A Business Model for a Restaurant

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Cílem této bakalářské práce je vytvořit podnikatelský model canvas na fitness restauraci ve Zlíně, která bude mít v nabídce jídlo a pití pro lidi, kteří chodí do posilovny, vegetariány a vegany. Díky tomuto modelu bude možné zjistit, jestli je daný projekt realizovatelný. V teoretické části je popsáno podnikání, podnikatelský model canvas společně s rozbořem trhu a zákazníka. V praktické části je zhotoven samotný podnikatelský model společně s aplikováním několika analýz na již zmiňovaný projekt.

Klíčová slova: podnikatelský model canvas, restaurace, analýza trhu, zdravá strava

The aim of this bachelor’s thesis is to create a business model for a restaurant in Zlin that will offer food and beverages for people, who go to the gym, are vegetarians or vegans. Due to this business model, it will be possible to find out if this project is feasible. In the theoretical part, this thesis describes business, business model canvas together with the market analysis and customer. In the practical, part the business model is designed together with applied analysis.

Keywords: business model canvas, restaurant, market analysis, healthy food
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Motto:

“God, give me the serenity to accept things I cannot change, courage to change things I can and wisdom to know the difference.”

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 purpose of this thesis is to find out whether the business model canvas is relevant for establishing a healthy restaurant close to the local gym in the city of Zlín. In the recent years, there has been a big shift about people’s diet. Predominantly young people have become more concern about their diet and body shape. This includes eating healthy food, nutritionally balanced diet, locally grown products and regular exercising at the gyms. These aspects were incentives to scrutinise if opening a restaurant which combines these concerns can lead to successful business. Moreover, the research also focuses on the location of the restaurant. Having the healthy restaurant next to the gym can attract more customers as there is a link between eating good food and being in a good shape. Furthermore, eating at the healthy restaurant close to the gym can save much time with preparation of nutritionally balanced food and searching for a good place to eat healthily.

This thesis is divided into the theoretical and practical part. The theoretical part starts with the introduction to the business itself. The next section discusses business model canvas and lean canvas with its parts and differences. After the discussion the business model canvas is compared to the business plan. The following part looks at the value proposition design. This part discusses the most important elements that company should focus on when reflecting customer’s wishes and needs. A brief examination of lean start-up is also presented in this thesis. The end of the theoretical part deals with a different market analysis. Market analyses are used in the practical part such as Swot analysis, Porter’s five forces analysis and Pestle analysis. Theses analyses determine strengths and weaknesses of the restaurant. Furthermore, they look at the external factors which can influence operation of the restaurant.

The practical part starts with the general description of the company. This is followed by the analysis of the competitive advantage to detect, whether the healthy restaurant can compete with other restaurants. Furthermore, these analyses provide strengths of the restaurant. Next two sections offer practical part with the connection to the restaurant itself. These parts evaluate strengths and weaknesses of the restaurants and discuss possible external factors that can negatively affect the existence of the restaurant. Practical part ends with summary of business model with the connection to the restaurant. In conclusion, this thesis describes whether the restaurant can be successful or unprofitable.
I. THEORY
1 BUSINESS

The primary target of the business is trying to get an evaluation of the company’s capital, which means to get profit when the company has more returns than costs. The company receives profit after the satisfaction of its customers. What a company needs to do is to be aware of its customer’s interests, requirements, needs and preferences. Needs of the customer are satisfied when he or she buys product or services. However, when satisfying the customer, a businessman has to face some risk, and if he wants to keep his company profitable, he has to find strategies and politics that reduce this risk. Acceptable risks depend on many things. For example, they depend on the scope of a business, dynamic of the world and on the businessman himself. All in all, most of the businessmen prefer to minimise these risks as much as possible. At the start of every business, the businessman has to invest in the company some own or borrowed capital. The amount of capital is different. It depends on the scope of business and the size of the company (Synek 2010, 3-4).

Košturiak points out (2016, 229-230), the business can be defined in 4 parts:

The first part is the critical thing in business. Money and things we are then able to afford for money. The businessman has to buy things that are necessary for a company’s producing process, afford employees and pay them money, invest in developing his company and employees and being able to secure his family. The second part is about intellect and will. When businessman focuses only on the first part, his business can quickly end. This part is not just about making revenues. In this part, the businessman uses his intellect, talent and will when trying to solve problems. The reward for all of this is recognition and success. The third part is about service and love for others. It is about helping others and getting a good feeling from this act. However, we have to be aware of not to subordinate our business for this. The fourth part is spiritual. This part comes into place when business and businessman are both successful. In this time can appear the question: What to do now? So, the businessman can find the meaning and mission, why he is doing, what he is doing.

1.1 The start of a business

One of the most important things in building a startup is good management. Many entrepreneurs think that it is only the building of a company, but it is not like that. They are trying to evade all types of management, process and discipline. Regrettably, this leads to a failure of a startup rather than to success. It is essential to know this thing, because in the
world there are still more and more entrepreneurs, because of shifts in the global economy. So, entrepreneurs should be aware of what they need to do in order to have a successful company (Ries 2011, 15-16).

Another thing, which is crucial for a company is finding its competitive advantage to have a better position in the market. Competitive advantage is something, which is changing over time. As a result, the company has to be able to keep up, because when the company stops to adapt to the external environment, it is just a matter of time when other companies will become better. The best way to create tools for competitive advantage is to find its business management system. Thus, the first thing when being a businessperson should be changing the company into a system, because the system can be implemented into the basic operations of a company (Zelený 2011, 13).

When starting a business, every entrepreneur has a set of assumptions about how his service or product will do in the future. Assumptions are deeply connected to the company’s vision. Every company at the start of its formation should investigate these assumptions as soon as possible. The crucial things what an entrepreneur need to do are being able to examine these assumptions systematically and perform that examination with being transparent with the company’s vision (Reis 2011, 83).

1.2 Businessman

We all are businessmen in some ways. Through the time of our lives, we are experiencing new things, and then we can find our strengths and weaknesses. Everybody is trying to make some impact or be useful in this world and then have something in return from it. Even, when we are in our jobs, we are businessmen, because we had to do something to reach this position (Košturiak 2016, 229).

At first, the businessman should find a need, which has not been successfully satisfied yet. Secondly, he should find a problem, which is connected to this need and try to solve it. He is trying to reach most of the people, who has this particular problem and he is also trying to that his products or services are better than others. After this, he has to focus mainly on his customers, because customers are what the businessman invests in practically everything such as time, energy and money (Zelený 2012, 149).

1.3 Legal form

Before starting a business, it is essential to think about what kind of legal form is suitable for the specific business. There are two possible ways to form a business organisation:
• the business of the natural person
• the business of the legal entity

Natural persons and legal entities have to meet specific criteria in order to be able to start a business. These criteria are as follow:
• age qualification (18 years)
• legal capacity
• integrity (Srповá 2010, 67)

1.3.1 Natural person
This type of a business organisation is suitable for business people who are just in their beginnings of business and mostly it is used by people who do not have only one source of income. Here are shown some advantages and disadvantages of this kind of business organisation:

Advantages
• not many formal-legal obligations
• it is possible to start a business right after the registration
• changes happen fast
• it is not necessary to have an initial capital
• independence and freedom while making decisions
• it is possible to choose tax records or accounting

Disadvantages
• unlimited liability by property of entrepreneur
• administrative activities
• high requirements on professional and economic knowledge of entrepreneur
• limited access to bank loans
• income tax is higher than the legal entity’s income tax
• it is necessary to pay health and social insurance from the profit (Veber 2012, 71).

1.3.2 Legal entity
There are several forms of legal entity. The general partnership is business of at least two people who are doing business under one name of the company. This company is in the business register as a legal entity. All partners are in charge of the company and guarantee all the liability by their estates. Two or more partners can establish a limited partnership.
At least one of them has to secure liabilities of the company to the deposit amount, and one of them has to secure by all his estates. Both natural person and a legal entity can establish a **limited liability company**. Furthermore, the initial investment in this company is only 1 CZK. This legal entity is one of the most common. In the **joint-stock company** is the primary property divided into shares. The initial investment in this company is CZK 2,000,000. On the contrary, if the company is established by a public offering of shares the amount of investment has to be CZK 20,000,000 (Synek 2010, 81-84).
2 BUSINESS MODEL

Osterwalder and Pigneur say (2010, 14-41), that “a business model describes the rationale of how an organisation creates, delivers, and captures value”. The business model is an attempt to deliver the message of a company simply, relevantly and understandably, while not being too simple explaining how the business works. The business model is explained via nine building blocks. These building blocks describe the four crucial parts of the business, which are customers, offer, infrastructure and financial viability.

2.1 Business model canvas

The idea of the business model canvas comes from the book Business Model Generation written by Alexander Osterwalder and Yves Pigneur and is divided into these nine building blocks:

- **Customer segment** is a crucial part of a business model because, without customers that are buying products or service, no company can manage to stay in the market. When the company wants to please customers as much as possible, it may group them into sections with everyday needs, behaviours or other. After that, the business model can define which segment the company should take care of and which segment to ignore.

- **Value proposition** is a thing with which company deals with specific needs or problems of customers. It shows the benefit of a particular segment of customers.

- **Channels** are used to reach customers and tell them about the benefits of a company and of its product or service. It is the way to convey a value proposition to customers. As a result, customers know more about the company its products and services. Thus, it is possible for customers to judge the value proposition of a company and then buy a product or service.

- **Customer relationship** defines what kind of relationship a company wants to have with their customers. A company has to be able to know, what kind of relationship wants to have with its customers. It is vital for a company to decide how to get customers, how to keep them and if a company plans to increase sales.

- **Revenue streams** are earnings which a company gets from different customer segments. A company has to know how much money customers can spend on buying a product or service. Furthermore, a company will be able to create new revenue streams from specific customer segments.
- **Key resources** are assets which enable the business model to work. These resources are crucial to provide a value proposition, to get on the market, to manage the relationship with customers and then earn money.

- **Key activities** show, what a company needs to do in order to function prosperously. They are similar to key resources. They are essential to staying on the market, have a good relationship with customers, offer benefits and make money.

- **Key partnership** is about the relationship that a company has with its suppliers and partners. It is crucial for companies to have good partners for supply in order to keep their business running.

- **Cost structure** involves all costs spend in order to run a business. We can know what these costs are quite simply after characterizing key activities, key relationship and partnership. Some business models have a low-cost structure, and some have a cost-driven structure.

Fig. 1 Business Model Canvas. Source: Alexander Osterwalder (2010, 44)

### 2.2 Business model lean canvas

Business model lean canvas is similar to the business model canvas. It has nine building blocks, but some of them are different. The first part of this model is called a problem. It is crucial for a company to be able to decide which problems are the most typical for their segment of customers. The company should define at least 1 to 3 problems when doing this business model. After the part, where dealing with the problem, other parts following are
the same as in the business model canvas: value proposition, customer segment, channels, cost structure and revenue streams. Another difference between model canvas and lean canvas is that in lean canvas is the part solution instead of key activities. The solution is connected to the problem, but this problem or problems are not tested and after a few talks with customers can be entirely different. At first, it is vital to find the most straightforward thing and then change it in the future.

Then, instead of key resources, there are key metrics. Every company has some indicators, which can be used to find out its productivity. There are five parts of this building block: “Acquisition, activation, retention, revenue and recommendation. In other words, these parts are: How your customers will find you? What is the first impression of your company? Do the customers return back to you? How do you make money? Do the customers talk about your company?’’

The last building block, which is different, is customer’s relationships. Instead of this, there is a part called an unfair advantage. It is the most challenging part of the business model lean canvas. According to Maurya (2012, 27-43), “among these unfair advantages are a dream team, personal authority, community, existing customers, the right experts and information from the knowledgeable person from the inside.”

Fig. 2 Business Model Lean Canvas. Source: https://leanstack.com/leancanvas
3 BUSINESS MODEL X BUSINESS PLAN

The most significant difference between the business plan and business model is the length. The business plan is much longer. It is a document, which consists of 20 to 50 pages of text that should show how the plan is realistic. The business plan focuses mainly on strengths and weaknesses and indicates how the business can survive through time in the market. The business plan is used both as the internal and external document. As an internal document is used by the management of the company and as an external document is needed to raise capital and promote the business (Galai 2016, 3).

Another great difference is the composition. Srpová says (2011, 14-15) that the business plan consists of these 13 parts:

1. Title page
2. Content
3. Purpose of the document
4. Executive summary
5. Description of the business opportunity
6. Targets of the company and the owners
7. Potential markets
8. Competition analysis
9. Marketing strategy
10. Implementing project plan
11. Financial plan
12. Risks and rewards
13. Enclosures

3.1 Types of business plans

There are three types of business plans such as formal, informal and summary. The formal business plan will take the company much time to do because it is the most demanding form of the business plan. The plan is mainly aimed at the bankers, investors and other partners of the business. It requires a very accurate analysis of the industry, competition, customer and financial plan. The informal business plan has similar features to the formal type but is created in a more summarised way. It is mainly formed for the management of the company to think about planning and budgeting. This type of plan focuses primarily on the promotion of the company and additionally focuses on operations or manufacturing. It is created by management there will not be a specific part about finances and about the
people who work for the company. The summary shows the plans and goals for the future of the company. So, it is primarily useful for possible employees and business partners, who want to cooperate with the company (Gattis 2010, 7-9).

3.2 Executive summary

The executive summary is the most crucial part of the business plan, so the company should not underestimate it. This part is so important because it should convince the reader to read the rest of the business plan. Moreover, it is not the company’s product or service that will persuade the reader to read the rest of the plan but the executive summary. Abrams argues (2014, 54-55) that there are things that have to be covered in the executive summary:

- “Your basic business concept makes sense.
- Your business itself has been thoroughly planned.
- The management is capable.
- A clear-cut market exists.
- Your business incorporates significant competitive advantages.
- Your financial projections are realistic.
- Investors or lenders have an excellent chance to make money.”

The executive summary should start with the problem the company is trying to solve and shows the reader goals and plans. Moreover, there should be some part of the marketing, market size, sales forecast. A company should there write about the competition and how they want to attract and maintain customers. Another thing that should be discussed in the executive summary is management’s leadership and industry and staff in general. When writing about finances, the company should consider how much money they require for the start of the business, what is the amount they will be investing in the future and how much they will want from the funder. In this part should be considered earnings earned in the first three years and how the investment will be utilised (Shelton 2017, 70-71).

The executive summary can be used by itself, and it can show necessary information about the company. It can be broadly distributed, and it could be used as a networking tool. Moreover, it can raise interest in the company by investors, possible business partners and VCs (Galai 2016, 187).
3.2.1 The Synopsis summary
This kind of a summary is just a conclusion of each part of the whole business plan. It is used because it is not so difficult to prepare. Furthermore, it does not have to be written in a very exciting way. On the other hand, this summary is not so attractive to readers. It covers all parts of the business plan equally and briefly.

3.2.2 The Narrative summary
The narrative summary is mainly about catching the reader’s attention by telling them a story about how the business started. It is useful for businesses that are trying to bring new product in the market, and it is quite suitable for companies who have a fascinating history. This summary focuses primarily on the concept of the business rather than on operational details (Abrams 2014, 55-56).
4 VALUE PROPOSITION DESIGN

Johnson says (2010, 25-26) that “customer value proposition is an offering that helps customers more effectively, reliably, conveniently solve an important problem (or satisfy a job-to-be-done) at a given price.” The value proposition is one of the most crucial parts of any business model. Excellent value proposition shows the company some problem that a customer has and that wants a product or service, which will solve his problem. At the beginning, it is necessary to be able to figure out the company’s target customer job-to-be-done. It is not the same as get to know the customer. A company should not try to find out what products customers want to pursue. Instead, it should come out with an idea what are customers job-to-be-done.

4.1 Customer profile

Customer profile defines a particular segment of customers on which a company focuses on its business model. It is shown in a way which is more accurate and useful for the company. There are three parts of customer profile which are customer jobs, customer pains and customer gains.

4.1.1 Customer jobs

This part defines which thing the company’s customers are trying to get done. It can be something that should be done in their lives or their job, the problems they are trying to solve or the need they want to have fulfilled. There are three types of customer job. Functional jobs focus on customers that are trying to do some particular assignment or resolve some real issue. Social jobs target customer’s intentions to look good or gain power or status. Personal/emotional jobs focus on the feeling of customers when buying a specific product or service.

4.1.2 Customer pains

Customer pains define what upsets customers when trying to get a job done. Pains show what can go wrong if the job is done inadequately or hardly ever. There are also several types of customer pains: undesired outcomes, problems, characteristics, obstacles and risks.
4.1.3 Customer gains
Gains specify what customer’s intentions of the product or service are. Gains also show customer’s needs. They can be something which anticipated by customers or something unexpected (Osterwalder 2014, 12-16).

4.2 Value map
Value map defines things that are specified in a company’s value proposition. Besides, these things are also shown in a more precise way. There are also three parts of value map which are products and services, pain relievers and gain creators.

4.2.1 Products and services
In this part, the company focuses mainly on what their products and services are. This amount of products and services, which company offers is supposed to meet customer’s needs and wants. Osterwalder argues (2014, 16-33) that “these products and services do not create value on their own. They create value in the relationship with a specific customer segment and their jobs, pains and gains.”

4.2.2 Pain relievers
Pain relievers show how the company’s products and services relieve customer pains. They adumbrate how the company wants to remove the thing that annoys customers before, during, or after they are trying to complete a job. Useful value proposition focuses mainly on pains that are the most important for the customer. It is impossible for companies to relieve all customer pains.

4.2.3 Gain creators
The main thing that is defined by gain creators is creating customer gains by products and services of the company. In other words, gain creators display meeting customer’s expectations and desires that combine functional utility, social gains positive emotions and cost savings. As well as pain relievers, gain creators do not have to focus on all gains, but they can only intend significant gains of customers.
4.3 Designing the new customer value proposition

When designing the new CVP, a company needs to understand that it is not only about what is being sold (product or service) instead is remarkable how it is being sold. Ways that allow a customer to buy this product or service and the payment program are also crucial things. According to Johnson (2010, 123-124) when designing the new CVP leaders of a company should ask themselves these questions: “Can we fulfil the job-to-be-done with a product? A service? A combination of the two? Will it be durable or a consumable? Will its feature set be limited or extensive? Will it require light or heavy customer support? Will we supply it directly or through suppliers? Will customers need to access it frequently or infrequently?”

4.4 Relationship with customers

When thinking about customer relationships the company has to consider which type of relationship wants to have with its customers if the company wants to have personal, automated or somewhat self-service. Most importantly, the company should think of the target while considering customers, if they want to attract some new customers or if they intend to maintain customers that they already have. Additionally, the company maybe
wants to attract customers to earn money from revenues. However, these approaches can change in the future, and the company do not have to follow them all the time (Clark 2012, 39).
5 THE LEAN STARTUP

The first person, who started using the term lean startup is Eric Reis. He has a trademark for that term. Many people think that the running lean is only about “being cheap”, but this is not the case. It is about being able to use resources wisely and eliminate waste as much as possible. Two of the most critical things on which a lean startup focuses are being efficient with time and learning about customers as much as possible to be able to satisfy their needs (Maurya 2012, XXIII).

Ries says (2011, 8-9), that there five principles of the lean startup.

- **Entrepreneurs are everywhere** which means that small, as well as huge companies can apply the lean startup concept. According to Reis “a definition of a startup is a human institution designed to create new products and services under conditions of extreme uncertainty.”

- **Entrepreneurship is management** because it is crucial to understand that startup is not all about a product or service, but more about its management, which should be aware of the uncertainty of the product or the service of the company.

- The principle of **validated learning** that focuses on the issue that startups are not just about making money produce products or service or serve customers. Entrepreneurs should be able to have a sustainable business and focus on their vision.

- **Build-measure-learn** that means it is necessary when building a startup to make products from ideas, be aware of the customer’s feelings about the product and then be able to decide whether to pivot or persevere.

- There is also a principle of **innovation accounting**. Unfortunately, there some things, which are not so entertaining, but have to be done as well. These things are how to be aware of progress a company made, how to set up miles and how to prioritize work.

According to Maurya (2012, XXII), thanks to running lean you can test your ideas more easily and afterwards provide a product that would be profitable. Running lean is about focus, being fast and prepared to learn as much as possible. It is a systematic and profound process, which uses short iterations for verification of a customer or market.
6 MARKET ANALYSIS

When somebody wants to start a new company, it is essential to find out what are factors that can impact the company. It does not matter if they are internal or external because they all have to be considered. In this chapter will be discussed Swot analysis, PESTLE analysis and Porter’s five forces analysis.

6.1 Swot analysis

Every company should make a Swot analysis – strengths, weaknesses, opportunities, and threats – to be able to understand the position they hold. It is vital for a company to consider every Swot part in relation to direct competition (Kotler and Kotler 2013, 5).

- **Strengths** are internal things which company is good at, maybe even better than their competition. They can help a company to reach its goals.

- **Weaknesses** are internal things that can be a disadvantage for a company. They can have an impact on the ability of a company to reach its objectives (Armstrong 2017, 85).

- **Opportunities** are external and can be considered as an advantage for a company. They can be some personal factors or tendencies of the market.

- **Threats** are external factors as well, and they can be challenging for the company to be able to stay in the market (Kotler and Armstrong 2016, 80).

This kind of a market analysis is essential for a company because it gives the company a bigger picture of itself. It is crucial to discover opportunities and threats as well as strengths and weakness. The point of doing this is to find opportunities that can be connected to the company’s strengths as long as reducing weaknesses and threats (Armstrong 2017, 85).
6.2 PESTLE analysis

PESTLE analysis is used to analyze the external environment. Aspects of the external environment are not always instantly visible on the actions of a company, on the other hand, they can appear in the long run. Unfortunately, a company is not able to regulate these aspects when they occur. PESTLE analysis is divided into six parts which are political/legal, economic, social, technological and ecological factors.

Political/Legal factors

Political, environmental analysis is crucial for companies when they want to be able to understand the external environment. When analysing political factors, the company can find out some possible legal and regulatory changes in their industries. In most cases, it is impossible for companies to have control over the political environment. Sometimes the relationship between the company and the government can be considered as a continual competitive advantage. For instance, this kind of competitive advantage can be handling
the company’s relationship with the government better than its competition (Baines 2013, 37).

**Economic factors**
Economic factors affect how much people would spend, and it can even completely change the buying behaviour of consumers. Therefore, companies have to focus on what is trending and consumer spending patterns in the market. There are vast differences between nations when speaking about the level and distribution of income. As a result, there are various opportunities for companies to get on the market. There are three types of economies: subsistence, industrial and developing. Subsistence economies do not offer many market opportunities. On the contrary, industrial economies provide market opportunities for a lot of kinds of products. Developing economies are something in the middle and it is possible for companies to get on the market by providing particular types of goods (Kotler and Armstrong 2016, 106).

**Social factors**
One of the social factors can be demographic development which is not so difficult to anticipate, and that can be useful for companies. Population ageing has to be mentioned first because this factor changes the demand dramatically. It is not necessary to say that old people have different needs than young people and companies have to be aware of that. They have for example more health problems which can be beneficial for the pharmaceutical and food industry and institutions for health care. Another critical factor which affects the demand is the birth rate which is also higher. The cultural environment is another thing, which a company have to be aware of. This is a kind of environment is changing, and it can have an impact on the demand. For this reason, companies have to be able to adapt to these changes (Karlíček 2018, 70-73).

**Technological factors**
Technology is something that is affecting us daily, and technological environments experienced dramatic changes in the last years. Thus, there are a lot of new and exciting market opportunities for companies. On the other hand, there is also the dark side of releasing new technologies and that is they have to take the place of older technologies. As a result, companies that do not care about new technologies can find themselves struggling sooner or later because they will not take advantage of potential market opportunities. Sometimes the company is not allowed to put their product on the market, because they did not meet specific safety criteria that are controlled by the government. Therefore,
companies have to be aware of that too, because it can cost them much money (Armstrong 2017, 110-113).

Ecological factors
Ecology is also a big topic when it comes to marketing because people have concerns about whether there is an impact on the ecological environment. Consumers want organic food, naturally grown vegetables and fruit without using chemicals and of course better-treated animals. Thus, it is vital for companies to find out how much they are affected by these forces. Companies should establish their competitive strategies to discover potential market opportunities and try to take advantage of this ecological environment (Baines 2013, 47-49).

Fig. 5 Pestle Analysis. Source: Thomas del Marmol (2015, 1)

6.3 Porter’s five forces analysis
This kind of a model shows what competitive rivalries on some markets are. It provides the opportunity to get a piece of more information about the industry where the company is. Porter’s five forces analysis consists of five parts that are competitive rivalry, threat to new entrants, threat of substitution, bargaining power of buyers and bargaining power of supplier (Doyle 2011, 171).
**Competitive rivalry**

Competition analysis focuses on how many competitors are on the market and how customers are loyal to their favourite brand. The company should also find out if there are any differences in the market and last but not least what are the costs of leaving the market (Hill 2013, 54).

**Threat to new entrants**

Industries hardly ever remain the same. Companies stay in the market or withdraw. This suggests that companies have to be aware of the competition that has not been in the market yet, but it can appear there very quickly. When analyzing the industry a company should focus mainly on economies of scale, government and regulation policies and how much money they would need (Baines 2013, 52-53).

**Threat of substitution**

This threat is in this model considered as a similar product of other companies. After a competitive company has its product on the market price become elastic as a result that there are now more choices available to customers. Furthermore, when this happens, it is complicated for a company to raise the price of products (Doyle 2011, 173).

**Bargaining power of buyers**

It is essential to know for a company how much of its sales go to one specific company. Thus, they can offer discount a have a significant advantage before other suppliers. There are companies that can be impressionable to the price. The company should be able to bear in mind the bargaining power buyers have with their suppliers. This can affect the price and the number of products sold.

**Bargaining power of suppliers**

When examining the industry, a company should focus on how many suppliers are in the market, how big they are, if they offer some original products of services. Furthermore, a company should focus on if it can provide some substitute (Baines 2013, 54-55).
Fig. 6 Porter’s Five Forces Analysis. Source: Stéphanie Michaux (2015, 1)
7 SUMMARY OF THE THEORETICAL PART

In the first chapter of this thesis the main areas of business were described. These areas should be taken into account when starting a new business. Moreover, this chapter looked at the concept of a businessman as an individual entity. The main points of this chapter were concerned about finding specific problems related to customers and also to suggest some solution when problems emerge. In addition, this chapter underlined that, it is inevitable for a company to employ experienced managers. The second part explained the business model. The main focus when designing new business model is, what are its building blocks and what are the differences between the business model canvas and business model lean canvas. Similarly, the next part, looked at the differences between business model and business plan.

The fourth chapter was dedicated to the customer. Customer’s wishes and needs were defined. Possible suggestions of tackling customer’s wishes and needs were presented as well. Moreover, customer’s expectations, complaints and disappointments were mentioned in this chapter. There were mentioned aspects such as who is responsible for customer’s dissatisfaction, how should company handle customer’s disappointment and how should the company maintain a good relationship with its customers. Lastly, this section examined the concept lean startup in relation to fast changes in the world when designing a business. The term lean startup was very valuable for this part of the research as the businesses running lean have to be fast decision makers, customer oriented and be willing to learn new trends in their fields.

The final part pointed out that there are many further elements which determine success of the company. Good management, fulfilling needs and wishes of the customers and the business plan are not the only factors for the company to be profitable. Throughout the research this chapter came to the conclusion that the external environment such are social, legal and technological changes play important part when opening a new business.
II. ANALYSIS
8 RESTAURANT DESCRIPTION
The restaurant is an entirely new and nonexistent project. All aspects that are necessary to think about when realizing a new project will be discussed through the business model canvas. Moreover, there will be also the usage of swot analysis, porter’s five forces analysis, pestle analysis.

This restaurant is called Gainovka, and it is a solution for people, who go to the gym and do not want to cook their meals all the time. When people, who go to the gym, want to get some result from their exercising, they have to focus on their diet since that the food is critical when people want to build muscles as well as while trying to lose some weight. Building muscles for most people mean eating a lot of meat. Due to this fact, the offer in the restaurant focuses mainly on this kind of food. On the contrary, there are more and more people becoming vegans and vegetarians nowadays. Therefore there will be types of offered food suitable for them as well. To summarise, this restaurant will be all about providing people with the possibility to have a nutritionally balanced healthy food with fantastic taste.

8.1 Natural person
The best choice of the legal form for the restaurant is the natural person. The owner of the restaurant has to be educated in this particular field, or he has to have some experience in the restaurant business. If the owner does not meet any of these criteria, he has to have a responsible representative who meets at least one of these requirements. In this specific restaurant, it will be the chef who is educated in the field and has a lot of experience.

8.2 Restaurant operation
The operation in the restaurant will be a double shift. In one shift there will be a manager or the owner as a supervisor. In the kitchen, there will be a chef, one cook and one kitchen staff. Besides, three waiters will ensure the service. The time of one shift will depend on the day and opening hours, but one shift will take around 6 or 7 hours.

Table 1 Opening Hours. Source: own processing

<table>
<thead>
<tr>
<th>Opening Hours</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday – Thursday</td>
<td>10:30 – 21:00</td>
</tr>
<tr>
<td>Friday and Saturday</td>
<td>10:30 – 23:00</td>
</tr>
<tr>
<td>Sunday</td>
<td>10:30 – 18:00</td>
</tr>
</tbody>
</table>
8.3 Localization

The restaurant will be located on the Kvítková 4232 street. This location is quite good since it is close to the city centre. Furthermore, Zlín is full of young people who will be target customers of the restaurant. Besides, there is no other restaurant which focuses mainly on the people, who go to the gym in Zlín.

Fig. 7 Localization of the Restaurant. Source: own processing
9 COMPETITIVE ADVANTAGE

This chapter focuses on the competitive advantage of the restaurant in comparison to its competitors. Hopefully, there will be found factors in which the restaurant is better than its competition. Data that are used in graphs are from qualified observation by the owner of the Gainovka restaurant. The range of 1 to 10 shows how the restaurant manages different areas that are seen as vital by customers. The number 1 is the lowest, and it can be considered as a weakness of the restaurant. On the contrary, the number 10 represents the strength of the restaurant. Different areas that are discussed are the quality of food, price, social media and website, location, interior, service, the range of offer, opening hours and delivery service.

**Fitfoodie**

One of the restaurants which can be considered as the biggest competitor for the restaurant in Zlín is a restaurant Fitfoodie. This restaurant offers healthy, high-quality food along with beverages. With comparison to the restaurant, Fitfoodie offers more expensive food with higher quality. Opening hours of both restaurants are pretty similar, and both are using social media and have a quality designed website. Also, the kitchen in the Fitfoodie is visible from the space where customers are which is beautiful and different from other restaurants in Zlín.

![Chart 1 Analysis of Fitfoodie. Source: own processing](image-url)
Pranaya

Another big competitor is a restaurant Pranaya that provides vegetarian food. The price of the food is 25,90 CZK per 100 grams because the restaurant is self-serviced. This is one of the main differences between Gainovka and Pranaya. Another big difference is in the opening hours due to the fact that Pranaya is opened from Monday to Friday (10:30 – 14:30). The restaurant Pranaya has a quite nice website. On the contrary, they are not using social media. Further, they do not always provide healthy food.

Chart 2 Analysis of Pranaya. Source: own processing

Prašád

Another restaurant is called Prašád, and it is quite similar to the Pranaya restaurant. It also provides vegetarian food and is also self-serviced. On the other hand, the opening hours of this restaurant are different. Opening hours are from Monday to Friday (10:30-16:00), Saturday (11:00-14:30) and on Sunday the restaurant is closed. With comparison to Gainovka restaurant, Prašád does not use Instagram, and on Facebook, they are not active. They post there mostly photos of menus once a week. Moreover, the food they provide is not always healthy, and they sometimes use semi-finished meals. On the other hand, they have their own delivery service.
Zralé bistro

Zralé bistro is not a very big restaurant, and moreover, it is oriented on what is trendy. It offers vegetarian and vegan meals. One of the differences between Zralé bistro and Gainovka is that Zralé bistro offers breakfast. Furthermore, people can choose between two options of lunches every day. All things that are sold in Zralé Bistro are homemade and from fresh ingredients. This restaurant is not using the website, and they post on social media only once in a while. Opening hours are from Monday to Friday (7:30-15:00), and the restaurant is closed on Saturday and Sunday.
9.1 Summary of the competitive advantage

It looks like that Gainovka restaurant should be better in most areas than its competitors. Moreover, it can catch the attention of the people by its unique concept. On the other hand, Fitfoodie provides most of the services that are on a similar or maybe higher level than Gainovka restaurant. This will be one of the biggest competitors. Gainovka restaurant has on the other hand different concept than Fitfoodie and will try to offer cheaper food so these two things can be considered as advantages. Further, Zralé Bistro is right across the street to Gainovka restaurant, but this restaurant is instead takeaway and has a different concept, so it focuses on another segment of customers. It has to be mentioned that there are many restaurants in Zlín since it is not easy for a restaurant to stay on the market. For the detailed about the comparison between restaurants see the chart below.

Chart 5 Analysis of the Competition. Source: own processing
10 SWOT ANALYSIS

The reason for choosing the Swot analysis is that this analysis provides a more profound understanding of the business itself. It shows areas in which the business is valuable as well as things that can be considered as its weaknesses. Further, this analysis outlines opportunities that the business can use in its favour and aspects that the business should be afraid of.

Strengths

The main strength of the restaurant is uniqueness because another restaurant precisely like this cannot be found in the town. There is no other restaurant which focuses mainly on the people, who exercise in the gym. Strength is also the location due to the fact that the restaurant is close to the city centre and also not far away from the most visited gym in Zlín. The restaurant wants to make people's life easier in a way that they do not have to spend so much time cooking their food. They can use this service to have time for other things than cooking meals. The food will be nutritionally balanced with fresh and high-quality ingredients and, of course, healthy prepared. The staff will be trained as long as the service is no less essential than food.

Weaknesses

One of the weaknesses can be the price of the food. It has to be as low as possible because most of the customers will be young people and most students who do not have so much money to spend. On the contrary, it cannot be low at the expense of the quality of the meals produced. Another weakness is that the restaurant will be financial demanding because of the lease, payment of employees, costs of the ingredients and so forth. Admittedly, the next weakness can be that this model of business has not been verified yet, so it cannot be told if the business will be profitable or not.

Opportunities

The most significant opportunity of the restaurant is that people are becoming more and more aware of their diet. As a result, eating healthily is more popular than it used to be and the demand for the food which is healthy is increasing. Furthermore, customers are becoming more and more demanding about the quality of food, so it has to be prepared from high-quality ingredients. Another excellent opportunity can be a promotion in local gyms which can attract a lot of potential customers.
Threats

The Czech Republic is for quite a long time in a period where the economy is in excellent condition. Therefore, there is a great possibility of a recession. In the economy, there are always periods when the economy is growing and then falling. It is vital for a company to take that into account by cause of there is definitely a possibility that this can happen in the near future. Another threat is the centre of Zlín that is moving in the part of town that is called Svit. Consequently, the location of the Gainovka restaurant might not be as good as it seems after some time.

Table 2 SWOT Analysis of the Restaurant. Source: own processing

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>- uniqueness of the restaurant</td>
<td>- price of the food</td>
</tr>
<tr>
<td>- location</td>
<td>- unverified model of business</td>
</tr>
<tr>
<td>- high-quality food and beverages</td>
<td>- financial difficulty</td>
</tr>
<tr>
<td>- trained staff</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>- popularity of healthy lifestyle</td>
<td>- economic recession</td>
</tr>
<tr>
<td>- cooperation with local gyms</td>
<td>- change of the location of the centre</td>
</tr>
</tbody>
</table>
11 MARKET ANALYSIS

Analyses that were chosen for market analysis are Porter’s five forces analysis and Pestle analysis. Porter’s five forces analysis was chosen primarily for the possibility to analyze the competition which is very useful when setting up a business. Pestle analysis is used for the possibility to analyze external factors that can have a negative impact on the business as well as things that can be used as advantages.

11.1 Porter’s five forces analysis

Competitive rivalry
The market of this field in Zlín is not very saturated, but there are still some restaurants that offer similar food to the food that is offered by the restaurant Gainovka. No other restaurant in Zlín focuses only on the people who go to the gym. On the contrary, some restaurants focus on healthy food and provide similar cuisine. As a consequence, it is not easy to get on the market, on the other hand, it is possible to have a successful restaurant in this field.

Threat to new entrants
One of the biggest threats is money, due to the fact that this kind of business is very financially demanding, and the person who establishes this business does not know if he or she can get any profit and after that, the initial cost is given back. There are plenty of things to pay: equipment, payment for employees, energy, rent, raw materials and so forth. Also, it is fundamental to have an excellent service mainly cooks. The food is an essential part of the business, so it is necessary to provide excellent and high-quality meals.

Threat of substitution
There is always a chance of new competitors entering the market in any field. Thus, doing business in the restaurant industry is quite popular due to the fact that all cities or towns have many restaurants. Moreover, eating healthy or eating vegetarian or vegan food is more popular than ever. New restaurant which has this concept can enter the market. On the contrary, starting a new restaurant is entirely financially demanding. For this reason, not everybody can afford that, so there are definitely some barriers to entry the market.

Bargaining power of buyers
Potential customers of the restaurant will be young people (mostly students), vegetarians, vegans or people who like to eat healthily. Since no other restaurant offers food for people who go to the gym for a reasonable price, it is assumed that there is a chance that there will
be people who will want to pay for this service. The price of the food will be mostly from 120 - 180 crowns so hopefully this will be affordable for potential customers.

**Bargaining power of suppliers**
This one could be crucial for the restaurant on behalf of the quality of the meals served depends mainly on the quality of raw materials. At first, it will be important to try some supplier and be prepared to change them if they will not be reliable or if they provide raw materials that the restaurant does not want. On the contrary, there are plenty of suppliers on the market, so it will not be such a huge problem to find somebody else.

### 11.2 Pestle analysis

**Political/legal factors**
When establishing a restaurant, it is necessary to have a trade certificate. Applicant has to show that he is educated in this particular field. If he or she is not educated, he has to show his experience in the restaurant business. If he or she does not meet any of these requirements, he has to have a responsible representative who has the required education or experience. The owner of the restaurant has to make a contract with this person, and he will be responsible for the service of the restaurant. Furthermore, there are hygiene guidelines that have to be followed: medical harmless of food and beverages, nutritional value, health condition and personal hygiene of the personnel, technological procedures. Further, the Czech Republic is trying to facilitate businesses. For example, there is an increase of flat rate and digitalization of government.

**Economic factors**
The economy of the Czech Republic is in a perfect state, so the environment for starting a business is quite friendly because people have more money to spend. There is a minimum wage growing, and due to this fact, the average wage is higher as well. On the contrary, Zlín is one of the regions that have one of the lowest average wages on an account the food that is offered has to be affordable. Since the unemployment in the Czech Republic is very low, it is quite difficult for a company to find great employees so when starting the company has taken that into account.

**Social factors**
A healthy lifestyle is becoming more popular, and due to this fact, people are improving their eating habits. Also, more people are searching for high-quality food, and they are willing to pay for that. They do not only want to eat average food for a low price, but they
want to have not only a good food from high-quality ingredients but also vast experience in the restaurant where they can have a good time with their family of friends.

**Technological factors**

Every business is somehow affected by technology these days as long as there are still new inventions in every aspect of business and everyday life of people. There is some equipment which can help the restaurant save for example energy and make the meal better than ever. On the other hand, it has to be mentioned the quality of food still depends mainly on the quality of raw materials and the skills of the cook, but new technologies can make things easier for the cook. Another factor that has to be mentioned is that many people expect the business to be on social media and have an excellent website because primarily young people use these things to get to know the business and decide whether they want to go there or not.

**Ecological factors**

In this case, the restaurant business is not very harmful to the environment. There are new technologies invented to save energy. On the contrary, it has to be taken into consideration the amount of food that is sometimes thrown away. It is in the interest of the restaurant not to throw away much of the food or raw materials. In the restaurant, there is much money in raw materials, so the restaurant has to utilize as many raw materials as possible to make their business productive and profitable. Moreover, the restaurant Gainovka will be trying to use food banks that are all over the Czech Republic to eliminate the waste of the food as much as possible.

**11.3 Summary of analyses**

According to the business that is chosen the most significant threat is money. The initial cost to start a restaurant are very high as well as the other costs which are supplies, rent or salaries. It is not easy to find resources to set up this kind of business. Further, the revenues are not sure so there is a high possibility to go into the dept when the business is not profitable. Besides, without high-quality personnel, it is not possible to have a successful restaurant due to the fact that the fundamental part of any restaurant business is an excellent service and fantastic food. There is not a lot of competition in Zlín for a business like this. On the other hand, some restaurants provide a similar style of food. So, it is still not easy to get on the market and stay there in sufficient numbers. Moreover, there some of the opportunities that can be in favour of this business such as eating healthy is becoming
popular, the economy of the Czech Republic is in a perfect condition, or there are technologies that can make food great.
12 BUSINESSES MODEL OF THE RESTAURANT

The business model canvas is used to find out the most vital aspects that the company should focus on when thinking about starting a business. Such as customers and their wants and needs that can find out with the usage of value proposition design. Also, through business model canvas is possible to get the idea of how the company can keep in touch with its customers and how to manage this kind of relationship. Further, this model offers the possibility to think about costs and revenues of the company and its key resources, activities and partnership.

12.1 Customer segments

The restaurant will focus its intention mainly on the people, who go to the gym. The crucial part of its offer will be food and drinks for this kind of customer segment. Also, the offer will be extended by food for vegans and vegetarians. This restaurant will be suitable for both women and men. Typical customers will be mostly from the middle class, and they will be mostly young people because they are more interested in eating healthy and exercising in the gym than the older generation. To summarize, this restaurant will be
suitable for people, who live a healthy lifestyle, like healthy food and want to have time for other activities rather than cooking meals.

12.2 Value proposition

Value proposition design is utilized because of the more profound understanding of the customer. The company wants to know what are the customer’s wants and needs in order to be able to satisfy them. Value proposition design offers the possibility to think about what the company can offer to the customer. It is an opportunity to find out if the company have the tools to satisfy customer’s needs and wants. Customers of this restaurant do not have time or do not want to cook food on their own, and Gainovka restaurant offers the possibility to have high-quality food that the customers do not have to cook and can have time for different activities.

12.2.1 Customer profile

Customer jobs
Jobs of the restaurant’s customers belong in the part of functional jobs. Potential customers of the restaurant are trying to eat healthily, go to the gym or like to have a delicious and healthy meal in a restaurant. They do not want to spend time cooking meal, or they do not have the time to do this activity. Further, eating healthy is becoming more and more popular. Due to this fact, people have better status when they eat healthily so they can post pictures on Instagram then get likes and feel better. Thus, going to the gym is popular as well because nowadays most of the people are under pressure by society to look as fit as possible.

Customer pains
Potential customer pains of the restaurant are the amount of time they have to spend cooking. Many people do not have time to cook meals because they have to spend time doing other things, but they still want to get some results when going to the gym or when they want eat healthily and feel better due to this fact. Thus, for some people cooking is tedious or just the activity they do not want to perform. Further, the price of the food that the restaurant offers will be sometimes expensive, so this can be considered as pain as well because some people cannot spend so much money. There will also not be available types of food which some people might want such as typical Czech cuisine or fried food.
Customer gains
Gains that are expected from customers of the restaurant are just an essential part of any restaurant business. They want to have excellent food for a reasonable price with a professional and friendly service. Moreover, they want to spend time in a pleasant environment and have a nice time with their friends, family or by themselves. Further, this restaurant offers the possibility for people to get in touch with people who have similar interests. The restaurant is not only a place for eating but also social interaction. Also, the restaurant saves people time so they can spend it doing different things.

12.2.2 Value map
Products and services
The products of the restaurant are vegan, vegetarian meals and meals suitable for people who go to the gym. Furthermore, there will also be possible to get beverages, smoothies, protein drinks, fresh lemonades, juices, coffee, raw desserts. Service is cooking the meal or providing particular beverages or other stuff, so people do not have to do it on their own in their homes. Service is also making the atmosphere of the restaurant pleasant for the people so they can spend some good time there.

Pain relievers
Customers can go to this restaurant if they do not want to spend time cooking and want to have some healthy meal for a relatively reasonable price. As a consequence, they then can have time for other activities. Moreover, when they go to the restaurant, they can spend time with their family and friends or meet some new people that have similar hobbies as them.

Gains creators
This restaurant will provide high-quality food which is healthy and is suitable for vegans and vegetarians as well. Additionally, this restaurant will provide professional service to make the customers feel pleasant in the restaurant, so they want to come back. Furthermore, the restaurant will be in a good location right under the gym, so people do not have to go a long way to get to the restaurant. Additionally, the location is right in the centre of the town. The restaurant will provide a modern and pleasant interior to make the customers feel better to spend more time in the restaurant.

When people go to the gym, and they want to get some results, they have to pay attention to their diet because the diet is the key when a person wants to have a good body. They have to eat healthily and have to watch their caloric intake. However, this kind of
people have to spend much time in the kitchen cooking their meals, and sometimes they do not have energy or time for that stuff. This restaurant offers a solution to this problem because it will cook a meal for them. It will be convenient both for people, who want to get or lose weight. They will be able to choose from the amount of food they want to eat. Although eating healthy is not always cheap, the restaurant will try to provide this kind of food for a reasonable price because most of the people who go to the gym are students who have limited financial resources. Additionally, people who are vegans or vegetarians will be able to find their meals on the menu of the restaurant as well.

12.3 Channels
The restaurant will be in touch with its customers mainly through Instagram and Facebook. These two ways of advertisement are chosen as crucial because the target customers of the restaurant will be young people who are using these social networks on a daily bases and it will be perfect for reaching them. Furthermore, this kind of advertisement is free, so it is a perfect option for the restaurant to advertise itself. The company will have its hashtag, so the customers can be able to post pictures or videos on restaurant’s Instagram account with this hashtag to help the restaurant reach more people, who can be interested in this kind of food.

Another advertisement which will be used is the website. Thus, this website will have to be available for mobile phones since Facebook and Instagram will reach most of the potential customers and they will be sometimes sent directly to the website so it will be better for them to orient on the website when it is in the mobile version. No less important will be advertisement done in gyms in the town, so the number of target customers can be as large as possible. Besides, the restaurant will try to reach customers at the start of the business through slevomat because it is an excellent way to get awareness about the restaurant. Moreover, it will be possible for the customers to buy food from this restaurant through dámejidlo. This can be another opportunity to reach a different type of customers who do not want to go to the restaurant by themselves and prefer to eat food at home. This concept is more and more popular, so it is crucial to keep up with this trend and maintain a relationship with customers as much as possible.

12.4 Customer relationships
The relationship between the restaurant and customers will be maintained mainly through the excellent food and beverages the restaurant will serve and no less importantly by the
service of the waiters and waitresses. This is an essential part of any restaurant business so it cannot be neglected. Furthermore, there will be some events about healthy eating or some seminars about exercising in the gym. Also, the restaurant will try to make special events during every month according to the season and what is trendy. For example, there can be a weekend of specialities from Asian cuisine. The different weekend there be can some meals cooked from the raw materials that have its seasons in that time. Moreover, there can be one speciality cooked by the chef that is available for one month and the other month he will have a different kind of speciality.

12.5 Revenue streams

The central part of the revenue streams will be the revenue from food and beverages that the restaurant will offer. The amount of revenue will depend on how many people go to the restaurant and how much do they spend there. Other revenue will be from the tips, but this belongs to the waiters and waitresses to motivate them to provide excellent service so they can earn more. Also, some revenue will be of course from the advertisement because most of the customers will find out about the restaurant thanks to the advertisement. Due to this fact, more customers can come to the restaurant and spend money there. The price mechanism that will be used in the restaurant to determine the revenue will be a fixed menu pricing. The prices will be fixed for all food and beverages. The average amount of money spent in the restaurant should be around 200 CZK. Most of the people go to the restaurant for the meals and beverage, and this should be the average cost of one meal and one drink. In the table below are discussed three possible outcomes of the revenue of the restaurant pessimistic, realistic and optimistic.

Table 3 Revenues. Source: own processing

<table>
<thead>
<tr>
<th>Prediction</th>
<th>Number of customers per day</th>
<th>Daily</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pessimistic</td>
<td>100</td>
<td>20 000</td>
<td>600 000</td>
<td>7 200 000</td>
</tr>
<tr>
<td>Realistic</td>
<td>150</td>
<td>30 000</td>
<td>900 000</td>
<td>10 800 000</td>
</tr>
<tr>
<td>Optimistic</td>
<td>200</td>
<td>40 000</td>
<td>1 200 000</td>
<td>14 400 000</td>
</tr>
</tbody>
</table>
12.6 Key resources
There will be plenty of key resources in the restaurant. First of all, there will be a crucial part of the cooks because it is in their hands to provide fabulous meals from excellent raw materials to attract customers to persuade them to come back again. Similarly, it is vital selling this meal to customers, so the next resource is waiters and waitresses that have to provide exceptional service when selling or giving the meal to the customer. They have to make customers to feel comfortable in the restaurant so they will spend more money and will go back to the restaurant again. On the contrary, none of this would be possible if there was not a good manager in the restaurant. His part of the work is crucial in the way that he has to find out skilled employees and be able to motive them and persuade them to stay in the restaurant as long as possible. Furthermore, he has to find reliant suppliers of high-quality raw materials and keep a successful relationship with them so the restaurant has a regular supply of high-quality raw materials and then the restaurant can provide exceptional meals. Another necessary resource is the connection with local gyms that can promote the restaurant and then help the restaurant to grow.

12.7 Key activities
One of the most critical activities is offering and cooking great food from high-quality raw materials. Without proper food, the restaurant cannot survive. Providing tasty meals and beverages is, of course, crucial in this kind of business. Most of the raw materials will be bought from local farmers to provide high-quality raw materials. The second part of a good meal or drink is the service in the restaurant. Waiter and waitresses have to provide a pleasant and relaxed atmosphere in order for customers to feel good in the restaurant and have a nice time there. Moreover, due to the approach and excellent selling skills, the service can help the restaurant sell more food and drinks.

12.8 Key partnership
Key partnerships for the restaurant are suppliers of high-quality raw materials. Because without reliable suppliers that offer high-quality raw materials the restaurant cannot survive. Without a high-quality ingredient, the restaurant cannot offer tasty meals that customers will appreciate. The restaurant will try to find most of the suppliers in the Zlín region because it is crucial to support local farmers and businesses. Furthermore, the relationship between the supplier and the restaurant can be maintained more naturally, and due to this fact, it can be far more beneficial for the restaurant, in the long run, to have this
kind of relationship to get for example discounts. Additionally, customers will appreciate local and high-quality ingredients. Another key partnership is with local gyms which can promote the restaurant.

12.9 Cost structure

In this part of the business model are described as the most significant costs that will occur when starting the business. Rent, salaries (see table 9), initial costs (see table 10), fixed costs (see table 11) and variable costs (see table 12). All the costs will be financed by an angel investor who will have 10% of the share of the restaurant. The financial reserve will be around 200 000 CZK, and it will be from the owner’s savings.

12.9.1 Rent

There is no possibility to find the exact price of the rent of the space of the restaurant because it has to be discussed with the owner and according to the business somebody wants to do in the space he is renting is decided what the price of the rent would be. However, according to research that was done by the owner and it was found out that the reasonable rent of this space can be around 80 000 CZK per month (without the energy and water consumption).

12.9.2 Salaries

The restaurant will function in the two shift operation. In one shift there will be three waiters, chef, one cook with kitchen staff and all staff will be under the supervision of the manager. The restaurant will have to pay for each employee 25% social insurance and 9% health insurance. For the full information about the wages of employees see the table below.
Table 4 Personnel Expenses. Source: own processing

<table>
<thead>
<tr>
<th>Employee</th>
<th>Salary</th>
<th>Social and health insurance (25% + 9%)</th>
<th>Salary + Insurance monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>50 000</td>
<td>17 000</td>
<td>67 000</td>
<td>804 000</td>
</tr>
<tr>
<td>Owner</td>
<td>25 000</td>
<td>8 500</td>
<td>33 500</td>
<td>402 000</td>
</tr>
<tr>
<td>Waiter (6)</td>
<td>144 000</td>
<td>48 960</td>
<td>192 960</td>
<td>2 315 520</td>
</tr>
<tr>
<td>Chef</td>
<td>35 000</td>
<td>11 900</td>
<td>46 900</td>
<td>562 800</td>
</tr>
<tr>
<td>Cook (3)</td>
<td>78 000</td>
<td>26 520</td>
<td>104 520</td>
<td>1 254 240</td>
</tr>
<tr>
<td>Cleaner</td>
<td>15 000</td>
<td>5 100</td>
<td>20 100</td>
<td>241 200</td>
</tr>
<tr>
<td>Kitchen staff</td>
<td>15 000</td>
<td>5 100</td>
<td>20 100</td>
<td>241 200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>362 000</strong></td>
<td><strong>123 080</strong></td>
<td><strong>485 080</strong></td>
<td><strong>5 820 960</strong></td>
</tr>
</tbody>
</table>

12.9.3 Initial costs

Before planning the space of the kitchen, it is essential to know the concept of the restaurant. Appearance and equipment have to be in the connection style of the business. Then it is better to ask some company that is a specialist in designing a kitchen to prepare the plan what type of equipment is needed and how space should look like. The initial cost of the kitchen is from 1,5 million to 2 million CZK. Therefore, it is not something that can be neglected, and it is better to work on it with some specialist. Moreover, the placement of the equipment is vital to the kitchen has to be designed to be useful for the movement of employees and material. Besides, the space of the kitchen has to meet specific requirements of the hygiene department, safety, working environment requirements, gas standards. Some of the advantages of having the kitchen designed by a specialist are manual for the movement of employees, their training or plans for storage and there is, of course, the future service of the equipment. This service can save work and money. Furthermore, buying the low price equipment is not always the best option because in the long run it is crucial to consider high-quality equipment that will save energy, is insulated and prepares better food.

Firstly, the space that is chosen for the restaurant is already adapted to the need of a restaurant so there will be no need to make any particular changes or reconstructions. On the other hand, it will be necessary to change the place according to the wishes of the
owner and the concept of the restaurant. Thus, there have to be done for example some painting and other decorations to make it connected to the concept that the restaurant has.

Additionally, the equipment to the place itself has to be purchased. It will be probably needed to buy around 80 chairs and 15 tables to have there enough space for the customer to make them feel comfortable and have a better experience in the restaurant. Moreover, the restaurant will also have a Wi-Fi connection due to the fact that most of the places like this provide this kind of service, so customers expect to have it. There will also be two TV’s because television is often an inherent part of the restaurant. For the detailed information about some of the most critical initial costs see below.

<table>
<thead>
<tr>
<th>Kitchen</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchen refrigerator (3) - 120 000</td>
<td>Coffee machine - 50 000</td>
</tr>
<tr>
<td>Cooker (with oven) - 100 000</td>
<td>Wi-Fi router - 2 000</td>
</tr>
<tr>
<td>Grill - 30 000</td>
<td>Cash machine - 50 000</td>
</tr>
<tr>
<td>Dishwasher - 50 000</td>
<td>Cash system - 16 000</td>
</tr>
<tr>
<td>Combi steamer - 200 000</td>
<td>Realization and printing of the menu - 2 400</td>
</tr>
<tr>
<td>Mixers - 21 000</td>
<td>Tables (15 x 5 000) - 280 000</td>
</tr>
<tr>
<td>Microwave - 10 000</td>
<td>Chairs (80 x 3 500) - 75 000</td>
</tr>
<tr>
<td>Juice extractor - 40 000</td>
<td>Decoration and things related - 20 000</td>
</tr>
<tr>
<td>Freezer (3) - 100 000</td>
<td>TV (2) - 40 000</td>
</tr>
<tr>
<td>Dishes - 40 000</td>
<td>Establishing the business - 5 000</td>
</tr>
<tr>
<td>Glass - 30 000</td>
<td>Bar refrigerator - 40 000</td>
</tr>
<tr>
<td>Stainless steel furniture - 100 000</td>
<td>Underbar glass washer - 30 000</td>
</tr>
<tr>
<td>Multifunctional pen - 60 000</td>
<td>Staff uniforms - 20 000</td>
</tr>
<tr>
<td>Thermic mixer - 60 000</td>
<td>Alcohol license - 1 000</td>
</tr>
<tr>
<td>Shock freezer - 80 000</td>
<td>Ventilation - 500 000</td>
</tr>
<tr>
<td>Sous vide - 20 000</td>
<td></td>
</tr>
</tbody>
</table>

12.9.4 Fixed and variable costs

**Fixed costs** are costs that are the same even when the purchase of the goods changes. In this case, fixed costs are rent, energy, Wi-Fi, web hosting, accounting, insurance and wealth + health insurance. For detailed information on fixed costs see the table below.
Table 5 Fixed Costs. Source: own processing

<table>
<thead>
<tr>
<th>Fixed Costs (CZK)</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>80 000</td>
<td>960 000</td>
</tr>
<tr>
<td>Energy</td>
<td>50 000</td>
<td>600 000</td>
</tr>
<tr>
<td>Wi-Fi</td>
<td>400</td>
<td>4 800</td>
</tr>
<tr>
<td>Web hosting</td>
<td>100</td>
<td>1 200</td>
</tr>
<tr>
<td>Accounting</td>
<td>1 500</td>
<td>18 000</td>
</tr>
<tr>
<td>Insurance</td>
<td>3 000</td>
<td>36 000</td>
</tr>
<tr>
<td>Wages + Health insurance</td>
<td>485 080</td>
<td>5 820 960</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>620 080</strong></td>
<td><strong>7 440 960</strong></td>
</tr>
</tbody>
</table>

Variable costs change during the time. They depend on the amount of good purchased. In this case, these costs are the service of the equipment and supplies. For more information about the variable costs of the restaurant see the table below.

Table 6 Variable Costs. Source: own processing

<table>
<thead>
<tr>
<th>Variable Costs (CZK)</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service of the equipment</td>
<td>7 000</td>
<td>84 000</td>
</tr>
<tr>
<td>Supplies</td>
<td>500 000</td>
<td>6 000 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>507 000</strong></td>
<td><strong>6 084 000</strong></td>
</tr>
</tbody>
</table>
CONCLUSION

The main aim of this thesis was to find out whether opening a healthy restaurant located near the gym in Zlín can be an attractive place for sportily active customers, vegans and vegetarians. Primary idea was to design the restaurant with walking distance from the gym, provision of an excellent service and combination of quality, healthy and nutritionally balanced food. Although the situation is fairly favourable for starting a hospitality business in the Czech Republic, this research showed that there are still many unfavourable aspects for opening this type of the restaurant.

The thesis was divided into several parts. The first part was a theoretical part which looked at the concept of the business itself. This was pursued by the discussion about the competitive advantage and how it is linked with Gainovka. Furthermore, this chapter provided overview of business model and further features when targeting potential customers. Final part of the theoretical section discussed external and internal effects on the restaurant. These effects were vital for deciding whether Gainovka can be profitable for its owner.

Following chapters of the thesis addressed the restaurant Gainovka. Terms like competitive advantage and the blue ocean strategy were used to find out how would Gainovka cope with its competitors. Other analyses such as Pestle, Swot and Porter’s five forces were used for the evaluation of weakness and strengths of Gainovka. Although the concept of Gainovka looked positive from the theoretical point of view, the practical perspective revealed more obstacles. Throughout the practical research this business idea unveiled many hidden costs. These costs included opening capital, employees wages, unpredictable economical situation in the Czech Republic, other restaurants with similar ideas and additional costs related to the hospitality industry.

Overall, Gainovka’s purpose was not only to provide high-quality, nutritionally balanced and healthy food with professional service but also to pay decent wages for its employees. In conclusion, this research showed that, this business idea is rather risky and its owner would have to fund it for first few years before making a good profit. Alternatively, the owner may decide to increase food prices. However, potential customers of Gainovka would mostly be students and young people who cannot afford to pay much for their meal. Even though there is a high demand for healthy food in the Czech Republic, this research showed that Gainovka is very costly concept.
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LIST OF ABBREVIATIONS

CZK       Czech Crown
PESTLE    Political-legal, Economic, Social, Technological, Ecological factors
SWOT      Strengths, Weaknesses, Opportunities and Threats
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