red.

			Gender			Total
			Unfilled	Women	Man	
Age	Unfilled	Count	0	3	0	3
		% within Age	,0%	100,0%	,0%	100,0%
		% of Total	,0%	1,7%	,0%	1,7%
46 - 55 years old	Count	Count	0	1	0	1
		% within Age	,0%	100,0%	,0%	100,0%
		% of Total	,0%	,6%	,0%	,6%
56 - 65 years old	Count	Count	0	42	3	45
		% within Age	,0%	93,3%	6,7%	100,0%
		% of Total	,0%	23,6%	1,7%	25,3%
66 - 75 years old	Count	Count	0	88	13	101
		% within Age	,0%	87,1%	12,9%	100,0%
		% of Total	,0%	49,4%	7,3%	56,7%
76 - 85 years old	Count	Count	2	25	0	27
		% within Age	7,4%	92,6%	,0%	100,0%
		% of Total	1,1%	14,0%	,0%	15,2%

Over 86 years old	Count	0	0	1	1
	% within Age	,0%	,0%	100,0%	100,0%
	% of Total	,0%	,0%	,6%	,6%
Total	Count	2	159	17	178
	% within Age	1,1%	89,3%	9,6%	100,0%
	% of Total	1,1%	89,3%	9,6%	100,0%

Figure 22 Cross-tabulation (Age and Gender)

*Source: own processing*

The results in the following graph indicate where the respondents live. Almost half of the respondents (43%) live in Hradec Králové: 11% live in the suburbs, 26% live near to the centre (parts of the town including Slezské předměstí, Malšovice, Moravské předměstí, Třebeš, Pražské předměstí and Věkoše) and 6% live in the centre. The high number of people who live near to the centre is reflected by a local government survey which revealed that in these parts live a large number of people aged over 60 years old (see Figure 16). Surprisingly the rest of respondents lived up to 20 km from Hradec Králové (19%) or they lived further than 20 km (33%). Some of respondents who answered that they lived further than 20km also mentioned the town and its distance. Many respondents said that they live from 40 to 80 km away or specified the towns, namely Chrudim, Trutnov, Kolín, Nymburk, Pardubice, Náchod, Letohrad, Nová Paka or Kostelec nad Orlicí. The reason for the high number of respondents who do not live in Hradec Králové might be that in the previously stated towns there is no university for older people, so if they want to participate in this kind of education they have to travel to Hradec Králové. Also, they might couple the visit to the lecture with a trip or shopping in a bigger town than where they are from.

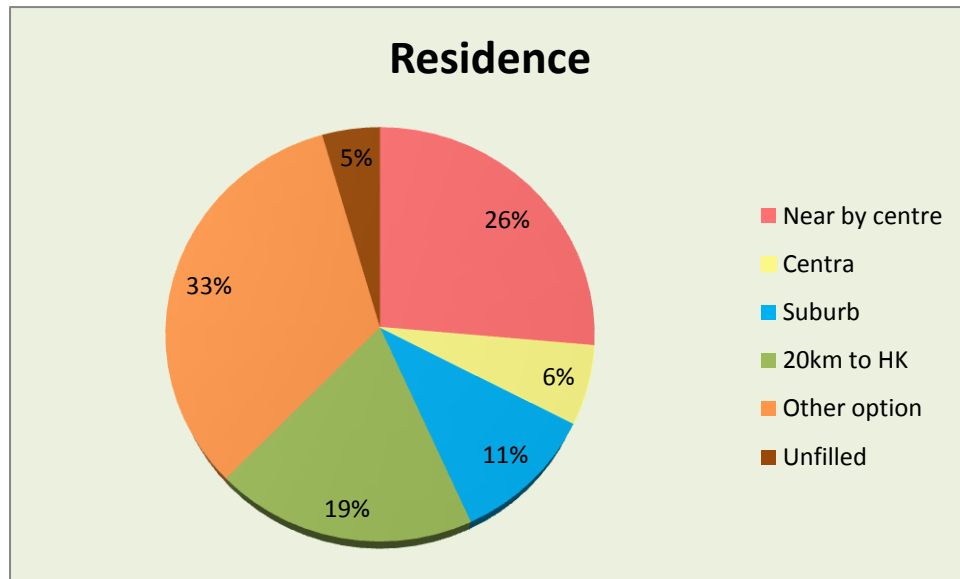


Figure 23 Residence

*Source: own processing*

The next question focused on respondent's free time. Most respondents answered that they most like to care about their gardens or flowers. Even though respondents were of older age the second favourite activity was sport. Some of the respondents specified the sporting activity, for example yoga, swimming, exercise with music, cycling, and skiing. The next frequent answer was travelling, hiking or walking and reading books. The findings of the current study are consistent with those of the AXA Study (2008) that provided the research of older people in the whole of the Czech Republic. This study confirmed that seniors are interested in activities such as gardening, hiking, travelling, caring about family, cultural activities and reading.

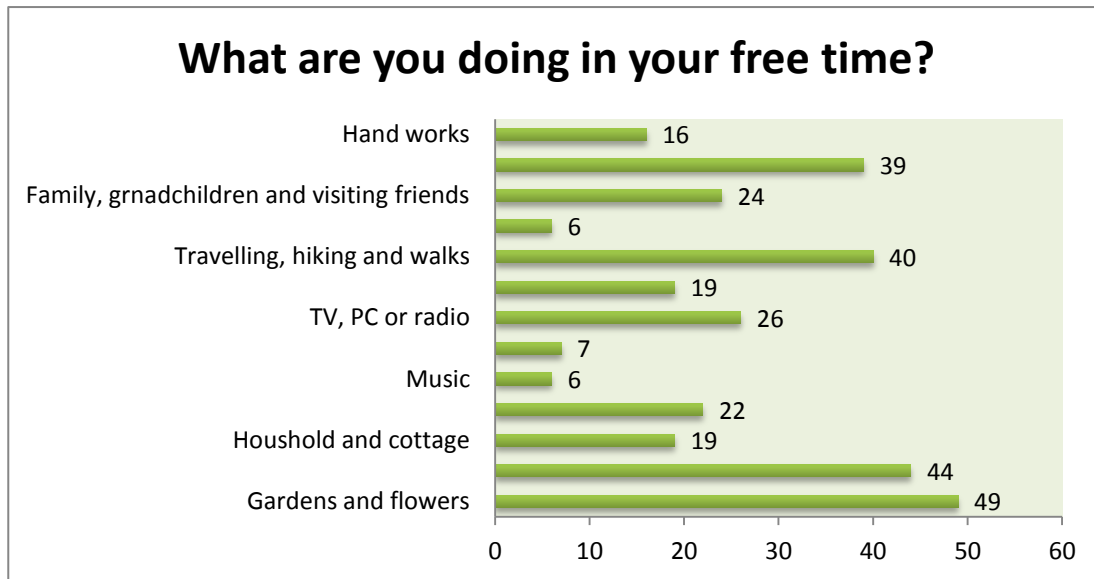


Figure 24 What are you doing in your free time?

*Source: own processing*

The respondents were asked whether they are already attending some courses or other activities in their leisure time. 80% of the respondents answered “yes”. However, 5% of the respondents answered “no”. This is surprising because the questionnaire was handed out before the lecture. Therefore 5% of respondents might not fully understand the question or they thought that it meant other activities. The next question should find out which activities respondents are already attending. In the graph below it can be seen that the most favourite activities that respondents are already attending are the courses in the university for older people. The high number of respondents is not surprising because, as mentioned, the questionnaire was distributed before the lecture. There is also quite a high number of respondents who are regularly attending theatre performances and who are participating in organised trips. The second part of the question should help to determine the potential competitors. There were only a few respondents who answered this sub question. Most of them mentioned the Klicperovo divadlo (theatre), Filharmonie Hradec Králové (concerts of classical music), Sokol (organisation providing sports activities) and Svaz důchodců (organisation providing different activities for seniors).

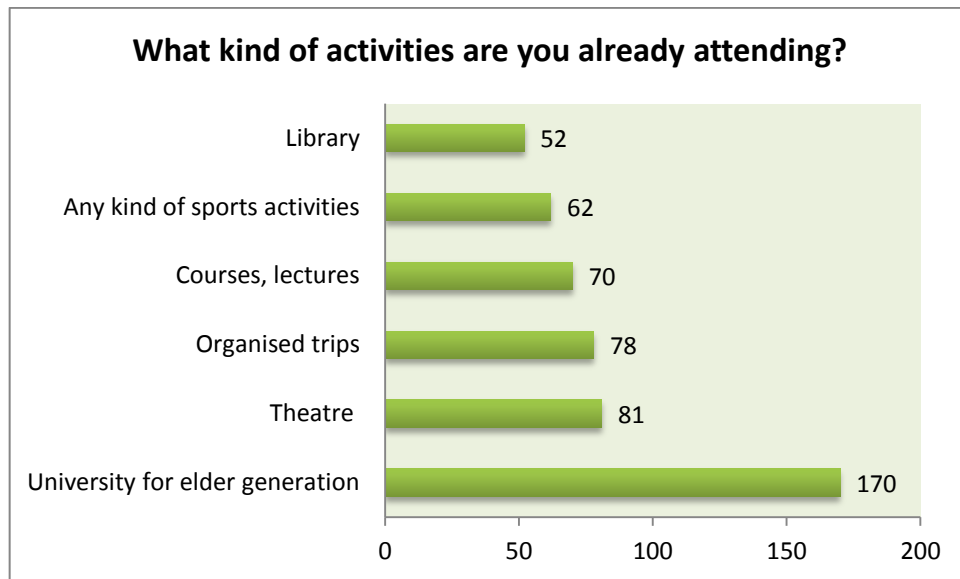


Figure 25 What kind of activities are already attending?

*Source: own processing*

The following part is related with the Senior Centre. Almost three-quarters of the respondents (73%) said that they would like to attend regular activities in the Senior Centre. Only 15% interviewed did not want to attend the courses and 12% did not fill in the question. The respondents could chose the activities that they would like to attend from more than 30 pre-coded answers. As shown in graph 26, the most preferable activities were cultural activities, relaxing exercise, seminars about the Královehradecký region, seminars about important Czechs and famous Czech places and computer courses. There were also activities that did not receive significant response rates (less than 15 responses) so for this reason they are not illustrated in the following graph. These included pottery, modern techniques, batik, making bobbin laces, making candles, choral, world of auto & motors, painting on glass, stones or silk, wood carving, chess, arts club, basket making, origami, making crafts, activities for children or grandchildren. These activities might have low responses because most of them are quite specialized and require additional skills. Also, the volunteering activity was not chosen as preferable. It might be because this kind of activity is not so common in the Czech Republic. Participants also had the opportunity to suggest other activities that they would like to do in the Senior Centre. Only one respondent took this chance and recommended seminars about flora and fauna. However, for the chosen activities it is apparent that older people are interested in different kind of activities and they want to be active.



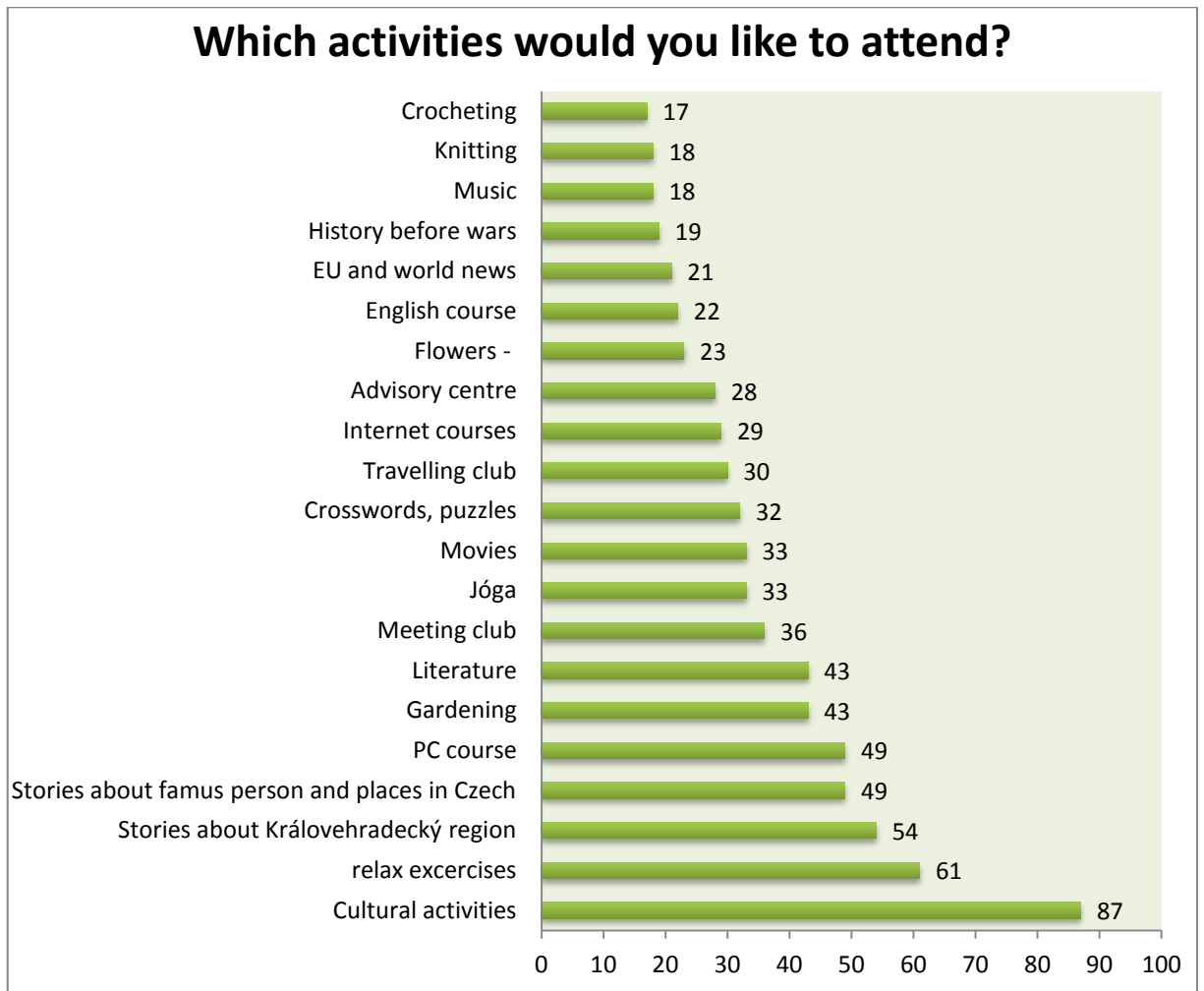


Figure 26 Which activities would you like to attend?

Source: own processing

The following results gave the respondent’s opinions about irregular activities provided in the Senior Centre. A small number (7%) of those interviewed filled that they will not attend the irregular activities and only 10% did not answer this question. The rest of the respondents would welcome activities including theatre performances, day trips, concerts or seminars about travelling and different exhibitions. These also support earlier results (see Graph 27) and confirm that older people want to spend their leisure time variously. They prefer more cultural activities or day activities. The possible reason for this could be that they still want to meet their friends and/or new people.

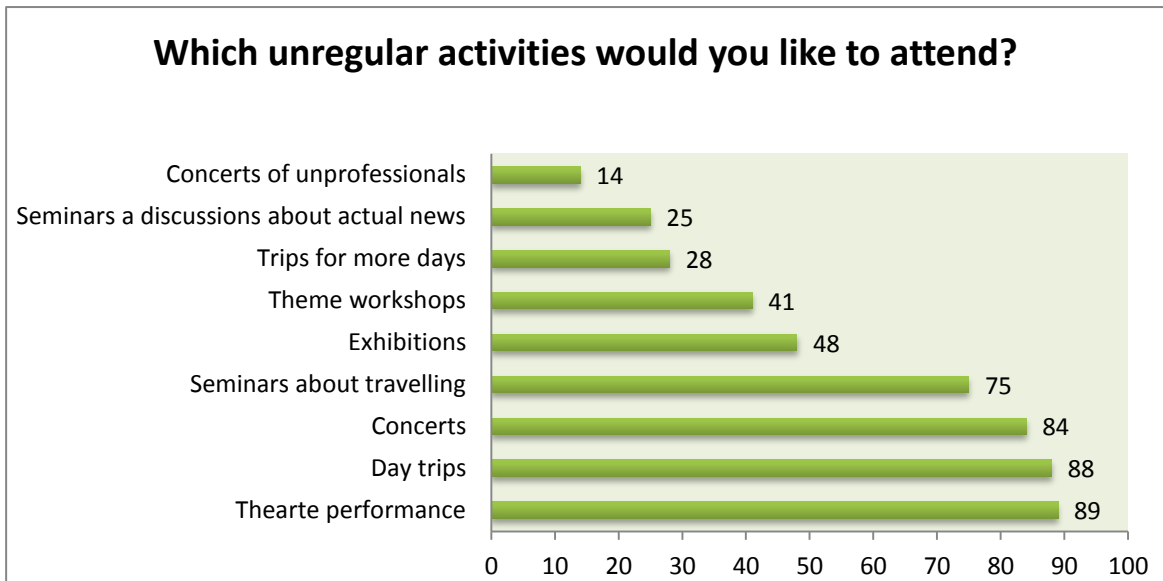


Figure 27 Which unregular activities would you like to attend?

Source: own processing

Because of the senior’s financial situation and their attitude towards saving money, it is not surprising that 56% of respondents are not interested in special public transport. Another possible result is that this service is seen as something luxurious. Also, they might feel dependent or consider themselves as incapable of taking care of themselves.

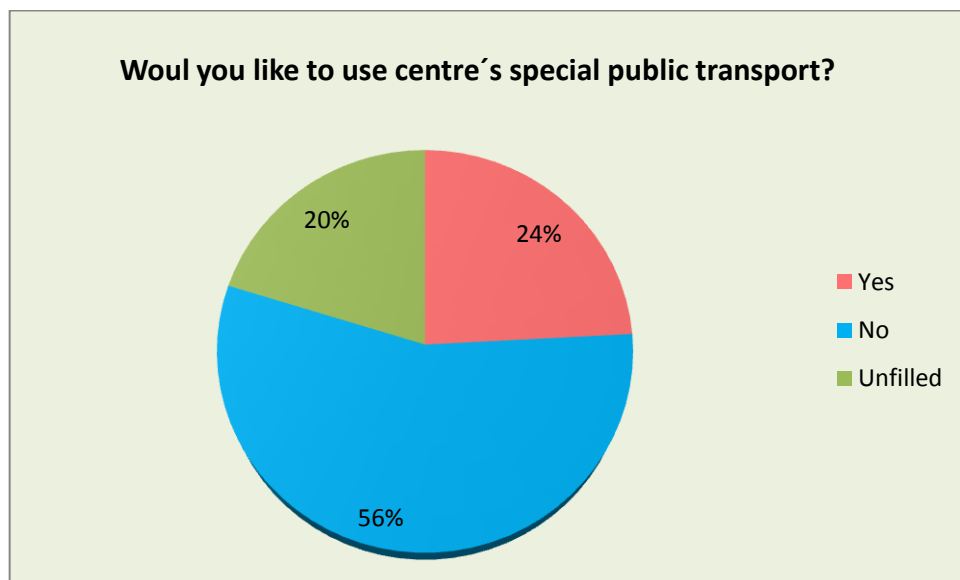


Figure 28 Woul you like to use centre’s special public transport?

Source: own processing

The next question is related with the visiting frequency in the multipurpose centre. The largest group of respondents (31,5%) suggested that they would visit the centre once every

14 days. Also, there is a sufficient number (19,1%) of respondents that said that they would visit the centre every week. Only one individual said they would visit the centre every day. However, there was a quite significant group of participants (13,5%) that were not sure about the frequency. The low interest in every day visits might be because the respondents are already participating in the other courses or activities.

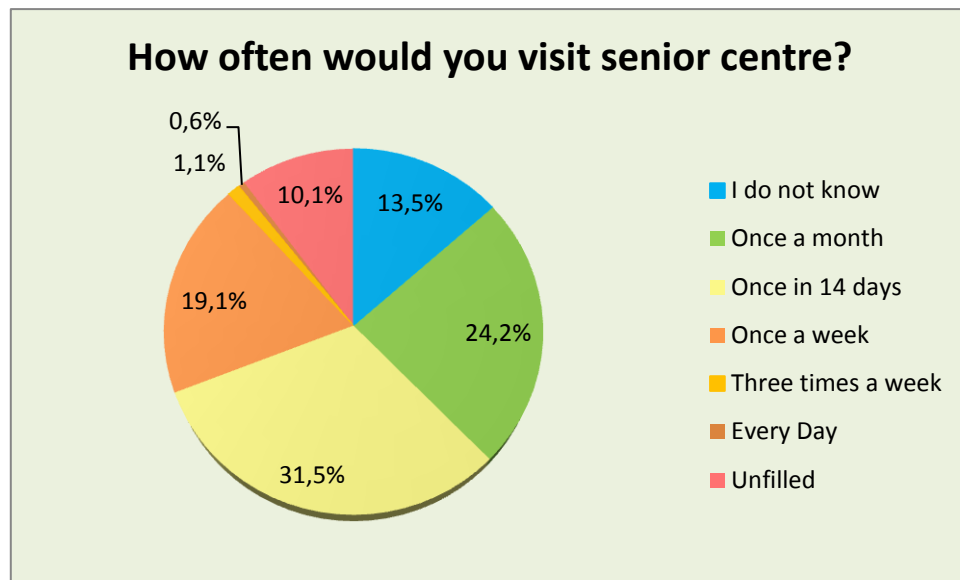


Figure 29 How often would you visit senior centre?

*Source: own processing*

Respondents were also asked about the cafe bar in the Senior Centre. Over half of those surveyed reported that they would visit the cafe bar. There are several explanations for this result. At first, it could be that seniors have to observe their water intake, so during the courses they would need some refreshment. Another possibility is to diversify their routine life, especially when they live alone. It is also important for them to talk about everyday issues, so the café might be go opportunity for them to have cup of coffee or tea with their friends. From the second graph it is apparent that they prefer hot drinks in comparison with other products. This might be because tea or coffee is low in sugar compared to other products and older people are more often affected by diabetes. Another possible reason is that drinking tea or coffee in the cafe bar is a big habit.

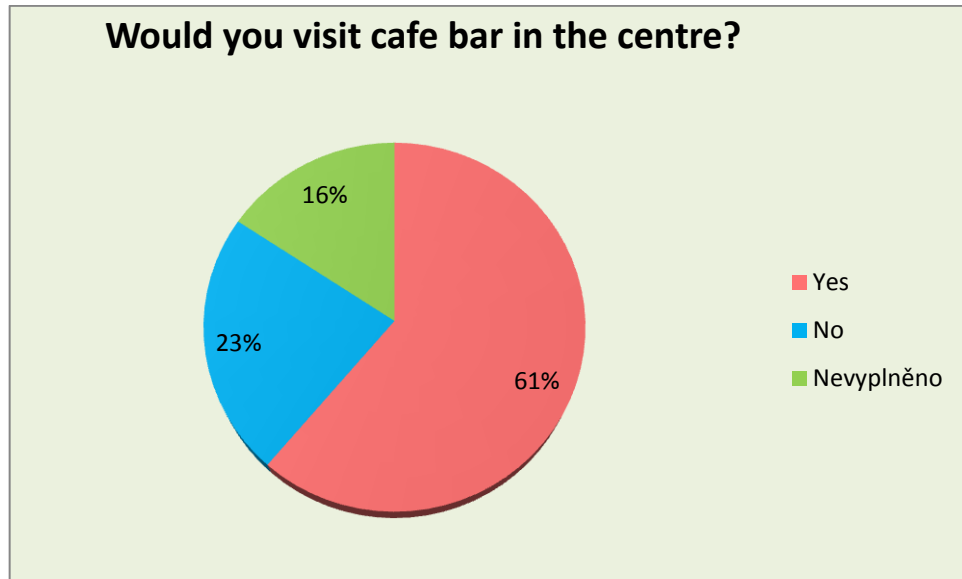


Figure 30 Would you visit Café Bar in the centre?

Source: own processing

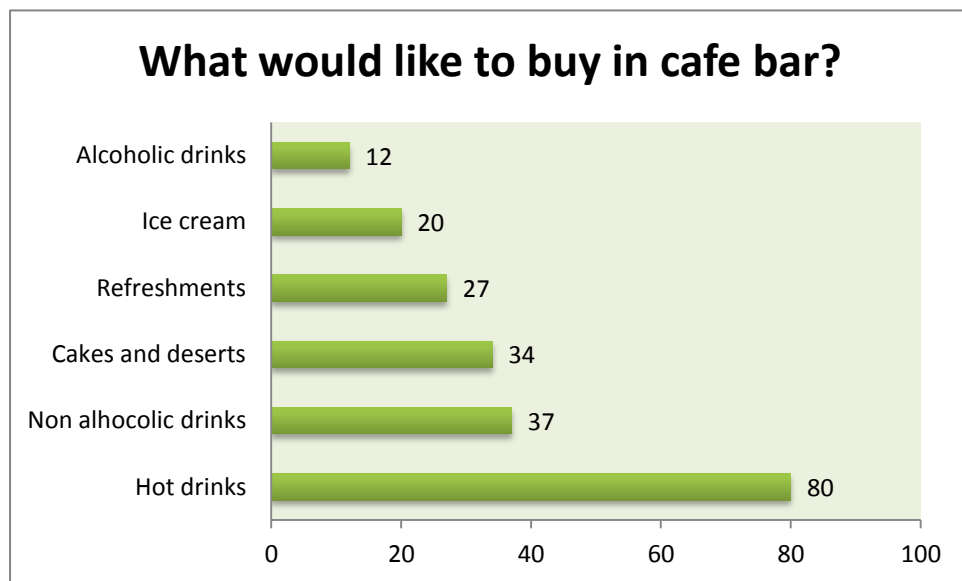


Figure 31 What would like to buy in Café bar?

Source: own processing

From the following data we can see that 60% of respondents would like to be part of the senior club that brings some benefit to the clients in the centre and also in the cafe bar. This high number of responses may be explained by the fact that everybody likes benefits or sales, especially older people who have time to find the best deal to save themselves some money. Another possible explanation is that they might feel more a part of the com-

munity. However, there is quite a significant number of people (16%) who did not answer this question.

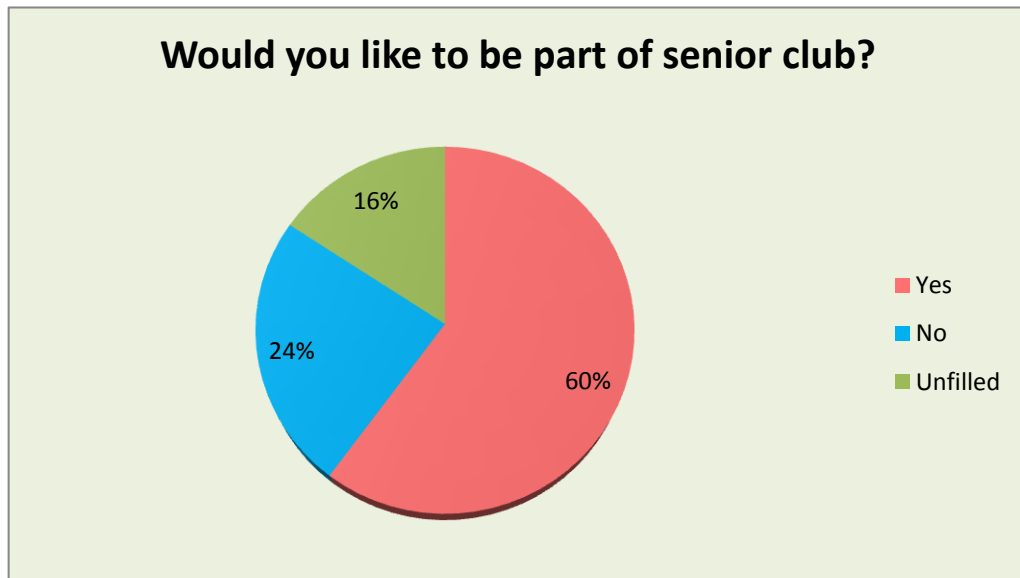


Figure 32 Would you like to be part of senior club?

*Source: own processing*

In the graph below is shown how much older people are willing to pay for annual membership. 31% of respondents answered that they are able to pay 100CZK, 16% of interviewed chose 50CZK and 15% respondents are willing to pay 150CZK. Respondents also could propose their suggestion of a membership price. These ranged from 200CZK to 500CZK per year. Incidentally, there were a very high number of respondents who did not answer this question. This might be because respondents do not always feel comfortable with questions focusing on money. A Chi- statistic test was also used to see if there is a relationship between the interest in the club and respondents age. The four age groups were combined in two, (under 66 years old and over 66 years old) to get an adequate amount of counts. The null hypothesis expects that there is no relationship between age and interest. In this case the null hypothesis was rejected at the level of 0,05 significant in favour of an alternative hypothesis and it was proven that there is a relationship between age and interest in the senior club. (0,05 > 0,024) This association has the middle level of strength. In the cross tabulation was one cell with the permissible value. Therefore the Chi-square test was used with simulated p-value (based on 2000 replicates) The p-value is 0,028 (0,05 > 0,028) so the null hypothesis is rejected. The statistics analysis is shown in appendix.



Figure 33 How much would you be willing to pay for membership?

Source: own processing

The most positive result in this study is that more than half of the respondents would like to have a senior centre in Hradec Králové and 31% said maybe. Data from this graph can be compared with data focusing on age. It shows that the largest age group (28,7%) interested in the Senior Centre is people between 66 and 75 years old. This is not surprising because this group is also the largest group of respondents. It is encouraging to compare this figure with that found by the local government which found that 32,4% want an increase in these kind of activities and 57,8% did not know.

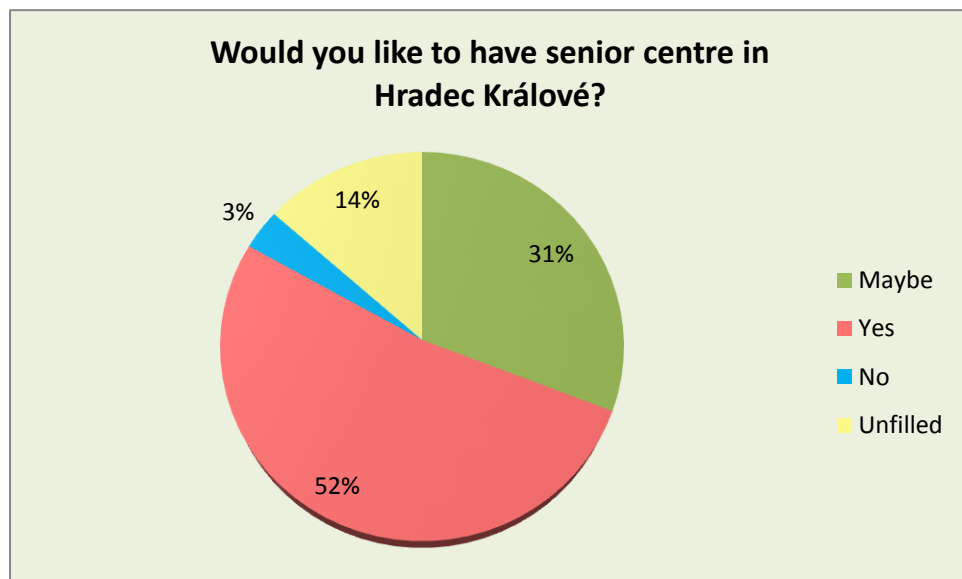


Figure 34 Would you like to have senior centre in Hradec Králové

Source: own processing

**Age \* SeniorCentre Crosstabulation**

			SeniorCentre				Total
			Unfilled	No	Yes	Maybe	
Age	Unfilled	Count	0	0	2	1	3
		% within Age	,0%	,0%	66,7%	33,3%	100,0%
		% of Total	,0%	,0%	1,1%	,6%	1,7%
46 - 55 years old		Count	0	0	1	0	1
		% within Age	,0%	,0%	100,0%	,0%	100,0%
		% of Total	,0%	,0%	,6%	,0%	,6%
56 - 65 years old		Count	4	3	30	8	45
		% within Age	8,9%	6,7%	66,7%	17,8%	100,0%
		% of Total	2,2%	1,7%	16,9%	4,5%	25,3%
66 - 75 years old		Count	11	3	51	36	101
		% within Age	10,9%	3,0%	50,5%	35,6%	100,0%
		% of Total	6,2%	1,7%	28,7%	20,2%	56,7%
76 - 85 years old		Count	8	0	9	10	27
		% within Age	29,6%	,0%	33,3%	37,0%	100,0%
		% of Total	4,5%	,0%	5,1%	5,6%	15,2%
Over 86 years old		Count	1	0	0	0	1
		% within Age	100,0%	,0%	,0%	,0%	100,0%
		% of Total	,6%	,0%	,0%	,0%	,6%
Total		Count	24	6	93	55	178
		% within Age	13,5%	3,4%	52,2%	30,9%	100,0%
		% of Total	13,5%	3,4%	52,2%	30,9%	100,0%

Figure 35 Cross-tabulation (Age and Senior centre)

Source: own processing

### 6.2.2 Analysing qualitative data focusing on the characteristics of seniors

MUDr. Tošnerová has works and focused for more than ten years on issues related with seniors. She is psychologist and has published different literature for *Diskriminace stáří* or

*Jak si vychutnat seniorská léta.* She also has given different lectures and some sessions on the Classic FM. radio station on this topic

Appropriate information about the older population was gathered during the face to face interview focusing on the general information about seniors and an email with particular questions was also sent.

In summary, she strongly recommended not to focus the activities only on the older generation, but involve everybody who is interested in doing the activities. She emphasised not to separate them from the rest of society. For example, she mentioned women on maternity leave or a disability pensioner. In the question asking about the activities suitable for the older population, she advises to provide all activities where clients can personally participate and not only sit and listen, for example pottery, Tai Chi, or walks in town, handworks or petangue. She also mentioned that women participate more in different courses than men. According to her, the reason might be because there are not so many appropriate activities for them. She gave a good example; in Prague museum where there is a club that repairs old things. The next question was related with attitude and how to treat the older population. She answered that people who work with seniors should keep the same attitude like they would with younger people.

### **6.2.3 Analysis of competitors**

There are different providers of services or social services for older people. Mainly they are focused on social services including health care, retirement homes or home care. On the other hand, the town sees as an important factor in senior's lives activation programs and special senior clubs that help older people to stay in touch with society and to live active ageing. From the analysis provided by the town it was found that seniors would like to see more possibilities how to spend their leisure time and an increase in the number of day centres. The town's vision is to raise the number of these kinds of services in Hradec Králové and support organisations which provide them. The town would like to see more volunteers involved in these activities from this generation.

The following table shows the main organisations or institutions supported by the town that provide social services for free time and mainly focuses on movable seniors. Information about the competitors was found via the internet, phone or personal visit. One of the main competitors can be considered as Svaz důchodců Městská organizace Hradec Králové that provides a variety of activities including trips, seminars and lectures. However, they



provide their activities in a care home with poor facilities. After a discussion with their leader there was quite significant interest in the multipurpose centre to have better background and facilities.

### Český červený kříž (Red Cross)

#### Activities:

- Health farm for seniors, members of the Český červený kříž or children  
The organisation provides different kinds of package tours for a week or weekend. They are organised in different locations (in the Czech Republic and abroad). The price is different depending on the term and location. The price of a week package tour in the Czech Republic starts from 5600CZK
- The advisory centre provided for disadvantage people

### Diecézní charita Hradec Králové (Catholic non profit organisation)

#### Activities:

- They provide a centre of volunteering and offer different programmes in which everybody can participate. Interested people can be volunteers and help children, seniors and foreigners
- Day centre – the closest day centre provided by Diecézní charita is in the nearby town of Pardubice which is around 30 kilometres from Hradec Králové. This centre was recommended by Diecézní charita Hradec Králové as a suitable day centre for seniors where they can spend their free time and do lots of activities. However, in their webpage it was found that this centre is for seniors who are not self-sufficient. Therefore, this day centre is not included in the list of competitors.

### Klub důchodců (Senior's club)

#### Activities:

- This club is organised by the local government. It is organised by seniors and the town provides a meeting place for free. At the moment there are three rooms available for them in different locations (Town parts: Kukleny, and two places in Hradec Králové-centre). The activities are based on their own initiatives and they can do anything they want to do. For example, they celebrate birthdays together; they study English; they do art activities or they just meet to talk about the news. If seniors want to use the room for some activity, they just go to the department of the social system and ask if the place is available. If they need to cover any additional costs they have to cover them on their own. However, the local government provides for them one trip per year.

### Univerzita třetího věku (University for elder people)

#### Activities:

- The University of Hradec Králové provides courses and lectures for the older generation. They can choose from two types of activity – seminars and lectures. The participants of the seminars can choose from PC courses, arts activities or sport activities. The capacity is up to 20 people. The topics are English, French and German language, Psychology or History. The participants of the seminars can also attend the lectures. The price for the seminars is 400CZK per term. The lectures take place every second week on different topics. The topics are different for every academic term. For this year they are ecology and history. At the moment there are around 450 participants. There is also the possibility to attend a 3 year programme focusing on the history of art and the cost is 800CZK for one year.

### Centrum Sociální pomoci a služeb (Day centre)

#### Activities:

- There should also definitely be a mention of the day centre Centrum sociální pomoci a služeb o.p.s. where seniors can spend their days. However, this centre is mainly focused on less mobile clients, but they also provide activation programmes. There is also a visit limit which is 20 people per day. On the other hand, they will get professional health care and also help with their daily hygiene. The price for the service is from 200CZK per day (7.00 – 14.00). This price does not include travel, food, or special services. For illustration, they charge 100CZK per hour for helping with clothes and moving. Also Svaz důchodců provides some their activities. However, the facility is very poor. It is dark, old-fashioned, has poor equipment and the meeting room is part of the typical old dining room that is not so much suitable for these kind of activities. The environment evokes a not so friendly atmosphere and it evokes the feeling of fear and uncertainty.

In the analysis of the competitors there must also be included the institutions like the theatre, cinema, cultural or sports centres and swimming pools that provide special prices for their service to seniors.

### **Klicperovo divadlo (theatre)**

- Theatre performances

They have a special price for seniors only as a season ticket. They can attend 7 performances from September to June. Usually they take place from 5.30pm on different days. The price is 800CZK per ticket for person. They also get one free ticket for the International theatre festival in June and one ticket for the festival in October as special benefit. There is no concessionary ticket per one performance for seniors.

### **Kluturní dům Adalbertinum (Cultural centre)**

- Sports activities for seniors take place every Wednesday from 9am to 10am and the price is 40CZK per hour or 35CZK if they purchase the season ticket.

### **Městské Lázně (Swimming pool)**

- There is a special prices for seniors. They will pay 70CZK per hour.

### **Filharmonie Hradec Králové (Classical concerts)**

- There is only a season ticket for seniors which offers a special price. The price is differentiated according to the number of concerts and seats. For example, they will pay between 440CZK and 920CZK per 8 concerts.

### **TJ SOKOL (Organisation providing sport's activities)**

- Seniors attend different sports activities, however there are courses for yoga that are mainly created for them. Seniors will pay 1000CZK as a member fee and can attend two classes per week.

## **7 PROJECT TO SET UP A MULTI-PURPOSE CENTRE**

### **7.1 The main steps in setting up Limited liability Company**

Briefly explained below are the main steps that are necessary in order to set up a company. After finding investors, a number of necessary steps will need to be taken in order to be able to open multipurpose centre:

#### **1. Deed of foundation**

The deed of foundation has to include the same information as a Memorandum of association. They are written in a Commercial code, for example the name and address of the company, the name of the sole founder, the object of the business, the amount of registered capital and the date when it will be paid. The signature has to be proven by the notary. The expected time to carry out this duty is one day

#### **2. Pay the registered capital**

In this case the registered capital will be paid via the bank account, because it is the easiest and most practical way. Therefore, a new bank account will be set up where the money will be transferred. It is expected that this will take one day.

#### **3. Receive the trade licence to provide the activities 15dní**

#### **4. Registration at Commercial register**

The registration in the Commercial register has to be done by the Register courts of that particular region. From this date the company has to start accounting. The regional court has to sort out the registration in 25 days. There is an assumption that it can take only 20 days.

#### **5. Activation of the data box**

Every legal entity has to set up their data box. This is automatically provided by the Ministry of the interior of Czech Republic. There is a prediction that it will take one day to activate it.

#### **6. Possibility to operate with bank accounts**

When the business is registered in the Commercial register then the company can use the registered capital to set up the business. It is estimated that this will take 3 days

#### **7. Registration in the Financial office**

Every new company has a duty to register in the particular financial office. In this case it is the financial office in Hradec Králové. It is estimated that it will take two days.

#### **8. Registration with health insurance company and in Czech Social Security Administration**

It is also important to register with a health insurance company and in the Czech Social Security Administration. This will probably take three days

#### **9. Extract from the Commercial register**

The Czech Point will be used to receive the extract from the Commercial register via the identification number. It is expected that this will take one day.

#### **10. Announce a job vacancy**

The possibility of a new job opportunity will be announced in the labour office and the main internet portals focusing on the jobs including prace.cz, jobs.cz and pracevhradci.cz. The advertisement will be available for 30 days.

#### **11. Reconstruction or redesign of the property**

Seven days has been estimated for the changes to the property to make it suitable for the multipurpose centre.

#### **12. Purchase of equipment**

It will be necessary to buy different equipment and facilities and time is also needed to display or install them. It is predicted that twelve days will be required to do this.

#### **13. Jobs interview with suitable candidates**

It is important to choose good members of staff, therefore interviews with potential candidates will be conducted. This is expected to take three days.

#### **14. Employment contracts**

After selecting suitable employees their contracts must be signed. This should take one day.

#### **15. Press release**

It is essential to contact the media in advance so that they will have enough time to process materials and press release. This will ensure that they will find time to come on opening day. It is expected that this step takes two days

#### **16. Registration of the employees with the health insurance company and Czech Social Security Administration**

**17. Training of employees**

It is very important to give appropriate training to employees so that they will know all relevant information and so the company sends out a consistent message to the customer. They also need to know what their duties are, how the multipurpose centre will be organised and what their role in the team is.

**18. Promotion materials**

It is very important to be well prepared and display promotion materials so the target customers will know about the multipurpose centre before the opening day.

**19. Purchase of the goods for Café Bar**

The bar should be well supplied with goods and it is predicted that this will take three days.

**20. Set up the business**

The individual activities are illustrated in the table below. To analyse the shortest possible way to set up the business Critical Path Method was used. To analyse the critical path WinQSB was used. It was found that the shortest possible time for setting up the multipurpose centre is 78 days. The results are shown in the second table 9.

Table 9 Steps to set up the business

Activity	Description	Duration (days)	Previous activity
A	Deed of foundation	1	
B	Pay the registered capital	1	A
C	Receive the trade licence to provide the activities	10	B
D	Registration at Commercial register	20	C
E	Activation of the data box	1	D
F	Possibility to operate with the bank accounts	3	D
G	Registration in the Financial office	2	D
H	Registration in health insurance company and in Czech Social Security Administration	3	D
I	Extract from the Commercial register	1	E,F,G,H
J	Announced the job vacancy	30	I
K	Reconstruction or redesigned the property	7	F
L	Purchase of equipments	12	J
M	Jobs interview with suitable candidates	3	K
N	Employment contracts	1	M
O	Press realise	2	N

P	Registration the employees in the health insurance company and Czech Social Security Administration	1	N
Q	Training of the employees	2	N
R	Promotion materials	14	O
S	Purchase of the goods for Café Bar	4	N
T	Set up a business	1	P,Q,R,S

Source: own processing

04-30-2012 18:04:36	Activity Name	On Critical Path	Activity Time	Earliest Start	Earliest Finish	Latest Start	Latest Finish	Slack (LS-ES)
1	A	Yes	1	0	1	0	1	0
2	B	Yes	1	1	2	1	2	0
3	C	Yes	10	2	12	2	12	0
4	D	Yes	20	12	32	12	32	0
5	E	no	1	32	33	34	35	2
6	F	Yes	3	32	35	32	35	0
7	G	no	2	32	34	33	35	1
8	H	Yes	3	32	35	32	35	0
9	I	Yes	1	35	36	35	36	0
10	J	Yes	30	36	66	36	66	0
11	K	no	7	35	42	50	57	15
12	L	Yes	12	66	78	66	78	0
13	M	no	3	42	45	57	60	15
14	N	no	1	45	46	60	61	15
15	O	no	2	46	48	61	63	15
16	P	no	1	46	47	76	77	30
17	Q	no	2	46	48	75	77	29
18	R	no	14	48	62	63	77	15
19	S	no	4	46	50	73	77	27
20	T	no	1	62	63	77	78	15
	Project	Completion	Time	=	78	days		
	Number of	Critical	Path(s)	=	2			

Figure 36 Analysing the Critical Path in WinQSB

Source: own processing

Shown in the following graph are the activities which create the critical path and have null time reserve. The time reserve provides activities such as E, G,K, M, N,O,P, Q, R and S.

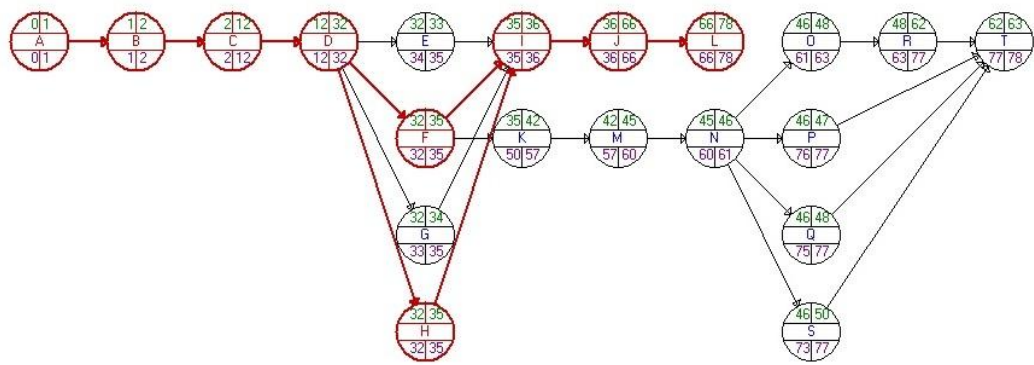


Figure 37 Graph of Critical Path

Source: own processing

## 7.2 Reasons to set up the Senior Centre

As was explained in the theoretical part, every entrepreneur has to make lots of decision before setting up a business and they have to be realistic with their thoughts and plans. As was proven in the researcher's survey, and surveys provided by the local government, there are potential customers for the Senior Centre. The senior segment is seen as a great opportunity for the future because of the ageing of population therefore there is huge potential for increasing the number of clients. Another reason for setting up a business focused on seniors is that in the market there is a lack of services and products provided for them. The whole idea of a business was firstly discussed with a professional advisor from the company iPodnikatel. He confirmed this as a good opportunity in this segment and also agreed that there is a great possibility to turn this idea in to reality. The next reason for setting up this business is that there is a gap for a special centre built for seniors. Although already in existence are some providers of services, there is still a gap for new and modern centres providing a variety of services. Furthermore, in Hradec Králové there is no cafe targeting the older population.

The first idea to set up the Senior Centre came from my personal experience when I found that my grandmas do not have any activities to fill their free time. Therefore, this centre should provide variety and interesting activities to keep them in touch with society.

If the business goes well there is also an idea to create additional centres in other towns and create a chain of them.



### **7.3 Basic information about the business**

The Café & Senior Centre HK a business set up in Hradec Králové targeting mainly the older population. The objective of the business is to provide a range of leisure activities including seminars, courses, trips or workshops primarily for seniors. The non-smoking cafe gives them a great opportunity to relax or meet with their friends and relatives.

Name: Volnočasové centrum HK s.r.o.

Sole founder: Petra Barešová

Business address: Slezské Předměstí

### **7.4 Mission, Vision, Aims of the business and strategies**

#### **7.4.1 Mission**

The aim of this business is to support active aging, help seniors to stay in touch with society, enable their personal development and offer them a variety of possibilities how to spend their free time.

#### **7.4.2 Vision**

The Café & Senior Centre HK is a profitable business targeting mainly the older population, but it can be seen as a multipurpose centre that can be used by everybody. There are two services that the business is providing. Firstly, it is a leisure centre where participants can attend a variety of regular and irregular activities from different fields during the day. Secondly, it is a cafe bar where clients of the centre can have a drink or snack with other participants, but also where they can meet with their friends or families. The non-smoking cafe bar is also open to other age groups. However, the target segment gets special benefits if they become a member of the club. The modern environment adapted to the seniors needs and accommodating employees will evoke a very friendly atmosphere.

#### **7.4.3 Aim**

The aim of the business is to create a modern multipurpose centre targeting seniors. Additional aims are to increase the awareness of active ageing, the prevention and decrease of

isolation of seniors from society, and to support their personal development. Obviously it is important to attract regular clients in the target segment to cover costs and be profitable.

#### **7.4.4 Strategy**

- The company will always think about the customers first and try to satisfy their needs and meet their expectations.
- The company will put strong emphasis on the quality of the services and on maintaining a friendly manner to the customers
- The target segment will be involved in the organisation as much as possible to better understand them and also give them the opportunity to increase their self-fulfilment/personal development in old age.
- The special loyalty programme for the main target group helps to stay in touch with the customers and clients.
- The management of the company is responsible for the organisation

### **7.5 Identification of the profile of customers**

Based on the theoretical part and the analysis, the targets group of multipurpose centre were identified. They are people over 55 years old, living in Hradec Králové or near to the town and who want to spend their ageing actively. The results from the quantitative analysis help to determine three profiles of typical customers. The fourth customer profile was identified according to the assumption that this segment could be also interested in the multipurpose centre, especially the Café bar and activities on Saturday's for children.

#### **Customer A**

Women between 66 and 75 years old who visit the Senior Centre HK once a week and attend their favourite activities, for example cultural activities, sport's activities or courses on computers and the internet. During their attendance of the activity they can also visit the café and have a hot drink, and sometimes they might buy some small refreshments. They also attend some irregular activities including theatre performance, day trips or concerts. They may also be a member of the Senior Club HK, and therefore get some sales.

#### **Customer B**

Men aged between 66 and 75 years old visit the Senior Centre HK once every 14 days. They attend regular activities that are organised less than once a week including discussions about famous places and people in the Czech Republic or literature. Usually they have a hot drinks in the cafe and buy a cake or ice cream.

### **Customer C**

Women between 66 and 75 years old visit the café on a regular basis with their friends. They are members of the Senior Club and therefore use special deals. They usually buy hot drinks and from time to time they buy some cakes or non alcoholic drinks. However, they do not attend any regular activities. Sometimes they visit the cultural activities in the Senior Centre HK and meeting club.

### **Customer D**

A woman on maternity holiday has a child who is 1 year 7 month old. They visit the café with her friends to have chat. They visit this café because of the non-smoking area and children's corner.

## **7.6 Marketing mix**

As was explained in the literature, for services it is more appropriate to use the 8Ps – eight factors of the marketing mix.

### **7.6.1 Product (Service)**

The multipurpose leisure activity centre and café bar provide a variety of services. The services are divided into two main groups according to where they are provided – activities provided in the centre and activities provided in the leisure centre.

#### ***7.6.1.1 Services in the multipurpose centre***

The services in the multipurpose centre are categorised depending on the frequency of their taking place. There was planned to have a special transport for clients. However, from the results obtained by questionnaire there was not so high demand for this service. Therefore, in the beginning this kind of service will not be provided.

##### **a) Regular activities**

Regular activities take place every week or every second week. Most of them are for two hours with a 15minute break, or just for one hour. The whole schedule is illustrated in ap-

pendix \_\_. The schedule was created according to the survey and was also designed based on the level of interest. When creating the schedule consideration has to be given to the seasons. Activities illustrated in the schedule are held from September to the end of January and from February to the end of June. The activities in these terms will be almost the same. On the other hand, during the summer there is a different schedule, because seniors want to spend more time with their grandchildren, in their cottage and gardens or do more activities outside. The second and summer term will be created based on the experiences from the first term.

- **Cultural club**

The Cultural club takes place on Thursday from 11am to 12pm in every second week.

The content of the club is reading literature, doing some short theatre or music performances. They will be also informed about the theatre, literature or music news and about cultural activities that are organised in Hradec Králové and the region. Moreover, in the club seniors can find some friends with the same interests and cultural activities. In the course will be professionals focusing on these activities. The aim of every course is to involve the participants as much as possible in the process and the discussion of the course.

- **Relaxing exercises**

Relaxing exercises take place every Monday from 8am to 9am, every second week from 3pm to 5pm and every Friday from 3pm to 5pm.

As well as the younger generation, seniors also want to do some physical activities to stretch their body and to keep fit. These activities will not be so active because the facilities and equipment is limited.

- **Literature club**

The Literature club takes place every Monday from 10am to 12pm.

In the literature clubs participants get information about the period of literature and the main authors in this time. They also get information about the news about this literature and part of every course is dedicated to short reading or listening to examples and discussion.

- **Stories about Královehradecký region**

This activity takes place on Mondays from 1pm to 2pm.

The aim of this course is to talk about important and interesting people and places in the Královehradecký region from a historical point of view, but also regarding the present day. If there are talks about people from the present, there is an effort to introduce them to the participants and allow them to ask what they want to know. Not only will they talk about famous people but also about people who are important in their every day lives, for example doctors, firemen, sports people, specialists in different fields and so on. Another topic in this course is the history of the Královehradecký region.

- **Internet courses**

Internet courses take place every Monday from 3pm to 4pm, every Tuesday from 5pm to 7pm, and on Friday from 8am to 9am. There are two levels for this course - beginners and advanced.

The aim of the course is introduce basic information about the internet, how they can use basic tools including sending emails, looking for information and an introduction to web pages focusing on seniors. They also get basic knowledge about the social networks and Skype. Use of laptops will be available for customers in Café Bar at all times. They can borrow them for a small fee, except when the Internet and PC courses are running.

- **Club of travellers**

Club of travellers takes place on Monday from 5pm to 7pm every two weeks.

Participants get information about interesting places in the world in different ways, for example videos or seminars. Professionals related with travelling or tourism will also be invited. People will be more than welcome to talk about their experiences and share them with others. They will also organise trips together. The participants can attend for free the seminars about travelling.

- **Seminars about travelling**

Seminars about travelling take place on Monday from 5pm to 7pm in every two weeks.

This is one of the activities which is not included in the courses and a fee is paid separately for every seminar. Participation in this activity is also expected from other people who are interested in travelling. Special promotional materials will also be created for these activities (flyers) and will be displayed in appropriate places.

- **Gardening and flowers**

The course “Gardening and flowers” takes place on Tuesday from 1pm to 2pm.

In this course clients get useful information related with gardening and flowers. Part of the course is a flower swap shop, where participants can swap their seeds or flowers. There will also be different competitions, for example the most beautiful rose or the largest pumpkin. Clients also take part in different excursions including visiting specialized garden centres, exhibitions, botanical gardens or wonderful parks. Meetings with professionals will be organised, especially from botanical gardens of medicinal plants.

- **Movie afternoon**

Movie afternoons take place on Tuesdays from 3pm to 5pm.

This activity will require a fee per session. However, members of the senior club have this activity for free. They can watch any kind of genre along with news or well know programmes. The movies will be carefully chosen.

- **Clubs of volunteers**

The club of volunteers takes place on Wednesdays from 8am to 11am every week.

The running of the club will be the responsibility of its participants and the aim is to help where it is needed. The participants will prepare different activities, especially in non profit sectors, aswell as in hospitals or they can do some activities for children. One of the activities can be the “magazine” of the multipurpose centre which will be prepared by the members. Readers can find interesting stories from everyday life in Hradec Kralové, especially about senior’s life, invitations for different activities and also the schedule of the multipurpose centre. The plan is that the “magazine” will be funded by advertisers or sponsors. In the survey, this activity was not chosen as a favourite one, because it is not so common. However, lots of experts recommend this activity, especially for older people.

- **PC courses**

This course takes place on Wednesday from 11am to 12pm and on Saturday from 10am to 12pm.

Participants get basic information about computers and because of the space limitation, notebooks will be used in the lessons. They will know how to use basic programmes, how to print and how to play some basic games.

- **English courses**

English courses take place from 1pm to 3pm on Wednesdays and Fridays.

During the lesson, participants gain fundamental knowledge of the English language. The lessons will be as interactive as possible. Obviously, they learn some information about English speaking countries and their traditions. Part of the lessons will be meeting with international students who study at the University of Hradec Králové to “discuss” with different cultures with the translators. The courses will be taught with regards to explaining to seniors some English words that are used in the Czech Republic so that they can understand them.

- **History before World war I and news from the EU and the rest of the world**

The course about history takes place on every second week on Thursdays from 8am to 10am.

The applicants get interesting information about history before World War I. The lessons will be taught in interesting ways and they will also watch historical movies. They will learn some information about Czech history aswell as the rest of the world. This will not only be information that is taught in schools but other curiosities aswell. Participants will not only sit in class but they will also visit historical places including museums, castles, and important historical locations. Historical experts will also be invited to give talks.

- **Hand works**

This course takes place every two weeks on Thursdays from 1pm to 3pm and on Friday from 10am to 12pm.

Each lesson clients of the centre can try different activities including pottery, painting, crocheting, knitting, making crafts, decorating flowers and more. The activities depend on what participants want to do. The topic will also focus on seasonal themes and professionals and experts will also be invited.

- **Meeting club**

This course will take place on Thursdays from 5pm to 7pm every second week.

The meeting club is free for members. They will only pay a fee if they want to do some special activities. The aim of the club is to meet with other seniors, discuss issues, meet new friends and do some activities together.

- **Crosswords and board games**

Crosswords and board games take place on Fridays from 9am to 10am.

The aim of this activity is to meet with other fans of crosswords and board games, try new ones and have competitions between participants. They will also visit exhibitions or centres focusing on this topic.

- **Yoga**

Yoga takes place on Saturday mornings from 8am to 10am.

The participants of Yoga can try this kind of exercise which is very good for the body.

**b) Irregular activities**

There are several options for when irregular activities can take place. At first, it will be Wednesdays from 5pm to 7pm, which will be mainly focused on cultural activities. The main time for the irregular activities will then be every second Thursday. The day will be focused on one topic and during the day there will be different small events. For example, Tea Day - seminars about how to make tea; seminars about its history, manufacture, tea-rooms and during the day special teas will be sold. At 5pm there will be a tea meeting on how to make tea from herbs and etc. Another possible time for irregular activities is Friday evenings, which will also focus on cultural activities and meetings. On Saturday afternoon there will be activities held for grandparents and their children. Another alternative possibility is Sunday. The schedule for first three months is illustrated in appendix.

**1. Café Bar**

In the Café bar seniors can buy some refreshments before or after attending the leisure activities. They also can visit the Café bar whenever they want to with their friends, relatives or grandchildren. Customers can buy different hot drinks, non alcoholic drinks, refreshments and cakes. In the Café bar there will be a breakfast menu and an afternoon menu at special prices, but only for members of the club. The members of the club will also get a glass of tap water with a lemon slice for free. To become a member of the club people have to be over 55 years old. The breakfast menu is available from 8.00 to 11.00 and includes a small tea, coffee or cappuccino with a cake or eggs and bread with butter and tea. The afternoon menu is available from 13.00 to 15.00 and with any hot drinks customers get a cake for only 10CZK. Another special menu will be available on Saturday after lunch when a special programme for children takes place. Generally, they can buy hot drinks,



alcoholic drinks, non alcoholic drinks, cakes and desserts, ice cream or small refreshments. The Café bar will be also be used as a reception where people can get more information about the courses. In the Café bar there is also a “childrens corner” so if grandmothers or mothers come with their children, they have somewhere to play. The interior of the Café also provides a great place for celebration or any kinds of exhibition.

#### **7.6.1.2 Price**

To determine the price of the leisure centre, segmented pricing will be used which means selling the same product for different prices according to the segment. Of course, the multipurpose centre will be open to everybody, but concessionary prices will be available for people over 55 years old. In this study, calculated prices are given only for the target segment. The prices for the other segments will be at least 30% higher than for the target customers according to the kind of activity. Moreover, people from the target segment can become a member of the special club and receive more benefits, for example tap water with coffee for free, movie afternoon for free or additional sales of the services. The prices for regular activities are for one term (5 month). The following table shows the price of a particular activity and its duration.

Table 10 Regular activities

*Source: own processing*

Activity	Hours per week	Price
Relax exercise	2	1300
Literature club	2	1200
Talking about Královehradecký region	2	1200
Internet courses	2	1300
Club of travellers	1	1000
Gardening	2	1200
Internet courses	2	1300
Club of volunteers	3	0
PC course	1	1200
English course	2	1200
Talking about Czech famous places and people	2	1200
History before I. WW/EU and world news	1	1000
Cultural club	1	1000
Hand works	1	1100
Relax exercise	1	1000
Meeting club	3	0
Internet courses	1	1200
Crosswords, board games	1	500
Hand works	2	1300
English course	2	1200
Relax exercise	2	1300
Yoga	2	1200
Meeting club	2	0
PC course	2	1300

*Source: own processing*

The prices for irregular activities will be paid per activity and the prices will be different. An example of the activity and its price is shown in the following table.

Table 11 Irregular activities

Irregular activities			
Day	Time	Activity	Price (CZK)
Monday	17.00-19.00	South Korea	30
Wednesday	17.00-19.00	Movie evening	0
Thursday	Day	Trip to Kuks monestary	150
Friday	17.00-20.00	Grill evening	70
Saturday	13.00-15.00	Games for children	30
Saturday	18.00	Theatre performace	100
Wednesday	17.00-19.00	Movie evening	0
Thursday	Day	Autumn decoration	150
Friday	17.00-20.00	Music evening	50
Saturday	13.00-15.00	Halloween activities	30
Monday	17.00-19.00	Egypt	30
Wednesday	17.00-19.00	Reading the poetry	30
Thursday	Day	South American day (seminars, lectures, traditions)	150
Friday	17.00-20.00	Wine evening (movie, workshop, degustation)	150
Saturday	13.00-15.00	Theatre performace	30
Wednesday	17.00-19.00	Music evening	50
Thursday	Day	Tea Day	50
Friday	17.00-20.00	Lecture about alternative medicine	30
Saturday	13.00-15.00	Autumn decoration	30
Saturday	18.00	Workshop provided by police about	0

*Source: own processing*

In the first week the courses will be offered at special prices in a sales promotion. Participants can use the sales to buy two and get one free. It will be limited by time for one week and clients will get the cheapest activity for free. Another condition is that they have to be a member of the club. Also during the first week all lectures and activities will be free to show how particular activities will be organised and what customers can expect.

The prices in the Café bar were determined according to competitors and costs.

### 7.6.1.3 Promotion

The main objective of promotion is to inform the target group, and also the wider public, of the new multipurpose centre and Café bar. It is important to create an effective marketing communication campaign to attract potential customers. As mentioned in the theoretical part, seniors are a specific segment that needs to be carefully approached. Even though it is difficult to attract the older population because of their diversity and their habits, a suitable marketing communication strategy was created.

The whole marketing communication will be created in the same tone as the corporate identity, with the colours and logo.

#### a) PR activities

A press release is sent to the local newspapers a month before the opening date to the MF Dnes – Východoní Čechy, Hradecký deník, information news of the town – Radnice. In the press release will be basic information about the company, the programme schedule for three months including the regular or irregular activities, photos of the multipurpose centre and an invitation for the opening day on Monday 3rd September that invites them for a refreshment as well. The press release will also be sent to local radio (Český rozhlas Hradec Králové), favourable radio in East Bohemia (Černá Hora) and local TV (TV Hradec). The public relations also includes internal relations. If the entrepreneur has a positive relationship with its employees, they will be more motivated to do a better job. Also it is important that employees will follow the company's strategy and send one consistent message to customers.

#### a) Advertising

High amounts of advertising will not be used for this business because of the high costs involved. Internet advertising is also not used on a massive scale because the target group is not a traditional user of the internet so an online campaign will not be so effective. Traditional print media including flyers and posters have therefore been selected. They will be displayed in the places where older people frequently meet. For example, waiting rooms at doctors, departments of the town and region, libraries, churches, notice boards in different town parts, and on public transport.

#### b) Event activities

The first week will be in the spirit of opening the centre and introducing particular activities. Therefore, lots of special activities will be organised for clients and customers, for example special deals on refreshments and coffee, cheaper prices for activities if they buy them in the first week and so on. The first day will see an opening ceremony with an evening celebration. The whole special offer is illustrated in the appendix.

c) Direct marketing

The clients of the multipurpose centre and Café bar can have the chance to be a member of the club and membership of the club will give them special benefits. To become a member clients have to fill an application form in which including details such as name, telephone, address and email address. They will then be asked about the activities that they are interested in for better targeting. This information about the members will help to form a database to use for direct marketing, so it will be easier to inform them of news, special deals and offers.

d) Online marketing

The number of web pages focusing on active ageing and seniors has increased in recent years. Also, the number of users has increased as well, although seniors are not typical internet and computer users. In addition, this number will significantly increase in future, because the younger generation are used to using the internet every day. Consideration has to be given to the fact that senior's children or grandchildren may want to find some activities that their parents or grandparents can do in their free time and which can involve them. For these reasons, the senior centre has a webpage where clients can find all of the information. Also, social networks will be used. Two main networks will be used. Firstly, Facebook where users can read about the news from the senior centre and secondly YouTube, where users can watch videos from the different activities.

#### **7.6.1.4 Place**

The service is provided in the multipurpose centre, so a direct distribution channel will be used. Based on the analysis, suitable locations were selected where the multipurpose centre could be realized. For several reasons, the most suitable location was chosen as Slezské předměstí. Firstly, this part is surrounded by two others towns with a high number of seniors. This town is very easily accessible by public transport and directly connected with the centre's train and bus station. All the chosen possibilities for realizing the multipurpose

centre are less than 10minutes walk from the bus stop. Also chosen were other possible properties that are not located in this part town, but in the centre. This property was chosen because of its advantages and the location in the centre is also suitable. The details about each property are explained in the following part which also includes photo illustrations.

**a) Possible location – Slezské předměstí**

The location Slezské předměstí was chosen because of the high number of older people living in this part of town. There are several possibilities, but at the moment there is no property available. All buildings illustrated in the pictures are located in a nice, quite area and near to the bus stop (10minutes by slow walk). The main street of this part of town is also 10 minutes from the properties. In addition, there are two play grounds near to the properties therefore it can be expected that there could be a higher concentration of visitors to the Café bar by women on maternity leave. The main advantage of these two properties is that they could be detached buildings, so the buildings will be known only as a multi-purpose centre. The disadvantage of the property n. 1 is that there is no bar; therefore everything has to be built as new and if the second floor will be used it is important to guarantee wheelchair accessible. The costs will definitely increase as a result of this. The disadvantage of the property n. 2 is that at the moment there are several lodgers. On the other hand the advantage of this centre is that one of the lodgers is the provider of a pub, so it might be that there could be use of some facilities. Also in the main street in Slezské předměstí are several places (n. 3) where the multipurpose can be realized. Their advantage is that they are on the main street with different bus stops and lots of people are passing during the day. The disadvantage is that the main street is not a quite place and the properties are quite short and small.

Property n. 1





*Source: own processing*

Property n. 2 Building and view of the building from the bus stop



Property n. 3 – the main street in the Slezské předměstí



#### e) Possible location – Hradec Králové (centre)

Although the last suitable property is not located in one of the parts of town where a high amount of seniors live, it was chosen because it is in the centre. It is 10 minutes from the bus stop, it is near to the university (where the university for elder people is provided) and also 15 minutes walk from the hospital. The main advantage is that the property was planned to be opened as a restaurant. For this reason there is some equipment including bar desks, tables, chairs and a small stage. There is quite a large entrance room and toilets. All the space is very light and airy. During the visit it was realized that there are two rooms. The first room is a restaurant with the capacity of 100 customers and the second room was planned as a dancing room. This room will be suitable for the leisure activities. During the meeting it was found that it will be possible to adjust the space to our vision. So if it will be necessary it might be possible to broaden the room, because behind the room is stock. In the property is included a place which was planned to be a the kitchen. This also might be another possibility to provide the leisure activities or extend the business plan to providing a full service kitchen. For lunch there are definitely customers because the building is near to the university buildings, two large building of offices and a building with army offices and there is no restaurant close to this area. However, it will have to be carefully planned and organised so as not to jeopardize the original idea of the business plan. There is also a terrace that can be used in the summer terms as a garden and it can be also widened. Even though the property is near to the main street it is a relatively quiet place there could be a great possibility to build up a small flower garden and pergola with grill facilities. The disadvantage of this property is that the rest of the space is broken into several small rooms. Another disadvantage is that the second room (in our case used for leisure activities) has a plastic roof, so there will definitely have to be air conditioning implemented. This property



is large (500m<sup>2</sup>) therefore the price is also high. It is 53 700 CZK/per month. On the other hand the equipment included in the restaurant will decrease the costs. The price was discussed during the meeting and it is negotiable.

Property n. 4 – The largest room suits the restaurant



Property n.4 – The second room suitable for leisure activities



Property n. 4 – Foyer with entry to the restaurant and toilets



Property n.4 – Kitchen



Property n.4 – terrace and the view from it



Property n. 4 - toilets



Property n. 4 – building and surroundings from a different view



As described in the previous part, some of the activities, especially the trips, will be provided in different places. Obviously during the summer months the plan is to open the café garden to have coffee outside and also the individual courses will be adapted to the weather.

#### **7.6.1.5 People**

As explained in the theoretical part, people are an extremely important asset in providing the services. They strongly influence the process and they can attract additional customers as well as discourage them. For this reason the employees will be carefully chosen to provide the best quality of service. In the application process they will go through an interview carried out by the owner.

In the multipurpose centre and Café bar there are two kinds of job positions. Firstly, two full time jobs as an administration assistant and manager in the Café Bar. Then there will be staff employed on a part time or temporary basis including lecturers or waiters. Part time and temporary positions are open to everybody but it is preferred that they will be over 50 years old. There are several explanations as to why to employ people over 50 years old. Firstly they will better understand the customer's needs, secondly they will help to complete the atmosphere of the multipurpose centre and finally this age segment has limited opportunities in the labour market. Especially in the senior centre it is beneficial to let older people lead the courses because they better understand seniors to clients and easily adapt the courses for them according to their needs.

In the centre emphasis will be placed on professionalism and enthusiasm about the topic. In the Café centre as well as in the multipurpose centre a polite, friendly way will be re-

quired along with kindness to the customers. An everyday smile is a must. The staff's duty is to help create a comfortable and friendly environment in the multipurpose centre.

It is obvious that before every employee will go through training before they start. At first it will be explained to them the aim of the business, the style in which they should lead the particular activities and what attitude is required. Every employee will be considered as an adequate member of team, therefore their ideas relating to the courses will be listened to. It is also necessary that they will understand the corporate identity. Furthermore, every employee has to complete training in first aid.

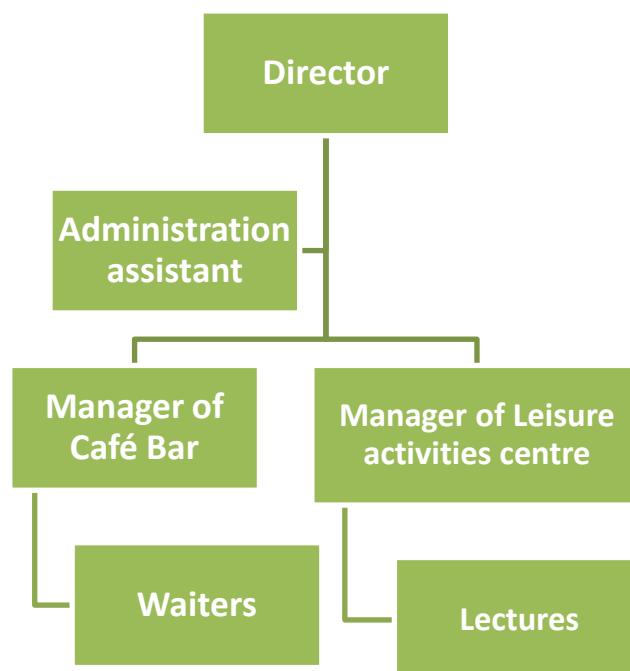


Figure 38 Organisation structure

*Source: own processing*

Job position	Number of employees	Duties
<b>Director</b>	1 (Full Time)	- management of the whole company - manager of leisure activities centre
<b>Administration assistance</b>	1 (120hours per month)	- administration works - HR management -
<b>Manager of Café bar</b>	1 Full time	- management of the Café bar - daily duties in Café Bar
<b>Waiter</b>	1 Full time	- daily duties in the Café bar
<b>Waiter</b>	10* Permanent job	- helping with the daily duties in the Café bar
<b>Lecturers</b>	10* Permanent job	- organising activities within individual courses

\* In this job position it is preferable that the employee is over 50 years old and the agreement is limited to 300hours per year. More employees for permanent positions were therefore be implemented.

Figure 39 Job positions

Source: own processing

### 7.6.2 Physical environment

The interior and physical environment influences the customers behaviour. There are no rules how to create the environment to get a perfect atmosphere, because it is very individualistic and it depends on the entrepreneur's creativity and style. A suitable physical environment will help the company become different from its competitors and create an uniqueness. The physical environment will be created in one style and support the corporate identity. In this business there will be a strong emphasis on the professionalism that evokes a feeling of safety and confidence. Then orange colour evokes the feeling of comfort and welcome to the guest, and also obligingness to call in customer's mind the feeling of happiness. The interior will be designed with the advices of architecture to create very friendly atmosphere. The colours also have a strong impact on the customer's behaviour. Each colour evokes a different feeling. For the multipurpose centre main colour was chosen as dark green, in combination with yellow and orange. In the table below it is explained what the colours evoke.



Table 12 Colours used in the multipurpose centre

Colour	Meanings
<b>Dark Green</b>	Calms people down, feeling of safety and hope
<b>Orange</b>	Supports social behaviour, evokes good mood, feeling of happiness, decrease of the entity
<b>Yellow</b>	Encouraging, feeling of relaxation, stimulates appetite

*Source: own processing*

It is also important how the multipurpose centre is designed. The plan below illustrates the layout. The right part is the Café Bar and there will also be an entrance to the multipurpose centre, so everybody who enters the building will have to pass the Café Bar. In the café bar there will be ten round tables with four comfortable chairs. In the corner there is a special place with facilities for children. The bar desk will be created very simply by a professional joiner and a high emphasis will be put on the functionality and design. In the Café bar there will be definitely be decorations including table cloths, flowers, candles, curtains and other decoration elements. The bar will be furnished by standard café equipment including fridges, show cases, a coffee machine, toaster, machine for waffles and dishwasher. The entrance to the centre will be created with special sliding doors that allows connection to the bar and centre together so it will create one bigger room. At the opposite side of the door there will be a projector. In the centre there will be twenty folding tables and plastic chairs. There will be the possibility to store furniture and the stock, especially during the activities including relaxing exercises and yoga. Another room in the multipurpose centre is the stock room, where there will be storage for all equipment and aids for the leisure activities. In the stock room there will also be space for bar stock and a small space for the office. Obviously, in the centre there will be female and male toilets that will be designed also for disabled people.

This layout fulfils the vision of the ideal place for the multipurpose centre. Obviously it has to be slightly adapted to the property that will be selected for this project.

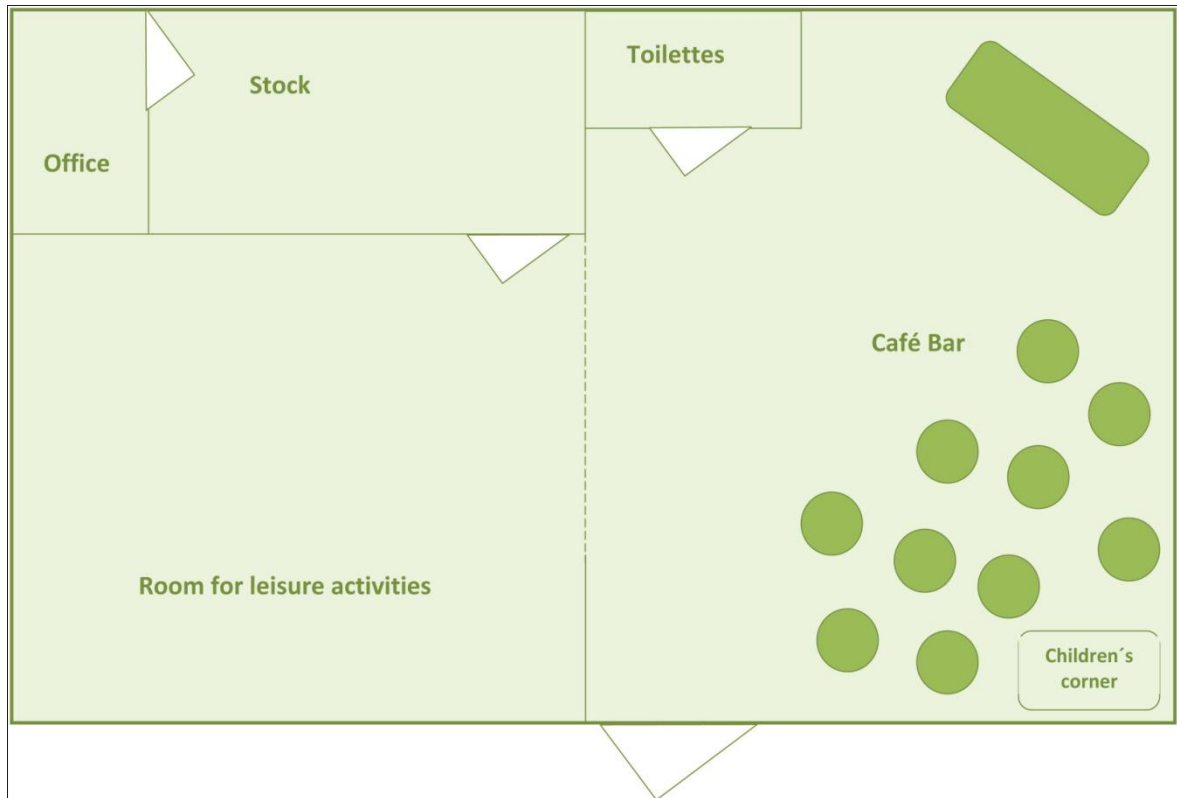


Figure 40 Layout of the multipurpose centre

Source: own processing

### 7.6.3 Processes

To satisfy the customer's needs the service also has to be provided at the right time. Therefore the right implementation of processes is also an important part of the services. Particularly in this business is the critical process of providing the service in the Café Bar and also irregular activities that are organised for more clients. However, the processes need to be first tried out in a practical way to see how it works. Therefore, the standards of the process will be created in the first month after the opening day. They will be created with flow charts to clearly explain to the employees the most effective way how to provide the service.

## 7.7 Financial part of the project

The financial part is created from the balance sheet, profit/loss announcement and cash flow. Usually the financial statements are prepared at the end of the year. However, this

project will be created during the time period from 1.7. 2012 to 30. 6. 2013 to see the prediction of financial statement for the whole year. There is assumption of the use of the other source in amount of 500 000 CZK to start the business and that should be paid easily back in two years.

**a) Balance sheet**

The first balance sheet is created at the start of the business. It is calculated with the registered capital that has to be paid in to the bank account and with the other sources. It is assumed the investment of the amount of 500 000 CZK will be paid within one year and the interest will be 12%.

Table 13 Balance sheet (1.7. 2012)

<b>BALANCE SHEET</b>					
<b>1. 7.2012</b>					
<b>ASSETS</b>	<b>Current accounting period</b>			<b>LIABILITIES</b>	<b>Current period</b>
	<b>Gross</b>	<b>Adjustment</b>	<b>Net</b>		
<b>Total assets</b>	<b>700</b>	<b>0</b>	<b>700</b>	<b>Total liabilities</b>	<b>700</b>
Fixed assets	0	0	0	Equity	200
				Registered capital	200
Current assets	700	0	700	Other sources	500
Short-term financial assets	700	0	700	Bank loans and financial accomodations	500

*Source: own processing*

The second balance sheet shows the expected operation that will be run within one year. The assets and liabilities have to be equal and the total amount is 3 372 000 CZK. Also included is the profit/loss from the current period that is 1 701 000 CZK. The current assets dominate the assets section because the goods were purchased for less than 40 000 CZK.



Table 14 Balance sheet (30.6. 2013)

<b>BALANCE SHEET</b>					
<b>30.6.2013</b>					
<b>ASSETS</b>	<b>Current accounting period</b>			<b>LIABILITIES</b>	<b>Current period</b>
	<b>Gross</b>	<b>Adjustment</b>	<b>Net</b>		
<b>Total assets</b>	<b>3.387</b>	<b>-15</b>	<b>3.372</b>	<b>Total liabilities</b>	<b>3.372</b>
Fixed assets	15	-15	0	Equity	1.901
Intangible fixed assets	15	0	15	Registered capital	200
Tangible fixed assets	0	-15	-15	Profit/loss - current year (+/-)	1.701
Current assets	3.372	0	3.372	Other sources	1.471
Short-term financial assets	3.372	0	3.372	Short-term payables	971
				Bank loans and financial accommodations	500

Source: own processing

#### **b) Plan of revenues**

The revenues are created from three main parts – revenue from the Café bar, revenue from regular activities and revenue from irregular activities. These were calculated with the prices that will be designed for people over 55 years. Younger customers will pay at least 30% more and these figures are not included. Also there is a plan to provide additional services including lending laptops for a small fee, which is also not included.

The revenue from the Café bar is 2 970 000 CZK per year, revenue from the multipurpose centre is 717 000 CZK per year for irregular activities and from the regular activities it is 931 500 CZK.

The revenue from the Cafe bar were based on four product categories (hot drink, non alcoholic drink, cake and dessert). The forecasted sales totals were relatively modest. Not included are the special sales or menus. The revenues of the irregular activities are based on the monthly schedule. Every month there will be an effort to suggest a programme that in the full capacity will bring at least this amount. Not included in the calculation of revenues are the younger participants who will pay more for each activity. The revenues of the regular activities are based on full capacity and only two terms of courses are counted. The

schedule of the summer term will be created from more irregular activities and it will be created after the first term.

In the table below is shown the profit/loss account for one year. The predicted profit is 1 701 264 CZK, so there will be financial capacity for the reinvestments.

Table 15 Profit/Loss account

<b>PROFIT/LOSS ACCOUNT</b>	
<b>Expenses</b>	
Expenses on sold goods	549.600
Production consumption	505.573
Personnel expenses	1.291.200
Other operating expenses	555.863
Depreciation of intangible and tangible assets	15.000
<b>Total expenses</b>	<b>2.917.236</b>
<b>Revenues</b>	
Revenues from sold goods	4.618.501
<b>Total revenues</b>	<b>4.618.502</b>
Profit/loss of current accounting period	1.701.264

Source: own processing

### 7.7.1 Expenses

The total amount of expenses is expected to be 2 917 236 CZK for the first year. Included are expenses on sold goods(549 600 CZK), Production consumption (505 573 CZK), Personnel expenses (1 291 200 CZK), Other operating expenses (555 863 CZK), Depreciation of intangible and tangible assets (15 000 CZK). These are illustrated in the table below and the detailed structure is in the appendix.

Table 16 Expenses

<b>Administration costs</b>	<b>15000</b>
<b>Sold goods</b>	<b>549600</b>
<b>Other operating expenses</b>	<b>505 573</b>
Marketing	27573
Rent + energy	396 000
Expenses for activities in multi-purpose centre	82 000
<b>Other operating expenses</b>	<b>555862,5</b>
Furniture	283300

Electronics	256089
Dishes	16474
<b>Wages</b>	<b>1291200</b>
<b>Total expenses</b>	<b>2 917 235</b>

Source: own processing

The personal costs including payment of health and social insurance were calculated with the expenses of three full time jobs, part time job (120 hours) and part time jobs. The wages were based on the real situation of salaries in the region of Hradec Králové and job duties. The calculations are shown in appendix\_ . Also included in the appendix is a detailed structure of the expenses.

### c) Cash flow statement

The next table shows the cash flow statement for the period from 1.7.2012 to 30.6. 2013. It can be seen that the net cash from the running activities is 2 687 000 CZK and the Balance of cash on hand and financial equivalents at the end of reporting period is 3 372 000 CZK.

Table 17 Cash Flow Statement

CASH FLOW STATEMENT		In thousands (CZK)
Z.	Accounting profit/loss from running activities before taxation	1.701
A.1.	Adjustments by non - cash operations	15
A.1.1	Depreciation of fixed assets and amortization of adjustemens to acquired assets	15
A.*	Net cash flow from running activities before taxation, changes in working capital and unusual/extraordinary items	1.716
A.2.	Change in non-cash items of working capital	971
A.2.2.	Change in balance of short-term payables from running activities, temporary liability accounts	971
A.**	Net cash flow from running activities before taxation and unusual/extraordinary items	2.687
A.***	Net cash flow from running activities	2.687
B.1.	Expense on fixed assets acquisition	-15
B.***	Net cash flow from investing activities	-15
C.1.	Change in balance of long-term or short-term payables	500
C.2.	Impact of changes in equity on cash on hand and financial equivalents	200
C.2.1.	Increase in cash on hand as a result of increased registered capital, share premium etc.	200
C.***	Net cash flow from financing activities	700
F	Net increase/decrease in cash on hand	3.372
R	Balance of cash on hand and financial equivalents as at the end of reporting period	3.372

Source: own processing

## 7.8 Summary of the project

To summarize the project there is used the SWOT analysis that indicates the companies strength, weakness, opportunities and threats.

### a) Strengths

The only company of this type (modern café bar connected to centre for seniors) in Hradec Králové. The strength of this company will be quality services for seniors and also the possibility of spending free time with friends or relatives. Café bar can be regarded also as an intergenerational centre. The majority of employees will be retired therefore they will know exactly the needs of customers in the café as well as in the multi-purpose centre. The other strengths are also different types of sales promotion, which are solely aimed at retired customers. An effort to maximally use various kinds of sponsorship and so reduce the price of provided services, to make it available for the majority of seniors, is other strength. The strength is also its location. Café bar is located near a bus stop of public transport and in the city centre. Furthermore, with a non-smoking environment appreciated not only by seniors, but also by mothers with children and opponents of smoking in café bars. Friendly and family environment belong also among advantages.

### b) Weaknesses

Among weaknesses can be ranked limited marketing communication, because seniors are not typical users of Internet thus it is not appropriate to use exclusively online communication. The owner of a café bar do not have any experiences with management of own business and the whole business plan is dependent on provision of a loan.

### c) Opportunities

Aging of population and increase of citizens in a retirement age, so increase of target market segment is a big opportunity for this café bar. Another opportunity may be regarded results of studies, which point out, that future seniors will be spending their leisure time actively, they will want to have fun, live socially and they will also require quality services. Small competition is associated with the sector producing services, aiming at seniors, i.e. customers. Absence of similar type of company (modern café bar with centre for seniors) in Hradec Králové is other huge opportunity for this company. Company providing services for seniors in Hradec Králové concentrates more on providing of home care

rather than on providing of opportunities for leisure times of seniors. The only direct competitor is a day care centre for seniors that is a part of a home care house whose surroundings is dark, old-fashioned and not very attractive in the first sight. Another strength is a support from municipal authority of a town towards development of activities and creation of ideal conditions to support their maximum self-sufficiency. For this reason, there is a high chance of getting grants for individual projects held in the café bar.

#### d) Threats

One of the main threats is the entry of new firms in the market, especially the firms from the west which have sufficient capital and big experiences with a care for seniors. In general, one of the attributes of seniors is their thrift. That could be the reason for inadequate cost recovery. Another threat is the failure to obtain grants for the pursuit of leisure activities that would raise prices of individual activities. Still changing government legislation can also greatly influence operation of this café bar, primarily legislation aiming at services for seniors. The next threat are incessantly increasing energy, gas and water costs, but also increasing prices of fees and changes in VAT.

## CONCLUSION

This work gave me lot of useful information about seniors and how they spend their leisure time, but also information how to set up the business. It was proven to me that it is not easy way and it needs lots of time, energy and think about the plan in the complexity. However it did not discourage me to set up my own business in the future.

Before the analytical part was set up three hypotheses were researched. The first hypothesis of the potential demand was proved, because most of the respondents answered that they want to have multipurpose centre or they are not sure about it. The research made in Hradec Králové showed that elder people are interested in the same activities as people who participated in the survey conducted by AXA Company (2008) within the Czech Republic. Therefore also the second hypothesis was not rejected. The last hypothesis was related to the current situation of the providing services in Hradec Králové. The analysis provided by the local government showed that seniors in Hradec Králové would like the increase in the day centres offers. Even though, there already exist some providers their opportunities are limited and the capacity is not inflatable. This hypothesis was not also rejected.

In the analytical part it was really great to meet up with the respondents who were very keen on filling my questionnaire and also some of them talked with me about the study. Then it was very useful to have interview with MUDr. Tosnerova, who is the most respected person focusing on senior's issues, and know her opinion about the leisure activities for seniors. I was quite surprise about the analysis of the competitors, that seniors organise different activities for them on their own (Klub duchodcu and Svaz duchodcu Hradec Kralove). On the other hand I was quite disappointed with the facility and atmosphere that is in the daz centre in Pecovatelske centrum. The most positive result is that the majority of the respondents are interested in the new multipurpose centre, which also confirmed the previous study provided by the local government.

The schedule of the activities was based on the respondents' preferences, but there was added the volunteering club which, from my point of view, can be interesting and definitely should be include in the activities of the multipurpose centre.

The promotional materials and the logo were created according to the professionals' advices. There was effort to find the company name without the term 'senior' and designed

seniors in the promotional material, so it can be easily understandable that the multipurpose centre is primarily for them.

It was also great to discuss the idea of this project with the professionals, business advisors from the company iPodnikatel who supported my idea and agreed that seniors are customers of the future and especially in the services there is a gap in the market. On the other hand he also agreed with me that it will not be easy from the financial viewpoint.

I hope that I will find the financial investment and this project become true one day.

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## SEZNAM POUŽITÝCH SYMBOLŮ A ZKRATEK

EU      European Union

OECD    Organisation for Economic Co-operation and Development

SMEs    Small and Medium size enterprises



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## APPENDIX I PROMOTION MATERIAL

# Volnočasové centrum HK



*Aktivní v každém věku*

Slezské předměstí 89, Hradec Králové 500 03  
Po-Čt 8.30 - 20.30, Pá-So 8.30 - 22.30, Ne 10.00 - 19.00

- Kurzy na počítači
- Realizační cvičení
- Klub cestovatelů
- Setkávání seniorů
- Zahradnictví a květiny
- Organizované výlety
- Kavárna s příjemnou obsluhou
- Šití, vyšívání, malba na hedvábí
- Příběhy Královehradeckého kraje



## TĚŠÍME SE NA VÁS!

[info@volnocentrumhk.cz](mailto:info@volnocentrumhk.cz) 720 575 806 [www.volnocentrumhk.cz](http://www.volnocentrumhk.cz)

\*The back page will contain the information about the schedule and basic information about the individual activities. This flyer will be hand out in different places before the first term starts.

\*\*If the multipurpose centre become to the reality there is plan to buy the rights of the photos or create them on our own.

## APPENDIX II BUSINESS PLAN

INTRODUCTORY ELEMENTS	
<b>Cover sheet</b>	<ul style="list-style-type: none"> <li>- basic information about the company (name, logo, contact details)</li> <li>- it gives first impression to reader</li> <li>- some authors advice to explain basic concept and purpose</li> </ul>
<b>Table of contents</b>	<ul style="list-style-type: none"> <li>- helpful for reader</li> <li>- needs to be clear structured and numbered</li> <li>- shows structure of business plan (sometimes might happen that if reader do not see what needs to know, does not want to continue)</li> </ul>
<b>Executive summary</b>	<ul style="list-style-type: none"> <li>- the most important part of the business plan</li> <li>- should give answer on: who you are, what your company does, where your company is going, why it is going, where it is going, how it will get there</li> <li>- it is advised to write it at the end</li> <li>- different according to the purpose of business plan</li> <li>- uniqueness of the business and why it will be successful</li> <li>- some authors advice also include the overview of the finance</li> </ul>
ORGANISATIONAL PART	
<ul style="list-style-type: none"> <li>- more details about the company, company's mission and vision</li> <li>- legislation and business model</li> <li>- detailed described product or service* (*what the service is, why are you able to provide, how it is provided, who will be doing the work, where the service will be performed)</li> <li>- industry as whole and new trends</li> <li>- SWOT analysis</li> <li>- overview of company strategy</li> <li>- property rights (patents, trade mark, copyright)</li> <li>- management team</li> <li>- it needs to be well elaborated</li> <li>- in some organisational part is also included the marketing plan</li> </ul>	
I. Marketing Part	
<b>Market analysis</b>	<ul style="list-style-type: none"> <li>- who are your competitors</li> <li>- competitive position</li> <li>- who is you target customers</li> </ul>
<b>Sales strategy</b>	<ul style="list-style-type: none"> <li>- how the product or service will be sold</li> <li>- how much will be costs</li> <li>- how the prices were set up</li> <li>- pricing strategy needs to set up in comparison</li> </ul>

	with the competitions and needs to be realistic
<b>Marketing plan</b>	<ul style="list-style-type: none"> <li>- how to attract and educate customers and how to convince them to come back</li> <li>- how to reach customers and inform them about the product or service</li> <li>- which marketing media and tools will be used</li> </ul>
<b>II. Financial Part</b>	
<ul style="list-style-type: none"> <li>- prove the quality of the financial team</li> <li>- key figures for sales , expenses, net income, total growth in assets and net worth</li> <li>- financial statements: income sheet, balance sheet, statement of cash flow, break even analysis</li> <li>- usually five year projection</li> <li>- important are realistic assumptions</li> <li>- some can include the application forms for the loans</li> </ul>	
<b>Income statement</b>	<ul style="list-style-type: none"> <li>- show if the business is profitable or not</li> <li>- calculation of net income, the costs and expenses</li> <li>- gains and losses</li> <li>- tool for control the business process or identify the weak areas</li> <li>- for set up the future budgets</li> </ul>
<b>Balance sheets</b>	<ul style="list-style-type: none"> <li>- assets, liabilities and owner's equity</li> <li>- assets <ul style="list-style-type: none"> <li>• current assets (cash accounts, short-term investments, receivable inventory)</li> <li>• long- term assets – more than one year (stocks, bonds and saving accounts)</li> <li>• fixed assets (land, buildings, equipment and automobiles)</li> </ul> </li> <li>- liabilities <ul style="list-style-type: none"> <li>• long-term liabilities</li> <li>• current liabilities</li> </ul> </li> <li>- owner's equity or net worth</li> <li>- shows the financial position of the business (weak or strong)</li> </ul>
<b>Statement of cash flows</b>	<ul style="list-style-type: none"> <li>- the most important statement of the financial part</li> <li>- determine when and where the cash will be needed</li> <li>- important for bankers who see how the loan will be pay back</li> <li>- from where the owner get the money</li> <li>- in monthly basis for one year</li> </ul>

## APPENDIX III CHARACTERISATION OF SELECTED COMPANIES

<b>Trade</b>	
<p>Business of natural person or juridical person  Registered in Trade register and optional registration in Commercial register  Tax record or double-entry accounting  Suitable for starting up business  Unlimited liability of owners private property  Easy launching and stopping he business  Different kinds of the trade</p>	
<p>+ little load in administrative work  + any fixed registered capital  + law fees of the business registration  + Independence and free hand in making decisions</p>	<p>- possibility to have financial problems in the personal life  - high level of specialized skills, but also economic and management knowledge and abilities  - limited access to the bank loans  - from the profit is paid also the social insurance</p>
<b>Business companies</b>	
<p>Personal business – Limited company, Limited Partnership company  Capital business – Limited Liability company, Joint-stock company</p>	
<b>Limited company</b>	
<p>The second most common company of SMEs  At least 2 members of the company who liable for companies obligations together and their private assets – respectable image  Business of natural or juridical person  All members are authorised representative  The members cannot have competitive interest in other businesses  The aim of the company is only business</p>	
<p>+ any fixed registered capital  + good assets to the foreign capital  + the profit is divided and after that it is taxed by profit from naturel person</p>	<p>- possibility to have financial problems in the personal life  - no individual independence and free hand in making decision  - more complicated if the business stop  - large profit – paid large money to government</p>
<b>Limited Partnership Company</b>	
<p>Two kind of companies´ members - limited partners and general partners  Limited partners – liable only up to outstanding investment, they have access to the accounting  General partners – liable also with their private properties, authorised representatives  This is suitable for the business man who has good know-how but limited financial sources and they need investors  In the Czech Republic it is not typical form of business  The profit is divided according to the memorandum of association  All members have to agree with changes in the memorandum of association</p>	
<p>+ limited partners – their investments can be only 5000CZK  + any fixed registered capital  + limited partners can have interest in the competitive businesses</p>	<p>-more complicated administrations works (memorandum of association)  - unlimited liability of general partner´s private properties  - possibility of the disagreements between gen-</p>



	eral partners and limited partners
<b>Limited Liability Company</b>	
<p>The youngest organizational legal form</p> <p>Stock company</p> <p>Registered capital - 200 000 CZK</p> <p>1 member but most 50</p> <p>Natural person of max 3 companies</p> <p>Inevitable memorandum of association</p> <p>Board of supervisors – can be established</p> <p>Contract - Notarial deed</p> <p>1 sole founder – Deed of Foundation</p> <p>General meeting + director – obligatory</p> <p>General meeting – supreme body of a company, do not have business function, appoints directors,</p> <p>Director – natural person</p> <ul style="list-style-type: none"> <li>- Business leader of a company</li> <li>- Authorized to all legal acts</li> <li>- Duty of loyalty</li> <li>- Reticence</li> <li>- Prohibited competition rule</li> <li>- Provides members with information</li> <li>- Convene general meeting</li> </ul> <p>Boards of Supervisors</p> <ul style="list-style-type: none"> <li>- Supervisory body</li> <li>- Prohibited competition rule</li> <li>- Scope of competences in contract</li> <li>- At least three members</li> <li>- Convene general meeting anytime</li> </ul> <p>Commencement of Limited Liability company</p> <ul style="list-style-type: none"> <li>- Entry to Commercial Register</li> <li>- Need for capital</li> <li>- File an application for recording in Commercial Register (memorandum of association)</li> </ul> <p>About division of profit decides general meeting</p> <p>Liability – members are liable for obligations to the amount of unpaid contribution</p> <p>Commenced also for non-business purposes</p> <p>Not everybody has to participate in business</p> <p>At least 20 members but 200 most</p> <p>Possibility to deposit a non-monetary contribution</p> <p>Entry to Commercial Register</p> <p>General meeting – voting according to the amount of property shares</p> <p>The most common form of a juridical person</p> <p>Registered capital created from contributions of members</p> <p>Representative body - directors</p>	
<ul style="list-style-type: none"> <li>+ limited liability of members</li> <li>+ non-monetary contribution</li> <li>+ contribution within 5 years (30% to entry, totally 100 000 CZK)</li> <li>+ supervisory body</li> <li>+ profits do not succumb to social insurance</li> </ul>	<ul style="list-style-type: none"> <li>- necessary initial contribution</li> <li>- administratively demanding</li> <li>- less credible than partnership company or joint-stock company</li> </ul>
<b>Joint-stock company</b>	

Among SMEs it is not very common  
 Registered company – separated among shares in certain value  
 Shareholder (member) is not liable for obligation  
 Commenced by a juridical person or by two or more founders  
 Registered capital – 2 billions  
 Supreme body – general meeting  
 Authorized body – board of directors (at least 3 members)  
 Corporate bylaws  
 Board of supervisors – audit (at least 3 members)  
 Reserve fund  
 Board of directors – Authorities  
 Commencement by entry in Commercial Register  
 General meeting – assembly of all shareholders  
 Memorandum of association – among incorporators  
 Reserve fund  
 Public bid of shares

+ shareholders are not liable  
 + solidity and stability  
 + good access to capital  
 + dividends without further taxation

- high registered capital  
 - complicated and limited legally  
 - administratively demanding  
 - cannot be commenced by a natural person  
 - audit  
 - obligatory published data  
 - complicated tax adjustment  
 - complicated in commencement  
 - difficult inner company structure

## APPENDIX IV QUESTIONNAIRE AND INFORMATION FLYER

(English version)

**PLEASE FILL IN ALL QUESTIONS AND YOUR ANSWERS MARK WITH A CROSS**

1. **Gender**       woman                       man
  2. **Age?**    45 years and less    46-55 years    56-65 years                        
66-75 years    76-85 years                       86 years and more
  3. **In what part of Hradec Králové do you live?**  
 near centre (Slezské předměstí, Malšovice, Moravské předměstí, Třebeš, Pražské předměstí, Věkoše)  
 centre of the town    suburban part of a town (other part of a town)  
 live 20km from the city    other option: .....
  4. **How do you spend your leisure time?**
  5. **Do you attend courses, seminars, clubs, lectures, theatre performances, guided tours, etc. If yes, please specify WHAT and WHERE do you attend.**  
 no    yes  
.....
  6. **Do you think you would attend regular leisure time activities?**  
 no    yes  
**If yes, please choose among the following options, which one**  
 English                                       PC courses                                       Internet courses  
 ceramic                                       crocheting                                       basketry                                        
modern technic                                       relaxation exercise    paper folding                                        
make bobbin lace    flower arrangement                                       literature  
 batik     wood carving                                       knitting  
 music     gardening                                       EU and world events  
 candle making                                       chess, draughts                                       jewellery making  
 choir     art club     yoga  
 automoto world                                       film     pre-war history  
 voluntary activities                                       talks about the Hradec Králové region  
 painting on silk, glass, stones                                       interesting places and people within CR  
 crossword, puzzles, sudoku                                       club of travellers  
 cultural performances                                       activity for parents and grandchildren  
 club meeting (regular meetings of seniors, programme based on their wishes)  
 advisory centre for seniors                                       other (Specify please): .....
- .....

**7. Do you think you would participate in irregular events organized in leisure activity centre or jointly organized events?**

no  yes

**If yes, please choose which events you would be interested in.**

- travelling seminar  seminars on actual topic  
 thematic blocks (Easter, Christmas, winter, autumn etc., content: art activities, talking about traditions, traditional food, common celebrations and so on)  
 celebrities concerts  concerts of children  
 theatre performances  art exhibitions  
 one day trips  long-term tours  
 other (Specify please).....

**8. Would you welcome the possibility of transport ( our special public transport) to the multipurpose centre?**

no  yes

**9. How often do you think you would attend multipurpose centre and cafe bar?**

- every day  3x a week  1x a week  1x in 14 days  1x in month  
 I do not if I would attend the centre

**10. Do you think that you would attend cafe bar, which would be a part of multipurpose centre?**

no  yes

**If yes, what would you order the most often?**

- hot beverages  non-alcoholic beverages  alcoholic beverage  
 desserts  ice cream  refreshment

**11. Would you become members of senior club, whose membership would bring many benefits to you? (for instance: discount on course fees discount in the café, good price of irregular activities, and so on)**

no  yes

**If yes, how much you are willing to for an annual registration fee?**

- 50 CZK  100 CZK  150 CZK  other

sum of money:.....

**12. Would you welcome the opening of this multipurpose centre in Hradec Králové?**

no  yes  maybe

### **Optional**

**Would you like to participate in its incorporation and would you participate actively in the various activities of this multipurpose centre?**

no  yes (In case of your interest, you can enter your contact details and during the implementation of the centre I will contact you.

Good morning,

My name is Petra Barešová and I am a student of the fifth year at Tomas Bata University in Zlín, Faculty of Management and Economics. The topic of my master's thesis I aimed at leisure time activities for seniors. My work is to determine, whether seniors would visit multipurpose centre and café bar designed especially for them. I would like to ask you to fill in the questionnaire, it takes you 10 minutes. The questionnaire is anonymous and information will only be used for processing of my thesis. In case you will have any question do not hesitate to contact me on tel.n.: 720 575 806.

**I would like to thank you in advance for your help.**

## APPENDIX V QUESTIONNAIRE AND INFORMATION FLYER

(Czech version)

**PROSÍM VYPLŇTE VŠECHNY OTÁZKY A VAŠE ODPOVĚDI OZNAČTE KŘÍŽKEM.**

1. **Jste**  žena  muž
2. **Jaká jste věková kategorie?**  45 let a méně  46-55let  56-65let  66-75let  76-85let  86 let a více
3. **V jaké části Hradce Králové bydlíte?**  
 oblasti blízko centra (Slezské předměstí, Malšovice, Moravské předměstí, Třebeš, Pražské předměstí, Věkoše)  
 centrum města  příměstská část města (ostatní části města)  
 bydlím do 20km od města  jiná varianta:

.....  
**4. Jak trávíte Váš volný čas?**

5. **Navštěvujete kurzy, semináře, zájmové kroužky, přednášky, divadelní představení, organizované výlety apod.? Pokud ano, prosím specifikujte, CO a KDE navštěvujete.**  ne  ano

.....  
**6. Myslíte si že, byste navštěvovali pravidelné volnočasové aktivity?**

ne  ano

**Pokud ano, prosím vyberte z následujících možností, které**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> anglický jazyk                 | <input type="checkbox"/> kurzy na počítači                  | <input type="checkbox"/> internetové kurzy    |
| <input type="checkbox"/> keramika                       | <input type="checkbox"/> háčkování                          | <input type="checkbox"/> košíkářství          |
| <input type="checkbox"/> moderní technika               | <input type="checkbox"/> relaxační cvičení                  | <input type="checkbox"/> skládání z papíru    |
| <input type="checkbox"/> paličkování                    | <input type="checkbox"/> aranžování květin                  | <input type="checkbox"/> literatura           |
| <input type="checkbox"/> batika                         | <input type="checkbox"/> dřevořezba                         | <input type="checkbox"/> pletení              |
| <input type="checkbox"/> hudba                          | <input type="checkbox"/> zahrada                            | <input type="checkbox"/> EU a dění ve světě   |
| <input type="checkbox"/> výroba svíček                  | <input type="checkbox"/> šachy, dáma                        | <input type="checkbox"/> výroba šperků        |
| <input type="checkbox"/> pěvecký sbor                   | <input type="checkbox"/> klub výtvarníků                    | <input type="checkbox"/> jóga                 |
| <input type="checkbox"/> svět automoto                  | <input type="checkbox"/> film                               | <input type="checkbox"/> předválečná historie |
| <input type="checkbox"/> dobrovolnické aktivity         | <input type="checkbox"/> povídání o Královehradeckém kraji  |   |
| <input type="checkbox"/> malba na hedvábí, sklo, kameny | <input type="checkbox"/> zajímavá místa a osobnosti ČR      |   |
| <input type="checkbox"/> křížovky, osmisměrky, sudoku   | <input type="checkbox"/> klub cestovatelů po mapě i fyzicky |   |

- kulturní představení
- klub kontakt (pravidelné setkávání seniorů, program tvořen podle jejich přání)
- poradna pro seniory
- aktivity pro prarodiče a vnoučat
- jiné (Prosím, specifikujte):

.....  
 .....

**7. Myslíte si, že byste se účastnili nepravidelných akcí pořádaných ve volnočasovém centru nebo společně organizovaných akcí?**

- ne
- ano

**Pokud ano, prosím vyberte, které akce by Vás nejvíce zajímali.**

- cestovatelské semináře
- semináře na aktuální téma
- tematické bloky (velikonoční, vánoční, zimní, podzimní atd., náplň: výtvarné aktivity, povídání o tradicích, tradiční jídla, společné oslavy apod.)
- koncerty známých osobností
- koncerty dětí z MŠ, ZŠ, ZUŠ
- divadelní představení
- umělecké výstavy
- jednodenní výlety
- dlouhodobější zájezdy
- jiné (Prosím, specifikujte).....

**8. Uvítali byste možnost odvozu (naší speciální dopravní službou) do volnočasového centra?**

- ne
- ano

**9. Jak často si myslíte, že byste navštěvovali volnočasové centrum a kavárnu?**

- každý den
- 3x týdně
- 1x týdně
- 1x za 14 dní
- 1x měsíčně
- nevím, jestli bych centrum navštěvoval(a)

**10. Myslíte si, že byste navštěvovali kavárnu, která by byla součástí volnočasového centra?**

- ne
- ano

**Pokud ano, co byste si nejčastěji objednávali?**

- teplé nápoje
- nealkoholické nápoje
- alkoholické nápoje
- zákusky
- zmrzlina
- občerstvení

**11. Stali byste se členem senior klubu, jehož členství by Vám přineslo řadu výhod? (například: sleva na kurzovné, sleva v kavárně, výhodná cena nepravidelných aktivit, atd.)**

- ne
- ano

**Pokud ano, jakou částku jste ochotni zaplatit za roční registrační poplatek?**

- 50Kč
- 100Kč
- 150Kč
- jiná částka:.....

**12. Chtěli byste, aby vzniklo v Hradci Králové toto volnočasové centrum?**

- ne
- ano
- možná

### **Nepovinné**

**Chtěli byste se podílet na jeho vzniku a aktivně se zapojit do organizace jednotlivých aktivit v centru?**

ne     ano ( V případě Vašeho zájmu, můžete uvést Vaše kontaktní údaje a při realizaci centra Vás budu kontaktovat:.....)

Dobrý den,

Jmenuji se Petra Barešová a jsem studentkou 5. ročníku Univerzity Tomáše Bati ve Zlíně, Fakulta Ekonomiky a managementu. Téma mé diplomové práce jsem zaměřila na volnočasové aktivity seniorů. Náplní mé práce je zjistit, zda by senioři v Hradci Králové navštěvovali volnočasové centrum a kavárnu určenou především pro seniory. Chtěla bych Vás požádat o vyplnění tohoto dotazníku, který Vám zabere 10minut. Dotazník je anonymní a získané informace budou použity pouze pro zpracování mé diplomové práce. V případě jakýchkoliv otázek mě můžete kdykoliv kontaktovat na tel.č.:720 575 806.

**Předem Vám moc děkuji za Vaši pomoc.**

Petra Barešová



## APPENDIX VI Chi-square test

Club \* Age Crosstabulation

Count		Age		Total
		Over 66 years old	Under 66 years old	
Club	Unfilled	20	8	28
	No	38	5	43
	Yes	71	36	107
Total		129	49	178

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	7,471 <sup>a</sup>	2	,024
Likelihood Ratio	8,398	2	,015
N of Valid Cases	178		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,71.

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)	Monte Carlo Sig. (2-sided)		
				Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Pearson Chi-Square	7,471 <sup>a</sup>	2	,024	,022 <sup>b</sup>	,016	,028
Likelihood Ratio	8,398	2	,015	,018 <sup>b</sup>	,012	,024
Fisher's Exact Test	7,929			,018 <sup>b</sup>	,012	,024
N of Valid Cases	178					

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,71.

## APPENDIX VII EXPENSES

Expenses				
	Price per pc/m		Amount	Total price
<b>Administration costs</b>				<b>15000</b>
Administration costs				15000
<b>Sold goods</b>				<b>549600</b>
Purchase of goods per month	45800	month	12	549600
<b>Other operating expenses</b>				<b>505 573</b>
<b>Marketing</b>				<b>27573</b>
Printing flyers 105x210		2500ks		1315
Printing posters A4		250ks		1539,59
Billboard	1,44/day		14 days	1008
MHD - flyer	3,5/day		14 days	1960
MHD - screen 10sec				6000
Opening week				10 000
Web page				1500
Members cards				250
Logo - above entrance				4000
<b>Rent + energy</b>				<b>396 000</b>
Rent + energy	33000	month	12	396 000
<b>Expenses for activities in multi-purpose centre</b>				<b>82 000</b>
Aids				10 000
Operation of multi-purpose centre	6000		12	72 000
<b>Other operating expenses</b>				<b>555863</b>
<b>Furniture</b>				<b>283300</b>
Bar	18000	m	1,5	27000
Showcase	36900	1pc(1m)	1	36900
Showcase	28000	1pc(0,5m)	1	28000
Podpultové chlazení	10000	m	2,5	25000
Table	3990	pc	10	39900
Chair	1300	pc	40	52 000
Folding table	3600	pc	10	36000
Plast chair	550		30	16500
WC				12000
Children's corner				3000
Textile, decoration, children's corner				7000
<b>Elektronika</b>				<b>256089</b>
Coffee machine				17460
Dishwasher		pc	1	36900
Toaster		pc	1	700
Waffle maker		pc	1	500

Printer				3660
Mini Hifi reproduction Philips MCM166				1690
Projector BenQ MX660p projektor				12000
Portable screen - 152x203cm				5430
Wifi			per year	12000
Laminator GBC HEATSEAL H65				1349
Notebook Asus K53E-SX225V	13600		12	163 200
Kettle	1			400
Drip cofee maker			1	800
<b>Dishes</b>				<b>16474</b>
Glass beer 65cl	24,8		30	894
Glass shot	4,8		24	116
Glass wine - red	16,5		30	495
Glass wine - white	16,5		30	495
Glass 0,35cl	9		50	450
Glass 15cl	8		48	384
Cup and saucer	35		50	1400
Tea cup	25		50	1250
Plate -dessert	49		50	2450
- middle	49		50	2450
Bowl	30		9	270
	30		29	870
Jug	39		6	234
Cutlery set	79/16 pcs		40	3160
Teaspoons	11,5		30	57,5
Knives	150		4	800
Stand for cakes	349		2	698
<b>Wages</b>				<b>1291200</b>
Wages - Full-time employment	64000		12	768000
Health and social insurance	21 760		12	261120
Wage - Temporary job	21840		12	262080
<b>Total</b>				<b>2 917 235</b>

## APPENDIX VIII REVENUES

Café Bar				
	Hot drink	Non alcoholic	Cake	Snack
Average price	25 CZK	20 CZK	15 CZK	25 CZK
Expected average consumption per month	4000	3000	2500	2000
Income per month	100 000 CZK	60 000 CZK	37 500 CZK	50 000 CZK
Income per year	1 200 000 CZK	720 000 CZK	450 000 CZK	600 000 CZK
			<b>Total per year</b>	<b>2970000</b>

Activity	Hours per week	Price	Capacity	Profit per course
Relax excercise	2	1300	20	26000
Literature club	2	1200	20	24000
Talking about Královehradecký region	2	1200	30	36000
Internet courses	2	1300	12	15600
Club of travellers	1	1000	20	20000
Gardening	2	1200	30	36000
Internet courses	2	1300	12	15600
Club of volunteers	3	0	0	0
PC course	1	1200	12	14400
English course	2	1200	15	18000
Talking about Czech famous places and people	2	1200	30	36000
History before I. WW/EU and world news	1	1000	20	20000
Cultural club	1	1000	25	25000
Hand works	1	1100	20	22000
Relax excercise	1	1000	20	20000
Meeting club	3	0	0	0
Internet courses	1	1200	12	14400
Crosswords, board games	1	500	20	10000
Hand works	2	1300	20	26000
English course	2	1200	15	18000
Relax excercise	2	1300	20	26000
Yoga	2	1200	20	24000
Meeting club	2	0	0	0
PC course	2	1300	12	15600
<b>Total</b>	<b>42</b>	<b>24200</b>	<b>405</b>	<b>462600</b>
<b>Average price per activity. *</b>		<b>1150</b>		<b>465750</b>
		<b>Per two terms</b>		<b>931500</b>

Unregular activities				Prices per 4 weeks		
Day	Data	Time	Activity	Price / CZK	Capacity	Profit per activity
Monday	11.9	17.00-19.00	South Korea	30	40	1200
Wednesday	12.9	17.00-19.00	Movie evening	0	0	0
Thursday	13.9	Day	Trip to Kuks monestary	150	49	7350
Friday	14.9	17.00-20.00	Grill evening	70	50	3500
Saturday	15.9	13.00-15.00	Games for children	30	20	600
Saturday	15.9	18.00	Theatre performace	100	50	5000
Wednesday	26.9	17.00-19.00	Movie evening	0	0	0
Thursday	27.9	Day	Autumn decoration	150	70	10500
Friday	28.9	17.00-20.00	Music evening	50	50	2500
Saturday	29.9	13.00-15.00	Halloween activities	30	20	600
Monday	9.10	17.00-19.00	Egypt	30	40	1200
Wednesday	10.10	17.00-19.00	Reading the poetry	30	20	600
Thursday	11.10	Day	South American day (seminars, lectures, traditions)	150	70	10500
Friday	12.10	17.00-20.00	Wine evening (movie, workshop, degustation)	150	50	7500
Saturday	13.10	13.00-15.00	Theatre performace	30	30	900
Wednesday	24.10	17.00-19.00	Music evening	50	50	2500
Thursday	25.10	Day	Tea Day	50	70	3500
Friday	26.10	17.00-20.00	Lecture about alternative medicine	30	40	1200
Saturday	27.10	13.00-15.00	Autumn decoration	30	20	600
Saturday	27.10	18.00	Workshop provided by police	0	0	0
				1160	739	59750
					Per Year	717000

## APPENDIX IX PERSONNEL COSTS

Personnel Costs - Full time job and part time job			
Job position	Wage	Number or employees	Hours per month
Waiter	13 000	1	168
Administration assistant	14000	1	120
Director and manager of	22000	1	168
Manager of Café bar	15 000	1	168
<b>Total per month</b>			<b>64 000</b>

<b>Payment of the health and social insurance</b>	Social insurance 25%	16 000
	Health insurance 9%	5760
<b>Celkem za odvody</b>		<b>21 760</b>

Personnel Costs - Temporary job				
Job position	Wage per hour	Number of employees	Hours per month	Total wage per job position
Waiter	60	10	168	10080
Lecturer	70	10	168	11760
<b>Total per month</b>				<b>21 840</b>

<b>Total personnel costs per month</b>	<b>107 600</b>
<b>Total personnel costs per year</b>	<b>1291200</b>

## APPENDIX X SCHEDULE OF REGULAR ACTIVITIES

Monday	8.00	9.00	10.00	11.00	12.00
	<b>Relaxe excercises</b>		<b>Literature club</b>		
					X
Tuesday	8.00	9.00	10.00	11.00	12.00
	<b>Advisory centre for seniors</b>				X
Wednesday	8.00	9.00	10.00	11.00	12.00
	<b>Club of volunteers</b>			<b>PC courses - beginners</b>	X
Thursday	8.00	9.00	10.00	11.00	12.00
	<b>History before I. World war / EU and world news (1. a 3. week in month)</b>		<b>Cultural club - literature, movies, theatre, music (1. a 3. week in month)</b>		
	<b>Unregular activities (2. a 4. week in month)</b>				X
Friday	8.00	9.00	10.00	11.00	12.00
	<b>Internet - beginners</b>	<b>Crosswords, board games</b>	<b>Hand works</b>		X
Saturday	8.00	9.00	10.00	11.00	12.00
	<b>Yoga</b>		<b>PC Courses</b>		
Sunday	8.00	9.00	10.00	11.00	12.00
	<b>Club of volunteers</b>				



12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.30	
X	Stories about famous people and places in Czech Republic		Internet - beginners		Club of travellers (1. a 3. week in month)				
X					Seminars about travelling (1. a 4. week in month)				
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.30	
X	Gardening and flowers		Movie afternoon		Internet - advanced				
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.30	
X	English course - beginners		Stories about Královeshradecký region		Cultural performances				
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.30	
X	Hand works (1. and 3. week in month)		Relax excercises (1. and 3. week in month)		Meeting club (1. a 3. week in month)				
X	Unregular activities (2. a 4. week in month)								
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.30
X	English course		Relax excercises		Cultural activities				
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.30
X	Activities for grandparents and grandchildren			Unregular activities					
12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00		