

A Business Plan for a Wine Shop

Dominik Chovanec

Bachelor's Thesis
2021



Tomas Bata University in Zlín
Faculty of Humanities

Univerzita Tomáše Bati ve Zlíně

Fakulta humanitních studií

Ústav moderních jazyků a literatur

Akademický rok: 2020/2021

ZADÁNÍ BAKALÁŘSKÉ PRÁCE (projektu, uměleckého díla, uměleckého výkonu)

Jméno a příjmení: **Dominik Chovanec**
Osobní číslo: **H18888**
Studijní program: **B7310 Filologie**
Studijní obor: **Anglický jazyk pro manažerskou praxi**
Forma studia: **Prezenční**
Téma práce: **Podnikatelský plán na založení vinárny**

Zásady pro vypracování

Zpracování literární rešerše k vybranému tématu
Provedení analýzy relevantního trhu
Sestavení podnikatelského plánu
Posouzení rentability předloženého plánu
Zhodnocení rizik a omezení navrženého plánu

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

Seznam doporučené literatury:

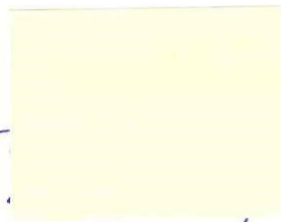
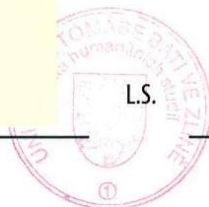
Abrams, Rhonda. 2014. *Successful business plan: secrets & strategies*. 6th ed. Palo Alto, CA: PlanningShop.
Červený, Radim. 2014. *Business plán: Krok za krokem*. Prague: C.H. Beck.
Finch, Brian. 2010. *How to Write a Business Plan*. 3rd ed. London: Kogan Page.
McKeever, Mike. 2016. *How to write a business plan*. 13th ed. Berkeley: Nolo.
Synek, Miloslav, and Eva Kislingerová. 2015. *Podniková ekonomika*. Prague: C.H. Beck.

Vedoucí bakalářské práce: **Ing. Jiří Dokulil**
Ústav krizového řízení

Datum zadání bakalářské práce: **9. listopadu 2020**
Termín odevzdání bakalářské práce: **10. května 2021**



Mgr. Libor Marek, Ph.D.
děkan



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

Ve Zlíně dne 5. března 2021

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek obhajoby ¹⁾;
- beru na vědomí, že bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k nahlédnutí;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3 ²⁾;
- podle § 60 ³⁾ odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60 ³⁾ odst. 2 a 3 mohu užít své dílo – bakalářskou práci – nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům.

Prohlašuji, že

- elektronická a tištěná verze bakalářské práce jsou totožné;
- na bakalářské práci jsem pracoval samostatně a použítou literaturu jsem citoval. V případě publikace výsledků budu uveden jako spoluautor.

Ve Zlíně 10.5.2021

¹⁾ zákon č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, § 47b Zveřejňování závěrečných prací:

(1) Vysoká škola nevydělečně zveřejňuje disertační, diplomové, bakalářské a rigorózní práce, u kterých proběhla obhajoba, včetně posudků oponentů a výsledku obhajoby prostřednictvím databáze kvalifikačních prací, kterou spravuje. Způsob zveřejnění stanoví vnitřní předpis vysoké školy.

(2) *Disertační, diplomové, bakalářské a rigorózní práce odevzdané uchazečem k obhajobě musí být též nejméně pět pracovních dnů před konáním obhajoby zveřejněny k nahlížení veřejnosti v místě určeném vnitřním předpisem vysoké školy nebo není-li tak určeno, v místě pracoviště vysoké školy, kde se má konat obhajoba práce. Každý si může ze zveřejněné práce pořizovat na své náklady výpisy, opisy nebo rozmnoženiny.*

(3) *Platí, že odevzdáním práce autor souhlasí se zveřejněním své práce podle tohoto zákona, bez ohledu na výsledek obhajoby.*

2) *zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 35 odst. 3:*

(3) *Do práva autorského také nezasahuje škola nebo školské či vzdělávací zařízení, užije-li nikoli za účelem přímého nebo nepřímého hospodářského nebo obchodního prospěchu k výuce nebo k vlastní potřebě dílo vytvořené žákem nebo studentem ke splnění školních nebo studijních povinností vyplývajících z jeho právního vztahu ke škole nebo školskému či vzdělávacímu zařízení (školní dílo).*

3) *zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 60 Školní dílo:*

(1) *Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst.*

3). *Odpírá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává neotčeno.*

(2) *Není-li sjednáno jinak, může autor školního díla své dílo užít či poskytnout jinému licenci, není-li to v rozporu s oprávněnými zájmy školy nebo školského či vzdělávacího zařízení.*

(3) *Škola nebo školské či vzdělávací zařízení jsou oprávněny požadovat, aby jim autor školního díla z výdělku jím dosaženého v souvislosti s užitím díla či poskytnutím licence podle odstavce 2 přiměřeně přispěl na úhradu nákladů, které na vytvoření díla vynaložily, a to podle okolností až do jejich skutečné výše; přitom se přihlídí k výši výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.*

ABSTRAKT

Tato bakalářská práce se zabývá podnikatelským plánem na založení vinárny. Cílem práce je zjistit, zda se jedná o realizovatelný a ziskový projekt, který je schopen se uchytit na trhu značně ovlivněném pandemií Covidu-19. Práce je rozdělena na dvě hlavní části a to na teoretickou a praktickou. Teoretická část se zabývá důležitými pojmy jako je například definování podnikání, možné formy podnikání, či samotnou definicí podnikatele, nebo například popisu samotných cílů podnikatelského plánu. V druhé části, tedy kapitole praktické, nalezneme analýzu jednotlivých částí podnikatelského plánu podloženou PEST analýzou relevantního trhu a Porterovou analýzou konkurence. Součástí praktické části je také fiktivní plán na založení vinárny s vnitřním posezením. Z dosažených výsledků lze vyčíst, že podnikatelský plán je realizovatelný a také rentabilní, za předpokladu příznivého vývoje trhu a ekonomiky jako celku.

Klíčová slova: podnikatelský plán, podnikatel, podnikání, vinárna, realizovatelnost, analýza konkurenčního prostředí, analýza trhu

ABSTRACT

This bachelor's thesis covers the whole process of developing a business plan for a wine shop. The plan aims to find out the potential profitability and prove the ability to join the market, which is unstable due to two waves of the Covid-19 pandemic. The bachelor's thesis is divided into two main parts, which are marked as theoretical and practical. The theoretical part is targeted at the detailed description of the entrepreneurship, precise characterization of the entrepreneur, possible legal forms of the business, and the goals of the business plan are also included in the theoretical part of the thesis. The practical part of the thesis contains a thorough description of all significant business plan aspects, supported by a PEST market analysis or Porter's competitive analysis. In addition to the practical part, there is a fictive business plan for a wine shop with indoor seating. From the results available, it is possible to see that the business plan is able to join the market and reach profitability, provided that the market and the economy as a whole will develop favourably.

Keywords: business plan, entrepreneur, entrepreneurship, wine shop, feasibility, competition analysis, market analysis

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude and acknowledgement to my supervisor Ing. Jiří Dokulil, for his long-lasting patience, support, guidance, or even for all the valuable comments and advice that helped me improve the quality and expertise of my thesis. Hereafter, I would like to thank my parents, family, girlfriend, and all people who supported and helped me during my studies at Tomas Baťa University. The final acknowledgement belongs to my friend Mgr. Lukáš Skopal for his precious advice that helped me improve the language of my thesis.

I hereby declare that the printed version of my bachelor's thesis and the electronic version of the bachelor's thesis deposited in the IS/STAG are identical, and no updates were made after the submission.

CONTENTS

INTRODUCTION	11
I THEORY	12
1 ENTREPRENEURSHIP	13
1.1 ENTREPRENEUR	14
1.2 ENTERPRISE	14
1.3 ENTERPRISE TARGETS.....	16
2 TYPES OF BUSINESS.....	17
2.1 ESTABLISHING BUSINESS.....	17
2.2 NATURAL PERSON	17
2.3 LEGAL ENTITY	18
2.4 PARTNERSHIP COMPANIES	19
2.4.1 General Commercial partnership (v.o.s)	19
2.4.2 Limited partnership (k.s.).....	20
2.5 CAPITAL COMPANIES	20
2.5.1 Limited liability company (s.r.o.)	20
2.5.2 Joint-stock company (a.s.).....	21
2.6 OTHER TYPES OF COMPANIES	22
2.6.1 Cooperative society (Družstvo).....	22
2.6.2 State businesses (Státní podniky).....	22
2.6.3 Associations (Spolky)	23
3 BUSINESS PLAN	24
3.1 HOW MUCH INFORMATION IS NEEDED?	25
3.2 COMMON WRITING ERRORS	25
3.3 CHAPTERS OF BUSINESS PLAN.....	25
3.3.1 Introductory Page	26
3.3.2 Executive Summary	26
3.3.3 Environmental and Industry Analysis	26
3.3.4 Description of Venture	28
3.3.5 Production Plan	28
3.3.6 Operations Plan	29
3.3.7 Marketing Plan	29
3.3.8 Organizational Plan and Management	30
3.3.9 Financial Plan.....	30
3.3.10 Risk Assessment.....	32
3.3.11 Balancing Risks and Opportunities	32
3.3.12 Appendices	33
4 METHODS USED IN BUSINESS PLAN.....	34

4.1	SWOT ANALYSIS	34
4.2	PORTER'S MODEL	35
4.3	SLEPT/PEST ANALYSIS	35
4.4	7S ANALYSIS	36
4.5	MARKETING MIX AND SEGMENTATION	37
4.5.1	Marketing mix 4C	38
4.5.2	Market segmentation	38
4.5.3	Segmentation criteria	39
II	ANALYSIS	40
5	MARKET AND COMPETITION ANALYSES	41
5.1	MARKET ANALYSIS	41
5.1.1	SLEPT Analysis	41
5.2	PORTER'S MODEL	46
6	BUSINESS PLAN	50
6.1	DESCRIPTION OF BUSINESS PLAN	50
6.2	EXECUTIVE SUMMARY	50
6.3	DESCRIPTION OF VENTURE	52
6.4	PRODUCTION PLAN	52
6.4.1	Products	52
6.4.2	Design and packaging	53
6.5	OPERATIONS PLAN	53
6.6	MARKETING PLAN	54
6.6.1	Radio promotion	55
6.6.2	Facebook and Instagram promotion	56
6.6.3	Leaflets	56
6.6.4	Website	57
6.7	ORGANIZATION PLAN	57
6.8	APPENDICES	59
7	FINANCIALS	60
7.1	START-UP MONEY	60
7.2	BACK-UP PLAN	61
7.3	OWNER'S SALARY COSTS	61
7.4	SIDE SALARIES COSTS	62
7.5	PRICES OF PRODUCTS	63
7.6	BREAK-EVEN POINT (BEP)	63
7.7	EVALUATION OF PROFIT/LOSS	65
7.8	PROFITABILITY ASSESMENT	66
7.9	ROI INDICATOR	66
8	RISK ASSESSMENT	68
8.1.1	SWOT analysis	68
8.2	PANDEMIC PLAN	69
	CONCLUSION	70

BIBLIOGRAPHY	71
LIST OF FIGURES	76
LIST OF TABLES	77

INTRODUCTION

The passion for becoming an entrepreneur has been gaining huge popularity since last years, when people, especially recent generations, do not want to work for companies, but they want to be their own chiefs to have time and financial freedom. Although establishing a business is not an easy mission, and if people want their company to be successful, a robust business plan is a need. In the business plan, there should be covered a high-quality thought together with well-advised financial and market analyses to create a plan that will generate money and earn an entrepreneur a living. When an entrepreneur establishes a business, his main goal is to achieve profit, but the new business must have sense and come with some added value that will deliver to customers through several distribution channels. If these aspects are missing, there is a high chance that the business will not be successful, and what is more unpleasant, the loss of invested money could be devastating for an entrepreneur and lead to bankruptcy. The main aim of the thesis is to compile a business plan and to assess its potential rentability. It is also worth taking into consideration the Covid-19 pandemic, which could be an obstacle on the way to enter the market.

I was always into entrepreneurship, and this interest leads me to create my own business plan. One day I asked myself, what is the product which is gaining popularity in the Czech Republic and even in the world. As I was thinking about it, I found out that Czech people are not only into drinking beer, but a significant number of them are exploring the taste of wine and turn from drinking beer or spirits to drinking wine. So, the idea of establishing a wine shop where you can buy all sorts of wine came to my mind. The vision of the business is to sell wine for a reasonable price and be affordable for everybody. I know this business is not a new one, but if you do it well, have reasonable prices, and a low level of competition, it could generate a solid income in the future.

The thesis is divided into two parts, theoretical and practical. The theoretical part contains precise terms description, plus a little forecast of the economic situation. The explanation of the forms of the business in the Czech Republic and their creation is also included in this part.

The second practical part includes a detailed description of the company as well as all-important analyses, like PEST analysis of the relevant market and Porter's analysis of competition. I would also like to reveal the company's logo in the second part. At the end of the practical part is a summary of all the findings and conclusions.

I. THEORY

1 ENTREPRENEURSHIP

It seems to be challenging to find one single definition of what exactly the business is. There are a large number of authors and books, each of them explains entrepreneurship differently. Zámečník, Tučková, and Novák (2008, 22) state the principle of entrepreneurship as independent decision-making, connected to a choice of legal form, location, organization, or even about the usage of the liabilities. The main premise of a successful business is an open and free economy. Vochozka and Mulač (2012, 34) stated this term as was written in the Commercial Code Act No. 513/1991, which says “systematic activity performed by the entrepreneur independently, on his own name, on his own responsibility for the purpose of generation of a profit”. Authors also add that satisfaction of customer’s need is one of the ways, how can a business make a profit and be successful on the market. In connection to the Commercial Code, it is necessary to add that the Commercial Code from 1991 was substituted by Business Corporations Act from the year 2014. Mulač (2007, 7) sees entrepreneurship as the transformation of inputs into outputs. This action leads to the generation of the profit, which is the difference between the input value and output value, plus this portion has to be reduced by the tax.

In the Czech Republic, businesses are differentiated into two major segments. The first one is the business of the natural person. The second one is the legal entity business.

- **A natural person** - a person who wants to become a natural person has to acquire a trade license and to fulfil all requirements under Act No. 455/1991.
- **Legal entity** - In the case of a legal entity, several different forms can be found. The law divides legal entities into Corporations, Foundations, and Institutes. Private corporations could be divided into: General Commercial Partnership, Limited Partnership, Limited Liability Company, Joint-stock Company, or Co-operative society (Česko 2014, 41-93).

To be precise, natural persons in connection to their Trade Licensing Act distinguish licenses into two main categories. The first category is called **notifiable trades license** which, includes three subcategories as: unqualified (free), vocational and professional. The second category is called **permitted trades license**. For obtaining this kind of license, applicants must demonstrate relevant professional eligibility and meet several additional requirements.

Hyršlová and Klečka (2008, 18) state that trade might be run only by a person, who meets general law conditions under §6 of Trade Licensing Act as:

- Being older than eighteen years old
- Eligible to perform legal acts
- Impeccability

1.1 ENTREPRENEUR

To explain the term entrepreneur, according to Čvančarová (2007, 22) entrepreneur is a person who carries business activities and simultaneously takes a risk. This person should be able to find out whether his activities can take business opportunities. In §420 entrepreneur is described as a person, who “systematically carries out gainful activity on its own account and responsibility in a trade license or similar manner”. This paragraph also says that an entrepreneur could be seen as a person who tries to generate profit, but also there is a possibility to end in the red. In §421 is said, every person written in the business register is considered to be an entrepreneur (Česko 2014, 96).

Zámečník, Tučková, and Novák (2008, 34) also say, that entrepreneur who received the “business trade” is authorized to buy and sell products, make small changes on the good, even to do the construction of it, as last, but not least to carry out a service of the sold goods.

People often tend to become entrepreneurs because they have non-realistic ideas about leading a successful business. They often leave their current job, and they start a business to improve their life and financial situation. The thing, which often seems to be problematic, is the change from a dependent activity, for example, working for some company, to an independent activity where a person takes action, and incomes are often equal to our effort. Being an entrepreneur may look easy, but the reality could be different. People have to deal with other things they were not forced to do as employees (Musil, 2016).

1.2 ENTERPRISE

Synek and Kislingerová (2015, 79) characterize enterprise as an independent economic unit or an independent economic subject that produces products and services, the characteristic feature of this “unit” is a profit motive. Vochozka and Mulač et al. (2012, 35-7) describe the enterprise as every subject which carries out economic activities, irrespective of their legal form. The company is mainly a set of:

- Tangible components of a business (movable and immovable property)
- Personal components of a business (employees and employers)
- Intangible components of a business (name, patents, licenses, know-how)

In §423 of the Civil Code (Česko 2014, 97) is said, “business company” is the name under which the entrepreneur is enrolled in the Commercial Register. This “name” is under protection and belongs to the first occupant who used this name as first. In §424 is explained why the name is so essential and why two companies cannot have the same name to avoid potential confusion.

At the most general level, the enterprise is understood as a subject, which changes inputs into outputs. This could be the easiest way how to explain enterprise to somebody who is a total layman. Srpová and Řehoř (2010, 35) state the enterprise is defined as a set of tangible, intangible, and personal components of the business. The company owns things, rights, and other property values that belong to the entrepreneur and are used to run the business.

The same authors say that several different definitions of the enterprise could be found. They also share E. Gutenberg’s idea of characterizing the enterprise in three general terms (Srpová and Řehoř 2010, 35). The terms are:

- Combination of production factors
- Economy principle
- Principle of financial balance

On the other hand, they add three specific terms, which replenish three general. The terms are:

- Principle of private property
- Autonomy principle
- Profitability principle

Another important severance that worth mentioning for the future process of the enterprise establishment and enlargement is a division of the enterprises by its size on:

- Micro-enterprises (less than 10 employees, turnover up to 2 million Euro)
- Small enterprises (less than 50 employees, turnover up to 10 million Euro)
- Medium enterprises (less than 250 employees, turnover up to 50 million Euro)
- Large enterprises (over 250 employees, turnover above 50 million Euro)

It is also worth adding that this classification comes from the European Commission.

Mulačová and Mulač (2013, 16) agree with the division of the enterprise by its size. They even furnish that enterprises could also be divided by their belonging to economic sectors:

- Industrial enterprises
- Agricultural enterprises
- Service enterprises

Industrial and agricultural enterprises are called manufacturing enterprises. They aim to produce and sell. Service enterprises deal with buying and selling goods or just a particular service. Overall, the product does not undergo a change.

1.3 ENTERPRISE TARGETS

The general economic theory defines the maximization of profit as the main goal of the enterprise. However, it is worth mentioning that economic profit is much more important than accounting profit. Mulačová and Mulač (2013, 16-7) also see a need to modify the theoretical concept of short-term and long-term enterprise targets. As the most important targets of the short-term activities, authors pick up the maximization of net income and maximization of cash-flow in one particular period of time, especially short-terms are considered as one-year targets. The profit in most cases is considered as an accounting quantity, although this quantity does not reflect the success of the enterprise. There are huge numbers of enterprises that generate a solid profit, but because their business partner's payment morale is poor, they often end in insolvency. As the long-term target, authors mention maximizing the value of the enterprise. This target is fulfilled through revenue methods of business valuation.

2 TYPES OF BUSINESS

In the Czech Republic, the law divides the types of business into two main categories. The first category is natural person businesses, in Czech “živnostenské podnikání fyzických osob”. However, there are some exceptions as doctors, advocates, and brokers, who do a business under special legislation. Natural person businesses are divided into notifiable and permitted trades. The second category is called legal entity businesses, in Czech “podnikání právnických osob”. Business corporations can be divided into four main forms. Public limited company (v.o.s.), Limited partnership (k.s.) belong to the private corporations, Limited liability company (s.r.o.), and Joint-stock company (a.s.) are defined as capital corporations.

2.1 ESTABLISHING BUSINESS

As Švarcová (2019, 76) says, several questions need to be answered before an entrepreneur starts thinking about establishing the business. The first and the most important questions are, what and for whom will company product and sell. In this case, Švarcová sees robust marketing research as a need to find the right customer. She also points out that the creation of the price strategy, which is a typical task for marketing, would be helpful in the future. Another step is to consider a need for production factors as labour (employees and management), natural resources (logistics, production, technologies, supplies), and capital (financial market, financing, accountancy). The last aspect she mentions is the size of the company’s market, whether the company wants to make operations only on the regional market, national market, or even on the international market.

Srpková and Řehoř (2010, 54) claim, it is relevant to consider several factors before the company is established. To find out whether a person has a personal premise to become a successful entrepreneur, also to consider if the potential entrepreneur has the ability to create a business ideal and find a competitive advantage. The financial part is often dodgy, realizing if the potential entrepreneur can cover all financial spending at the beginning, meaning covering the initial capital and initial budget.

2.2 NATURAL PERSON

Entrepreneurs, who want to do business as natural persons, have to act on the principles of a trade license and according to the Trade Licensing Act. It is also impossible to do a business as a natural person without having a trade license and not paying taxes. As mentioned before,

there are two major types of licenses, notifiable and concessionary. Notifiable licenses have three subcategories.

- **Notifiable trades** - this trade is closely connected to the notification process, which must be done at the beginning. However, the Trade Licensing Office has five days for issuance of an authorization, which then becomes valid.
- **Permitted trades** - could be characterized as licenses that require concession. For acquiring concession, it is necessary to meet some additional criteria. It is also necessary to obtain permission from a selected government institution as Public Health Office or a particular ministry to get a permitted trade.

Notifiable trades have their subcategories, and they are:

- **Vocational trades** - to get this kind of license, the applicant has to meet the criteria of education and experience in a particular area. As an example, could be listed: butchery, bakery, et al.
- **Professional trades** - if a person applies for this kind of license, the task will be to prove special qualifications. These trades could be listed, as an example: owning a driving school, optician work, animal trading, or providing brokering service.
- **Unqualified (free) trades** - to get a license, the applicant does not have to meet any special criteria as education and experience. In this case, the examples could be: translation services, buying and selling goods, accommodation, et al. (zakonyprolidi.cz, 2021).

Permitted trades are allowed in regulated numbers to prevent so many concessions in one place. For example, a small city cannot have more than three funeral services.

2.3 LEGAL ENTITY

A legal entity is every subject who has rights, responsibilities and is not a natural person. Vochozka and Mulač (2012, 40-1) consider a legal entity as an association of natural persons and legal entities, special-purpose property associations, territorial self-government units, or other subjects, which are determined by law. Srpová and Řehoř (2010, 68) claim that establishing a legal entity is more administratively demanding. In almost every case, the registered capital has to be folded in advance.

Švarcová (2019, 66) says establishing and formation of legal entity is associated with two steps:

1. The partnership agreement must be signed by all partners and notarized

2. A legal entity is established on the day when the entity is written into the Business Register.

A legal entity can also be established by a memorandum of association. The difference between a partnership agreement and a memorandum of association is simple. When there is only one person who establishes a legal entity a memorandum of association is used. In case there are two and more partners, there is a need to create a partnership agreement (zalozeni.cz, 2020).

The Civil Code of the Czech Republic in Section 3 §118 says a legal entity carries its legal liability from the beginning to the end. Civil Code also distinguishes legal entities into three main groups (Česko 2014, 41-93):

- Corporations - corporations are often formed by a group of people. Even if the corporation is formed by one single person, it is still considered as a corporation
- Funds - funds are legal entities made up of property set aside for a specific purpose. Their activity is tied to the purpose of their establishment
- Institutes - institutes are legal entities formed to carry out a useful activity economically or socially with the use of their property

Corporations may be established in the four possible forms as:

- General commercial partnership (v.o.s.)
- Limited partnership (k.s.)
- Limited liability company (s.r.o.)
- Join-stock company (a.s.)

2.4 PARTNERSHIP COMPANIES

Partnership companies could be seen as one of the basic images of legal forms of business activity. They are created by the association of people whose goal is a joint venture (Zámečník, Tučková, and Novák, 2008, 36).

2.4.1 General Commercial partnership (v.o.s)

Zámečník, Tučková, and Novák (2008, 37) see general commercial partnership as a legal form of business that eliminates the disadvantages of an individual's business. The main feature of this legal form is that they are formed by two or more persons. The partners guarantee jointly with all their property. A partnership is not eligible to have a registered capital. All rights and obligations are governed by the partnership agreement. This is the reason why the general commercial partnership is often searched by lawyers, auditors, etc.

The most important features (Zámečník, Tučková and Novák 2008, 37):

- At least two people can establish a general commercial partnership.
- The profit or loss is divided equally between partners.
- Every partner is entitled to business management.
- All partners create the Board of Directors and are entitled to act on behalf of the company.

2.4.2 Limited partnership (k.s.)

A limited partnership is a business company, which must be established at least by two persons. One or more partners guarantee for liabilities up to the amount of its deposit, in Czech called as “komanditisté”, in English “limited partners”, and one or more partners guarantee with all its property, in Czech called as “komplementáři”, in English “general partners” (Synek and Kislingerová 2015, 82).

The most important features:

- The position of “limited partners” is close to the position of partners in the general commercial partnership.
- The position of “general partners” is more similar to the position of partners in the limited liability company.
- The leading of the company is in the hands of “general partners”.
- “Limited partners” are only given a control authority.
- The profit is divided in accordance with a partnership contract.
- The minimal registered capital is not set nowadays, but in the past, minimal capital was 5,000 CZK.
- A limited partnership is a transitional form of the limited liability company, which is a capital corporation (Synek and Kislingerová 2015, 82).

2.5 CAPITAL COMPANIES

Capital companies assume an ownership interest, but the law does not lay upon their personal participation in doing a business. Partners have to insert the capital, which was agreed before and following the partnership agreement (Zámečník, Tučková, and Novák, 2008, 38).

2.5.1 Limited liability company (s.r.o.)

Veber and Srpová (2012, 74) see a limited liability company as the most widespread type of legal entity business. The registered capital value is only 1 Czech crown. It used to be 200,000 Czech crowns in the past, but the number was lowered at the beginning of the year

2014. The limited liability company can be established by one person. The maximum of partners is fifty. A natural person could be registered as a partner only in three limited liability companies.

The most important features (Synek, and Kislingerová 2015, 82):

- The highest organ of the company is a general meeting.
- The statutory body is formed by executives, who are also in charge of business governance.
- The Supervisory Board may be established on the basis of a partnership agreement.
- The Supervisory Board could be appointed as a control authority.
- Paid profit shares are subject to withholding tax.
- It is also possible to insert a non-cash deposit.
- The creation of the reserve fund is voluntary since 2014.

2.5.2 Joint-stock company (a.s)

A joint-stock company is one of the oldest capital legal forms. In most cases, this legal form is formed by large companies, for joint-stock companies are characterized as companies who are known for their capital intensity. The registered capital is divided into a determined number of shares, and the share has a determined value. A shareholder does not guarantee for liabilities of the company (Veber and Srpová 2012, 74).

Synek and Kislingerová (2015, 83) also add that the internal organization of the joint-stock company could be different in the particular states. For example, in the United States of America, the Board of Directors appoints the CEO, which is an abbreviation of a Chief Executive Officer, who is responsible for leading the company and all-important steps.

The most important features:

- The minimum of registered capital is 2,000,000 Czech crowns, only in case when the company is established without a public offer of stock.
- When a company is established with a public offer, the value of the registered capital is increased to 20,000,000 Czech crowns.
- A joint-stock company could be established by one legal entity, otherwise by one or more natural persons.
- The Supervisory Board must be formed by a minimal number of three members.
- Shareholders do not guarantee by their property.
- A joint-stock company is seen as the most solid and stable of all legal entities (Synek and Kislingerová 2015, 83-4), (Veber and Srpová 2012, 75).

2.6 OTHER TYPES OF COMPANIES

In other types of companies, the reader can find a few types that are not frequently used in the business environment, but their use is allowed and defined in Czech law. For example, cooperative societies can be found in act 90/2012 Coll.

2.6.1 Cooperative society (Družstvo)

A cooperative society is a legal form whose purpose was not to generate profit, but from 2014, a cooperative society is allowed to generate profit as the primary goal. The “society” is led by a group of people. From the year 2014, it is said that the cooperative society must have at least three members, but this rule does not have to be fulfilled in the case when two legal entities are in the “society”. In the Czech Republic, cooperative societies are, for example, established by a group of people who are owners of a particular flat in the block of flats. These cooperatives are called housing or social cooperatives (muj-pravnik.cz, 2021).

Synek and Kislingerová (2015, 85) see a cooperative society as a legal entity with at least five members. The law does not set the minimum value of the registered capital, but if a cooperative society wants to have the capital, it is created by all member’s deposits. The registered capital is also not written into Commercial Register. The business name must contain the word “družstvo”.

The most important features (Veber and Srpová 2012, 75-6):

- The basic document of the cooperative society is the “Articles of Association”.
- The position of all members is equal.
- Accepting a new member is not onerous, no need to change statutes. Only the application form has to be filled.
- Shares could be paid, but generating profit should not be the main goal of the “society”.
- The executive body of the cooperative society is a membership meeting, where every member has one vote.

2.6.2 State businesses (Státní podniky)

Publicly funded organizations aim to ensure all important services, for example, railways, post, road and motorway management, and television. They also secure the production and manufacturing of coal, electricity, weapons, etc. Some businesses are 100% owned by the state, although there are some companies where it is possible to find mixed ownership. The clear example of the state business is a Czech Post (Zámečník, Tučková and Novák 2008, 42).

The state is the one that establishes a state business. However, the power or authority is given to the organizational unit. In the Czech Republic, these units are the different ministries whose aim is to control the state business's operations. The business is established by the articles of organization and has a right to manage the property of the state (zakonyprolidi.cz, 2017).

2.6.3 Associations (Spolky)

Since 2014, associations are led as unique forms of the legal entity, which aim is to associate people with the same interests. The purpose of the association is to reach beneficial goals. Association is also permitted to do a business. However, the main aim is not to make a profit. In case the association generates some profit, the profit must be invested into the support of the association's goals. Associations are legally regulated in the Civil Code, paragraphs 214-302.

The most important features (Česko 2014, 58-74):

- Name and registered office of the association.
- Purpose of the association.
- The rights and obligations of the members must be defined.
- At least three people are needed for association establishment.
- Members do not guarantee for association's debts.
- In the Czech Republic, the official name must contain "zapsaný spolek" or the abbreviation "z.s."

3 BUSINESS PLAN

Srpová and Řehoř (2010, 59-62) see a business plan as a document, which an entrepreneur makes at the beginning of the business process. An entrepreneur has to consider several different factors, for example, internal and external factors. Srpová also adds that the business plan could be seen as a manual, which should help us answer all essential questions or questions that an entrepreneur can expect from a bank when applying for a bank loan in the future. When an entrepreneur draws up a business plan, there is a necessity to respect valid principles, and these principles say that the business plan should be:

- Innovative
- Clear and concise
- Logical and well-arranged
- Truthful and real
- Respecting threats and risks (Srpová and Řehoř 2010, 60)

It is also worth saying that at the beginning of the business plan should be written for whom is the plan created.

Abrams (2014, 5) states that it is crucial to create a business plan in order to have a successful business, talking about long-term planning. She sees a business plan as a verification of ability to join the market, as a person can have a great idea and product, but if a person does not find the precise market and customers who will be able to buy this product or service, the business could fall quickly.

Hisrich, Peters, and Shepherd (2017, 183) also mention, there are several questions that need to be answered, questions such as: Where am I now? Where am I going? How will I get there? Or just to think about who will be our investors, suppliers, or customers. Authors see a business plan as a road map that should be used in cases when we are not sure how to continue on our business way.

Shelton (2014, 20) sees a business plan as something more than just a physical document. It shows your determination, your way of thinking about some problem, or even how the entrepreneur is prepared to attract interested people. Shelton also says it is important to build a business plan on a robust analysis, and it does not matter whether the entrepreneur writes a business plan only for self-usage or to present it to some institution, which can support him financially.

3.1 HOW MUCH INFORMATION IS NEEDED?

Abrams (2014, 19) says a lot of information could be found on the internet at the beginning of the writing process. On the other hand, an entrepreneur might easily get overwhelmed by this massive amount of information. The right method that the author advises is to search the information that needs to be searched at the beginning of the business process, more precisely, the information that will answer questions and help an entrepreneur make steps forward. In the case of the research, it also bears nearly the same importance as finding the appropriate information process because when talking about the market, an entrepreneur might find the right information. Still, when he needs to find out how large the market is, he needs to do his own research that will show him exact numbers, for some numbers available on the internet might not be accurate and recent.

3.2 COMMON WRITING ERRORS

Shelton (2014, 36) claims that the starting entrepreneurs often lack accurate information, especially at the beginning of the business process, which could distort their evaluation. Another error that could be mentioned is too much focus on you and on what you are doing, leading to forgetting that you do it for a customer because the customer is the person who buys your product or service. So, the entrepreneur has to focus on finding the right customers. It is nice when an entrepreneur has a well-prepared and well-designed product, but in the end, he finds out there are no customers and buying power or that the market is in the surplus stage.

3.3 CHAPTERS OF BUSINESS PLAN

When an entrepreneur wants to create a thorough plan, he should include at least these ten parts of the business plan as: introductory page, executive summary, industry analysis, description of the venture, production plan, operations plan, marketing plan, organizational plan, assessment of risk, financial plan, and if an entrepreneur has some market data, or price lists, this could be included in the appendix (Hisrich, Peters, and Shepherd 2017, 195).

On the other hand, Finch (2010, 26) also includes the forecast and the exit strategy into the plan's structure. He sees the need to explain how the market operates and how the company is prepared to enter this market if there is a chance that the company will successfully fit the newest trends and customer's desires. On the contrary, when our company fails, how the investors will receive their invested money is the exit strategy. The company has to consider whether it will be enough to sell all the stocks and machines to

repay the debts or the investor's deposit in case of not succeeding. Because, if not, there is a chance that an entrepreneur will be forced to go to work and start repaying the debt or taking another loan to cover the deficit from doing the business.

3.3.1 Introductory Page

The introductory page or the cover page should provide a short and brief resume of our business plan. This page should contain this information as a minimum:

- The name of the company and where people will find the company (address).
- Who is responsible for the company, description of his character, telephone number, e-mail address, if the company has a web page, could also be added to an introductory page.
- A short description paragraph, plus the nature of the business.
- The number of financing needs, meaning how much money an entrepreneur or company has and how much money they need (Hisrich, Peters, and Shepherd 2017, 196).

3.3.2 Executive Summary

This part of the business plan is always done after the process of creating the overall plan. The ideal length is around two to three pages, and its primary goal is to catch potential investors' attention. This part of the project also has to be well-prepared because it shows how seriously the starting entrepreneur cares about the business. The executive summary should cover and answer the basic questions that could come to everyone's mind as: What is the business concept or model? How is this concept unique? Who are the individuals starting this business? How will the company make money, and how much? (Hisrich, Peters, Shepherd 2017, 197)

3.3.3 Environmental and Industry Analysis

Hisrich, Peters, and Shepherd (2017, 197-8) see the environmental and industry analysis at the beginning of the process of establishing the business as a need. An entrepreneur has to find out what are the trends, and if they will change or have already changed in past years. The possible changes at the national and international levels are also worth considering. Here are a few environmental factors:

- *Economy* - the company or the entrepreneur has to take into consideration trends in GDP (Gross Domestic Product), unemployment, which can be different in various parts of the area. In the case of income, it is the same problem.

- *Culture* - in this section, the entrepreneur has to consider the population and the possible shift. To outline the threat to a reader, younger generations are getting older, and generations, which used to buy our product, will also become older, and may stop buying or needing the product. These consequences could lead to the loss of customers, and when the company loses customers, it can end in bankruptcy.
- *Technology* - Some entrepreneurs see themselves as foresighted individuals, but this character ability does not have to be useful when the company or an entrepreneur operates on the market, which changes quickly. The best action that an entrepreneur could take is to make short-term decisions and be aware of the possible technological threats. Technology is a branch that changes quickly. In this case the company or an entrepreneur must carefully analyse at least three major factors: the possibilities of innovation, the changes in the current technologies and the speed of property obsolescence.
- *Legal concerns* - an entrepreneur has to deal with all legal issues that go in hand with starting a new business. An entrepreneur also must be prepared for all legislation changes, such as restrictions on media advertising or safety regulations. All these regulations may hurt our business because when our company manufactures and sells alcohol, the problem arises when laws ban alcohol advertisements. This act can lower our incomes because when the company cannot promote our product or promote sales on this product, customers will not know it, and the chance that they will buy it is going rapidly down (Hisrich, Peters, and Shepherd 2017, 197-8).

According to Finch (2010, 35-6), the entrepreneur has to take competition or competitors into consideration, even when our business plan looks well-prepared. The product has the potential to be outstanding, there is no place to feel that you won the “race” and the market is yours, or to comfort yourself that other products from competitors are inferior. The company might be the best in the particular location or the whole republic. However, it is still worth not forgetting that competitors from abroad might be less expensive and take your place in the market, just simply because they are much more prominent. They can afford to lower the production costs, and even the final price could be lower because they do not demand a high revenue percentage.

The last but not least aspect of the environmental analysis could be customers. Sometimes, it is advised to consider who the buyers are, whether the market is stable or if there is potential to grow. The entrepreneur has to consider the financial possibilities

of the area, whether people go to work, how much they earn, and if they are willing to spend money or how much they can spend on this particular product (Finch 2010, 37).

3.3.4 Description of Venture

Hisrich, Peters, and Shepherd (2017, 199) see this section of the business plan as one of the most important. There should be described the nature of the business. The business's size, and whether an entrepreneur wants to establish a small family company or, for example, a bigger one. With its building and dozens of employees. The company mission statement should as well be presented in this section. The company mission statement could be seen as a long-term guide for the company and is connected to the decision-making process. The authors also share several essential questions that should be answered as: What are the reasons for going into business? Why do you think the business will be successful? Will you purchase or lease all the important equipment? Are you planning to buy a building, lease, or build one? Or for example, in the case of planning expenses: What is the economic and demographic profile or area? Is there an adequate labour force available? What are the local taxes? Are the premises in good shape, or some repair work needs to be done?

McKeever (2016, 32) has nearly the same opinion as the authors above. He forces new entrepreneurs to think about and answering several crucial questions before they start their business, as when they will manufacture or produce some kind of good. Will the company also have a service department, or if the good stops working, customers will have to find someone who will repair it for them. In this case, an entrepreneur will forfeit money because he gives work to someone else who can monetize it.

3.3.5 Production Plan

When a newly established company plans to manufacture goods, the production plan has to be made to know, how the whole production process will look like, what are the costs, and how many people the company needs to manipulate the machine, or how fast the employees have to work in order to fulfil the manufacturing criteria. Under every condition, the company has to plan the resource supply, consider how big orders have to be done, or if they will ferry the material on their own, to save some money, or if the company will pay to supplier for transport. The same questions occur when talking about machines. Suppose it is better to buy a new machine that will work without doing any service and repairs or to buy an older one and invest some money into service or renovation. The company also has to consider the manufacturing power of the machines. The older they are, the slower the production is. The idea of saving money by buying the old machine is tempting, but in some

instances, the more significant investment could be beneficial, meaning when the company manufactures more products and much quicker, the return of the investment also accelerates (Hisrich, Peters, and Shepherd 2017, 201).

3.3.6 Operations Plan

It does not matter whether you own a manufacturing or non-manufacturing company. The operations plan also needs to be done to ensure that the company knows how the resource and products will flow to or from the company to the customer. Here comes the question, whether the company needs a warehouse or how big the warehouse should be. In the case of manufacturing products, the warehouse will definitely be bigger than if the company is only the mediator of the goods. The company knows that they can sell the bought goods quickly, or the goods are not bulky. Another aspect worth considering is logistics. Is the company planning to buy a car? If yes, how big vehicle is needed? What is its fuel consumption per one hundred kilometres? Will the company buy an old one or a new one? Or will the company even have to hire a driver and give him an adequate salary? Is it worth it? Or is it better to pay the supplier for delivering us a resource? The supplier might provide us with a better price if the company signs a contract with him for the delivery of the resource (Hisrich, Peters, and Shepherd 2017, 201-2).

Finch (2010, 40-1) claims that nearly every company has or once in the past had some kind of problems in case of finding the right supplier. Therefore, there is a need to find the most suitable supplier, who has the most acceptable prices. It is also essential to not forget about the service he provides us and how responsible the supplier's company is because if the prices of products, services, or materials are low, it could help the company create a competitive advantage.

3.3.7 Marketing Plan

The marketing plan is another part of the business plan that needs to be covered. The root of the word marketing is a word market, which reveals that this part is closely connected to the price strategy and the promotion of the product or service. In the beginning, an entrepreneur has to do marketing research to ensure that the product or service has a chance to find a place on the market. This free place is called a gap in the market. When this forecast is finished, an entrepreneur has to calculate all costs, including the marketing costs, add it up into one final number, and consider the profitability of the product or the service is worth producing (Hisrich, Peters, and Shepherd 2017, 202). The marketing plan is not a waste of time. It needs to be done at the beginning of the business process, and then an entrepreneur cannot

just get rid of it. Marketing has to be done carefully every month, even every week. As the Covid-19 pandemic situation showed us, the changes in trends, needs, and demand could be rapid.

McKeever (2016, 182) sees a marketing plan as a broad term dealing with several specific issues. An interesting fact that the author explains is the right choice of the company logo's colour. In the marketing field, a colour can say more about the company than you think. This claim may look ridiculous, but different colours have a different meaning: yellow is a colour of optimism, orange of friendliness, green is peaceful, and grey is connected to life balance. McKeever indicates that the choice of colour could be more complicated than some of us might expect. However, in the future, the company benefits from it.

3.3.8 Organizational Plan and Management

The organizational plan is a part that explains and describes the form of the venture and the ownership, distribution of shares, names, and addresses of the authorized persons, their authority, and responsibilities. This section of the business plan shows to the potential investor who is in charge of the company and who controls it. The action is united with the creation and outlining of the organizational structure, which has to be explicated, in the case, some institution, as a bank, will need to check all partners, whether they are not in debt or if they do not owe money (Hisrich, Peters, Shepherd 2017, 203).

Abrams (2014, 66) sees creating a solid management team from experienced workers with previous business experience as one way how to outweigh the scales when potential investors are not determined yet. Suppose the company demonstrates that experienced workers who know what they are doing are on its side. Such action might evoke feeling that this business plan for a company establishment and all around it has the potential to turn into a profitable and robust enterprise that might earn much more money than investors invest at the beginning.

3.3.9 Financial Plan

When an entrepreneur or the start-up company are preparing the financials, they need to meet certain criteria as Abrams (2014, 293) gives a piece of advice to all business subjects who only have just started thinking about it, and the most helpful tips from her point of view are:

- Be conservative, paint the “real” picture.
- Be honest, because you might be asked to explain your numbers and how you got them.

- Do not be creative. Use everything in a standard format.
- Get your accountant's advice. When you are not sure, ask.
- Follow the practices used in your industry.
- Choose the appropriate accounting method to avoid some problems that might be solved by the Tax Office in the future.
- Be consistent, stick to your decisions, do not change your mind quickly.

Shelton (2014, 95-6) characterizes the financial plan as one of the most important elements of the business plan. The author states, the executive summary and the financial plan are the parts that attract the biggest interest of all possible investors. In the case of the financial assumptions, two principal approaches might be used, as top-down called macro and bottom-up, which is called micro. The author suggests it is better to start with a bottom-up approach because it is not that hard to change to top-down. Another important thing in the author's eyes is to make several different variants of an income, such as optimistic and pessimistic. For example, whether a company expects the breakthrough year as the first year of the business activities or maybe the third year because it will take some time to overcome the competition and for customers to get used to buying the product or service.

The biggest issue and the most crucial area of a business plan are cash flow figures, which have to be prepared for at least three years in advance. In some instances, investors could be interested in five-year predictions and just want to see an outline of the company's future situation. The second most significant issue is a balance sheet. This sheet serves as the indicator of the company's financial condition at a specific period of time (Hisrich, Peters, and Shepherd 2017, 203).

Abrams (2014, 310) sees a balance sheet as a document whose essence is to give or show the value of a company and its components. The author also adds that some entrepreneurs do not take balance sheets seriously and do not consider balance sheets a planning tool. These entrepreneurs might be surprised in the future because for investors, and more exactly for banks, this sheet works as a bigger picture and provides banks with information about the overall company's values.

The last essential statement that cannot be omitted is the income statement, reflecting the relationship between the revenues and the costs needed to achieve them. This statement informs the reader how the company was successful and profitable in a particular time frame (managementmania.com, 2016).

3.3.10 Risk Assessment

Hisrich, Peters, and Shepherd (2017, 203) say that every new venture will face potential risks. At first, an entrepreneur must indicate the potential risk and consider whether the risk is acceptable and worth undergoing. This act goes in hand with creating a strategy. An entrepreneur has to create a strategy to be prepared for the potential coming of the threat. The strategy will help an entrepreneur manage the situation or minimize the aftermaths of the risk.

A risk assessment is not only about the way how the company plans to deal with potential risks. Provided the company takes the assessment seriously, then the risk management involvement is a necessary action. Risk management is the area of a business whose goal is to prevent or eliminate the risk by estimating the future stages of closely watched factors (managementmania.com, 2018). This kind of management is often defined by the six or eight basic stages, although in most of the economic literature, the six stages model is defined by:

- *Risk identification* (identifikace rizik)
- *Risk analysis* (analýza rizik)
- *Risk evaluation* (zhodnocení rizik)
- *Risk mitigation* (zmírnění rizik)
- *Risk mastering* (zvládnutí rizik)
- *Risk monitoring* (monitorování rizik)

Responsibility for managing the company's risks could be different. In large companies, top management is often responsible for managing the risks. On the other hand, in the smaller companies, the responsibility for risk management goes behind the statutory authority because smaller companies frequently do not have money to pay a risk manager or a group of managers. Most of the risk managers use well-defined methods as: *CLA* (Checklist analysis), *CCA* (Cause-Consequence analysis), or *ETA* (Event tree analysis). These three analyses are one of the most common and used by many risk managers worldwide. (managementmania.com, 2018).

3.3.11 Balancing Risks and Opportunities

The worst risks to overcome are market risk and competitive risk. Market risk is a risk in which the market and customers will not react to our product, meaning there will be no need for customers to buy or use our product, this situation is hard to overcome, and if the company does not succeed in this action, it may outline the end. Competitive risk is equally

dangerous as market risk. To imagine the situation, a person owns a prosperous company, but then a new competitor enters the market and takes us half of our market share, again the situation which could mean the end, if the company will not react quickly. To balance all risks and opportunities, companies use a “SWOT” analysis, which might show us our actual position (Abrams 2014, 149). More information about the SWOT analysis will be given in the next chapters of the business plan.

3.3.12 Appendices

Appendices are the last section of the business plan and the shortest one that is not that important. This section could contain any backup materials, documents that are not considered primary ones. Suppose an entrepreneur did any kind of research important for the business plan and wants to show potential investors the extra work. In that case, an entrepreneur can include secondary data, supportive analyses, secondary research data, or for example, future agreements with potential suppliers and purchasers. The list of potential competitors, analysis of their strength, the percentage of their market shares could also be included in the appendix (Hisrich, Peters, and Shepherd 2017, 204).

Abrams (2014, 328-9) also has an opinion that photos could be included in an appendix. For example, when the company has already prepared the logo, the draft or the final look can be put into an appendix. The same case is when an entrepreneur includes the photo of the future factory and shop or even the draft of the product. This act could evoke a feeling that the company knows what to do and that the company has already visited future premises to find out whether there will be a need to repair or rebuild something to make our business possible.

4 METHODS USED IN BUSINESS PLAN

Červený et al. (2014, 42-3) share the opinion that a business plan is not only about writing facts or targets and how the entrepreneur wants to achieve them. It is also about connecting different types of analyses and appropriate text to get a well-prepared final version of the document. The authors as well explain what type of analysis should be used first and why they advise starting with SLEPT analysis and the SWOT analysis do as last. From their point of view, some analyses are connected and, they follow up with one another. Analyses could be divided into internal and external. These two categories are seen as major ones, for the company has to consider all micro and macro environment factors.

4.1 SWOT ANALYSIS

The SWOT analysis could be used as an analytical tool. The analysis aims to identify factors and facts that could be considered as strengths and weaknesses of the particular company. Threats and opportunities are seen as external factors of the company. In most cases, the SWOT analysis is divided into four quadrants. Each category has its own space, where the factors and facts could be marked (Červený et al. 2014, 135).

Finch (2010, 151) claims a SWOT analysis is something where an entrepreneur can be listing strengths, weaknesses, threats, and opportunities. From his point of view, creating a SWOT analysis could be a waste of time. Meaning, an entrepreneur does not have to write all these things on paper when these things are obvious. It is clear that the company entering the market will not have any market share, and probably the chance that the market will devour the company is slightly higher than in the case of an already operating company.

SWOT analysis is often divided into four quadrants as:

- *Strengths* - marked as “S”, in Czech “Silné stránky”. An example of the company’s strength could be that the company has lower labour costs than the competition from the branch.
- *Weaknesses* - marked as “W”, in Czech “Slabé stránky”. An example of the weakness could be: the company has higher production costs because their competition has bigger premises and more machines, so they are able to produce faster.
- *Opportunities* - marked as “O”, in Czech “Příležitosti”. An example of the opportunity could be: the economy of the Czech Republic after the Covid-19 pandemic crisis will return to the normal stage, and the buying power will rapidly increase, and conditions on the market will become more beneficial for entrepreneurs.

- *Threat* - marked as “T”, in Czech “Hrozby”. An example of the threat is: when a new company enters the market and brings lower prices with the same quality of the manufactured product.

4.2 PORTER’S MODEL

Srpová et al. (2011, 165-6) suggest that Porter’s analysis is used when the company wants to analyse the microenvironment of the company. Porter’s model identifies five forces, which may occur on the market. These five forces, according to Porter, are:

- The threat of entry of new potential competitors
- The rivalry between existing companies
- A contractual power of buyers
- A contractual power of suppliers
- The threat of substitute products

This model was created in 1979 and is still used these days, and some experts call the model timeless.

Closely connected to Porter’s model is Grove’s model of the six forces, which is nearly the same. Nevertheless, Grove attached one power in addition. The sixth power, according to the Grove, is the power of general partners. In Czech, these people are called “partneři”. General partners could be explained as subjects that are dependent on our company, and our company is also dependent on the partner’s company (Srpová et al. 2011, 166-7).

4.3 SLEPT/PEST ANALYSIS

The SLEPT analysis is in many cases used as a tool, which serves to reveal the future development of the external environment. The acronym SLEPT is created from the first letters of the factors included in the analysis, and the whole process deals with them. This analysis also could be called a PEST analysis. The principle of the analysis is the same, although, in the PEST analysis, the letter “L” is missing. Above that, in some cases, the letter “E” is attached, this letter “E” stands for the environment, then the full acronym is written as PESTE.

SLEPT analysis consists of five important factors that cannot be omitted during the process of creation, and they are:

- Social - marked as “S”, here the social and demographical factors are considered.
- Legal - marked as “L”, the company has to deal with law factors in this part.
- Economic - marked as “E”, covers the macroeconomic factors.

- Political - marked as “P”, deals with political factors and the surrounding of the company.
- Technological - marked as “T”, technological factors, as the machinery equipment of the company, or the technologies available on the market that could be somehow helpful for the company. (Červený et al. 2014, 54).

Frue (2020) says the PEST/E analysis is used in combination with SWOT analysis and Porter’s Five Forces. The outcome from these three main analyses should give the company a clear and real understanding of internal and external factors, which may affect the business. The author also mentions several things necessary for the company to be successful as:

- A solid product
- Happy and satisfied customers
- Thorough budget
- Investors
- Well-prepared marketing plan
- Good selling position

In this modern age, people who are called influencers play an essential role in the field of marketing. For some faithless people, it may look ridiculous, but it was proved that influencers could be a helpful tool on the market, even when an entrepreneur starts his company and needs support to fight the place on the market (Frue, 2020).

4.4 7S ANALYSIS

The 7S analysis aims to reveal the critical success factors. During the identification process of the key factors, the company must consider strategic planning, organization, company culture, and other factors that may play an important role. During the 7S analysis process, there is a need to look at the company as a set of seven basic factors. These factors are:

- *Strategy* - a strategy could be defined as the set of actions designed to reach the long or short-term objectives. Necessary to say, when the strategy works for one company, it does not mean that it will be the same for another company. Every company tries to design its business strategy in the most effective way, so the company can reach its objectives as soon as possible. Pauknerová et al. (2012, 194) add that social networking is also important, and if the networking is based on a positive relationship between workers and management, the company’s goals could be achieved in a shorter period of time.

- *Structure* - in the 7S model, the structure is depicted as the company's arrangement, showing who has a superior position or who has a subordinate position, even who cooperates with whom.
- *Systems* - in Czech "Systémy řízení", is a set of systems and procedures as communicative, control, informative, etc.
- *Style* - "Styl manažerské práce", shows how management access to the process of solving problems. Here, the company has to bear in mind that there are differences between formal and informal manager styles.
- *Staff* - "Spolupracovníci", as staff, are considered all employees of the company. In this part, the company must examine relationships between the whole working squad, their motivation, and the behaviour towards the company.
- *Skills* - this factor is quite clear. Skills are meant as the working squad's professional form, whether they are educated and experienced enough to do the job competently.
- *Shared Values* - "Sdílené hodnoty", these values reflect principles respected by workers and all stakeholders (Červený et al. 2014, 122).

4.5 MARKETING MIX AND SEGMENTATION

The marketing mix, often defined as a 4P mix, is created by four main features. These features are product, place, price, and as of last promotion. In some economic literature, it is possible to find that the 4P mix could be extended to the 8P mix, meaning that people, process, physical evidence, and partnership are added to the basic four features. However, this extension is used rarely. The 4P model is the basic, and every part is specific:

- *Product (Výrobek)* - product is a thing the company or entrepreneur manufacture. Quality, reliability, and brand are the most crucial parts of the final product. It is also essential to provide customers some kind of a warranty and service.
- *Price (Cena)* - price is connected to the price of a product and the pricing strategy that the company implements. The most used pricing strategies are cost-oriented and demand-oriented. The cost-oriented strategy uses the margin that is included in the price of the product. More precisely, it is the value of costs plus the margin, and it equals the price. The demand-oriented price is based on the demand, but sometimes, it could be difficult to estimate the demand, so the company creates optimistic, realistic, and pessimistic estimates to have an overview of what to expect.
- *Place (Distribuce)* - is connected to how a company or an entrepreneur plan to deliver the product to the final customer or user, meaning the usage of the channels. The

channels that are worth mentioning are direct selling, multilevel selling, or selling through the agent.

- *Promotion (Propagace)* - is a set of ways to promote the product, such as billboards, radio, and internet promotion that could also be called online marketing and associated with PPC ads. Advertising through social media is connected with the use of “influencers” this word is derived from the word influence. These people operate on social media and are followed by many people, especially by younger generations, who use social media every day (Managementmania.com, 2019).

4.5.1 Marketing mix 4C

The 4P marketing mix is not the only one that exists and is possible to create. There is also a marketing mix, which is known as a 4C. Accurately, the 4P mix is made from the company’s point of view. On the other hand, a 4C mix is created from the customer’s point of view. The four letters “C” stand for:

- *Customer solution* - is the process of solving the needs of a customer. It is connected to the “product” from the 4P mix.
- *Cost* - the costs incurred by the customer, and it is connected to the “price” from the 4P mix.
- *Convenience* - an availability of solution connected to the “place” from the 4P mix.
- *Communication* - is the way, how the information is communicated to a customer. It is connected to the “promotion” from the 4P mix (managementmania.com, 2016).

4.5.2 Market segmentation

Market segmentation is one of the analyses in which the company has to determine or define the exact group of people based on their buying behaviour, age, income, needs, preferences, etc. By doing this action, the company creates the optimal portfolio of customers, who will mostly buy the company’s product or services. The final findings could help the company choose the most appropriate marketing strategy through which the company will address these potential customers.

The process of segmentation of the market and customers includes three major steps (managementmania.com, 2018):

- *Market survey* - the process of creating segmentation criteria.
- *Profiling segments* - customers are split into different segments by segmentation criteria and then create profiles.

- *Choosing the target segment (targeting)* - the company chooses one or two major segments that they consider essential, and it is worth operating on them.

4.5.3 Segmentation criteria

Segmentation has several different forms, and various authors define these criteria differently. However, the most used demarcation considers at least these five basic factors (managementmania.com, 2018):

- *Geographical criteria* - customers are divided into segments according to their location, as are towns, districts, regions, or even states.
- *Demographical criteria* - in this section, the company analyses the age, sex, family status, or even religion of potential customers.
- *Socio-economic criteria* - here, the company analyses the education, occupation, income, social status of the customer.
- *Psychological criteria* - tries to create a customer's psychological profile, what the customer likes, the values, attitudes towards a particular thing, or hobbies.
- *Buying behaviour* - this bullet point deals with the range of purchases, whether the customer makes large or small purchases, how often, or how much money does the customer averagely spends per one purchase. Another factor is loyalty, or the attitude towards the risk, whether when the customer buys something that he considers less tasty, if he blames the company for it, or is willing to try something different next time.

After the company finishes the process of segmentation, the company should be able to define the exact buyer persona. This persona is a detailed description of somebody who represents the ideal buyer for the particular company.

II. ANALYSIS

5 MARKET AND COMPETITION ANALYSES

Market and competition analyses are among the most important features of the business plan and should be prepared and considered in detail. These analyses show how an entrepreneur or the company understands a market and whether they know all possible threats and opportunities. If the company or an entrepreneur is entering the market, which is full of other subjects, the analysis of the competition is the minimum to be done at the beginning of the business process.

The competition analysis is the process of finding out the potential competitors or the key players on the market, analysing their power, and exploring if they are the main competition for the company. Meaning, as a starting company, we have to deal with small or medium companies around us because there is a possibility that they will try to steal our customers or suppliers to lower the incomes and get rid of our company.

5.1 MARKET ANALYSIS

A market analysis could be seen as a detailed assessment of a market, and these kinds of studies are often called analyses of external factors. The external analyses deal with the surroundings of the company. Their main aim is to determine the threats and opportunities the company could face in the short or long-term run.

5.1.1 SLEPT Analysis

The SLEPT analysis is the analysis focused on the detection of the future development of an external environment of the company or the SUB, which is an abbreviation of the strategic business unit. During the process of creation of the SLEPT analysis, an entrepreneur or the company must consider and detailly prepare every letter or, to be more precise, every feature.

Social factors - insomuch as Uherský Brod is a part of a Uherské Hradiště district, and this district is associated with wine production and consumption. The district of Uherské Hradiště is also full of events that are closely related to wine consumption as a wine festival in Uherské Hradiště and Slovácké summer. Therefore, the idea of establishing a wine shop matches the local environment, for people here have a strong relationship with a wine that is entrenched in this district for a long period of time.

One of the most critical factors from this section is the size of the particular area's population. Demographically, the location of Uherský Brod and the surroundings is between 30,000 to 50,000 thousand people. As it is visible on the

graph below from the Czech Statistical Office, which says that around 143,000 people were living in the Uherské Hradiště district, the data was actualized at the end of the year 2016. The target group is people between 18 to 65, and nearly 90,000 people represent this target group. The number was slightly lowered because the graph offers only the group from 15 to 65, so the reasonable number of people between 15 to 17 years old was subtracted (czso.cz, 2016).

Tab. 10 Věkové složení obyvatel v okrese Uherské Hradiště podle pohlaví, jednotek věku a pátiletých věkových skupin k 31. 12. 2016

Věk	Muži	Ženy	Obě pohlaví	Věk	Muži	Ženy	Obě pohlaví
Celkem	69 947	72 607	142 554	51	1 042	960	2 002
0	722	639	1 361	52	1 072	1 019	2 091
1	730	674	1 404	53	1 047	1 030	2 077
2	738	651	1 389	54	934	902	1 836
3	684	655	1 339	55	928	873	1 801
4	645	613	1 258	56	938	899	1 837
5	739	617	1 356	57	889	880	1 769
6	726	748	1 474	58	967	966	1 933
7	741	746	1 487	59	1 019	993	2 012
8	781	726	1 507	60	962	1 020	1 982
9	783	685	1 468	61	1 003	983	1 986
10	707	668	1 375	62	927	1 017	1 944
11	668	703	1 371	63	870	974	1 844
12	624	634	1 258	64	905	968	1 873
13	679	638	1 317	65	879	980	1 859
14	671	620	1 291	66	862	989	1 851
15	624	614	1 238	67	785	954	1 739
16	660	575	1 235	68	789	956	1 745
17	654	630	1 284	69	809	959	1 768
18	635	660	1 295	70	783	968	1 751
19	603	623	1 226	71	623	834	1 457
20	660	650	1 312	72	571	836	1 407
21	744	667	1 411	73	604	787	1 391
22	809	743	1 552	74	480	678	1 158
23	910	854	1 764	75	454	675	1 129
24	862	915	1 777	76	452	669	1 121
25	941	896	1 837	77	395	659	1 054
26	927	898	1 825	78	354	591	945
27	897	878	1 775	79	321	524	845
28	955	916	1 871	80	280	566	846
29	970	909	1 879	81	290	503	793
30	983	842	1 825	82	263	503	766
31	955	880	1 835	83	210	470	680
32	1 007	943	1 950	84	196	424	620
33	1 001	863	1 864	85	154	395	550
34	993	926	1 919	86	137	323	460
35	1 053	909	1 962	87	119	284	403
36	1 017	974	1 991	88	102	243	345
37	1 251	1 078	2 329	89	72	208	280
38	1 231	1 081	2 312	90	46	174	220
39	1 206	1 098	2 304	91	47	138	185
40	1 194	1 137	2 331	92	35	95	130
41	1 292	1 194	2 486	93	22	71	93
42	1 235	1 164	2 399	94	19	44	63
43	1 202	1 169	2 371	95	7	40	47
44	1 100	1 105	2 205	96	3	28	31
45	1 044	988	2 032	97	6	13	19
46	1 048	926	1 974	98	1	1	2
47	1 021	947	1 968	99	0	0	0
48	941	1 001	1 942	100+	2	4	6
49	965	905	1 870	Prům. věk	41,2	44,5	42,9
50	1 002	968	1 970	Index stáří	105,0	165,5	134,4
Věk. skupina	Muži	Ženy	Obě pohlaví	Věk. skupina	Muži	Ženy	Obě pohlaví
0	722	639	1 361	55 - 59	4 741	4 611	9 352
1 - 4	2 797	2 593	5 390	60 - 64	4 667	4 962	9 629
5 - 9	3 770	3 522	7 292	65 - 69	4 124	4 338	8 462
10 - 14	3 349	3 263	6 612	70 - 74	3 061	4 103	7 164
15 - 19	3 176	3 102	6 278	75 - 79	1 976	3 109	5 085
20 - 24	4 027	3 829	7 856	80 - 84	1 239	2 466	3 705
25 - 29	4 690	4 407	9 097	85 - 89	584	1 454	2 038
30 - 34	4 939	4 454	9 393	90 - 94	169	522	691
35 - 39	5 758	5 140	10 898	95+	19	88	107
40 - 44	6 023	5 769	11 792	0 - 14	10 638	10 017	20 655
45 - 49	5 019	4 767	9 786	15 - 64	46 137	46 010	92 147
50 - 54	5 097	4 879	9 976	65+	11 172	16 580	27 752

Figure n.1 – The Number of Citizens in Uherské Hradiště District (accessed from czso.cz)

But it is also worth considering that wine is an alcoholic product, so the company counts on the fact that the products could be sold only to customers who are eighteen years old and older. Another factor that is analysed is an unemployment rate of around 2,8 % in the Uherské Hradiště district. Data was actualized in September 2020. The number available is from Uherské Hradiště district because Uherský Brod and the surrounding are part of the district. The number is not higher than the national average, which is around 3%, and after this Covid-19 pandemic period, the number could be even higher, as companies do not have enough money to finance their operations or cover salaries costs, and some of them solve these problems by the dismissal of people (Zlín.cz, 2020). As was outlined, Uherský Brod is not an area

where people do not have work or the opportunity to find a job, for the unemployment rate is under 3 %. The low unemployment level is primarily caused by the influence of two economically strong companies that give an enormous number of employment opportunities to the people from the area. These companies are Česká Zbrojovka a.s. and Slovácké strojírný a.s., insomuch as the steel and gun industry are not yet affected by the Covid-19 pandemic, these two key players on the market still have a number of opportunities and orders, they can afford to keep and pay employees and support the buying power of the district.

The unemployment number is still fluctuating between 2 to 4 %. However, this low percentage number is artificially kept due to national programs created to support companies as a program Antivirus, whose main aim is to support employment by giving companies financial injections, so they do not have to dismiss workers. Nevertheless, after the pandemic leaves, unemployment is predicted to increase, and workers should be available.

- *Legal factors* - legal factors somehow limit the possibilities of an entrepreneur or the company. In the pandemic situation, government laws and regulations play a crucial role, as the government issues government orders to control the businesses. The company has to act accordingly, and in case some of the laws or regulation is not followed, active authorities may impose a fine (Červený et al. 2014).

From the company's point of view, it is important to know all the laws and restrictions that affect the business process. Legal factors to consider and which could sway the company are the risk of rising taxes and the changes connected to the payment of wages and the minimum wages. For the company, as a start-up, the rising taxes could mean a threat because the national debt is growing. There is a forecast, which says that taxes should be increased, primarily value-added tax, to collect more money and lower the debt (kurzy.cz, 2020). Every increase in taxes means lowering the company's incomes, and this act could mean the end if the company will not earn enough money. In case of the wages, the plan is to have one employee, and that will be the owner, at least at the beginning, or possibly one person on agreement on the work activity.

- *Economic factors* - firstly, the economic environment significantly affects the present and the future stages of the economy of a particular state. The basic four factors can be the four categories from the magic quadrangle, which consists of the product, employment, price level, payment balance (Červený et al. 2014). The essential

regulations for a company are the Business Corporations Act, which substituted a Commercial-Code, and Civil-Code, both of these became valid from the first day of January 2014.

The Czech Republic economy is not in the best shape because the Gross Domestic Product (GDP) is slowly going down. This act could be called the recession stage of an economy. From the starting company's point of view, the economy's recession stage evokes a feeling of uncertainty because, in the year 2020, the Czech economy fell by 7 %. In the case of the Zlín region, the average gross wage in the third quarter of 2020 was 31,640 Czech crowns, and an unemployment rate in the district of Uherské Hradiště stopped at 2.8%. The overall average gross wage in the Czech Republic was 35,402 Czech Crowns (czso.cz, 2020). However, as mentioned before, the wine industry is gaining popularity and is not unduly affected by the Covid-19 pandemic and the Czech government's restrictions. To be precise, the producers are more discomfited by the weather because the unfavourable climate conditions might lower the amount of the harvested wine. Therefore, the company does not have to be afraid of the recession as the wine industry is still functional and not slowing down. The relevant example could be statistics from the Czech Agrarian Chamber, which claims that during the year 2018, sellers and producers imported over 80,000 hectolitres of red and white wine at an average price of around 33 Czech crowns per litre (akcr.cz, 2018).

In addition to the economic situation and the Czech citizen's financial situation, some articles based on the previous analysis claim that Czech consumers more often buy alcoholic products, and consumption of alcoholic products as wine, beer, and different kinds of spirits increased (ct24.ceskatelevize.cz. 2021).

Although it is not over positive that Czech citizens drink more alcoholic beverages than is the average, this information supports the claim, which says the buying power is not lowered by the pandemic and coming crisis in this particular field of the business.

- *Political factors* - the first action an entrepreneur or the company has to do is apply for a trade license or establish a company by signing into the Commercial Register. However, before the company is written into Commercial Register, the company has to write down the Founder's Deed, or more founders a Memorandum of associations. An entrepreneur also has to start using the EET, an abbreviation for Electronic Evidence of Earnings. However, the EET system was paused until January 2023

(podnikatel.cz, 2020). Another factor in analysing is the possible change of the political situation, which might change shortly, for the parliamentary elections are going to take place in October 2021.

There have been several changes during the past few years, which the Czech government implemented, as EET system, the system whose aim is to make electronic evidence of sales. After a customer makes a purchase, the seller puts the purchase into the system, which automatically sends information about the purchase to the Tax Office. Another implemented change was an obligation to submit a control report, which serves as a tool used to reveal a tax fraud.

One of the newest changes is an implementation of a flat-rate tax, which could facilitate a business process for small entrepreneurs, meaning when they pay a flat-rate tax, they do not need to submit a tax return, and some of may save some money because entrepreneurs do not have to pay for accounting services, and naturally they will avoid a tax control (businessinfo.cz, 2019).

- *Technological factors* - the threat from the technical environment in this particular field of a business is not enormous. As the seller of wine and beer beverages, the company is not facing innovations from the technological world. The innovation could cause problems to our suppliers, more precisely the producers of wine. The technology connected to the field of selling products is the EET system, which is not a threat. The company only buys this system that costs around 5,000 Czech crowns when talking about this gadget's basic version. Naturally, the bigger and more sophisticated version of this gadget could cost between 20,000 to 50,000 Czech crowns, but from the economic side of the business, the starting company does not need a gadget that costs a significant amount of money that could be used for much more important things connected to the beginning of the business process.

Another kind of technological threat is a rapidly forward going internet and online selling through social media. The company is already prepared for it, as the company also plans to sell online and create an ordering system, where the customers will have the opportunity to order the products online, and they will be delivered to them after the shop will close. The company plans to help hard-working people not waste time traveling or walking to a wine shop by this act. The wine shop will simply come to their place and bring them the ordered products for a symbolic fee. On the other hand, the most crucial technology is the internet, precisely an e-commerce through Instagram, Facebook, or even the company's websites, where customers will

be able to find an ordering system. Access to Instagram, Facebook, and web pages is not complicated, although if the company wants to promote itself and gain customers through these channels, it is not for free.

5.2 PORTER'S MODEL

As was said in the theoretical part of the thesis, Porter's model is a model that analyses the micro-environment of the company. Porter defines the five most important features, and they are: the threat of entry of new potential competitors, the rivalry between companies, the contractual power of buyers, the contractual power of suppliers, and the threat of substitute products.

- *The threat of entry of new potential competitors* - there is a space on the market of Uherský Brod because, in the area, there are only three wine shops, and the buying power is roughly 30,000 people. The finding marks that the market of Uherský Brod and its surroundings is not over-saturated. In case of barriers of entry, as first an owner has to establish an s.r.o. company. The process of establishing should not be a problem, as an owner is over 18 years old and has all needed finances. Another barrier could be a lack of educated workers. However, this is not a problem for a company as an owner is going to be the only employee and is going to hire workers on an agreement to complete a job, who will be primarily students. The next barrier could be an insufficient number of premises available for a company, although one of the sections below show the possible locations of a company, as after the first wave of Covid-19 pandemic, some of the entrepreneurs or companies had to end their operations and they left the rented premises. Therefore, these days the premises for renting could be easily found.

These are the main reasons why the entrepreneur would like to take advantage and establish a wine shop. From an entrepreneur's point of view, there is potential in starting a business in this Covid-19 pandemic period. The Covid-19 pandemic has ended quite a large number of companies, or half of them have to deal with obstacles connected to the financial side of a business. Therefore, now is the right time to take on the place that they left in the market as long as the company has start-up money and a robust strategy to survive the pandemic and successfully continue when the situation will calm down and the life of all the society will come back to the stage we used to know and live in before.

Lastly, as far as the company knows, there are no barriers that can make the company problems with entering the market. The only required paper is permission from the Public Health Office, and before the wine shop starts its operations, an owner has to submit a notification to the State Agricultural and Food Inspection. Whereas the company plans to organize wine tastings, for which the owner must have a vocational trade license or the guarantor. In this case, the owner's grandfather, who has thirty years of experience in this field will be a guarantor and the main adviser.

- *The rivalry between existing companies* - objectively, there is a rivalry in the field of the current wine shops, but from the entrepreneur's point of view, the rivalry is not that powerful as it is in the different areas of the Zlín region, talking about the number of wine shops and the price rivalry. The data about competition is obtained from the Business register. There is one key player on the market of Uherský Brod and its surroundings, and it is Václav's wine shop. This shop is gaining massive popularity these days and decimates the competition, mainly because of the wide range of products, location near the centre, and long tradition. On the other hand, as a weakness could be seen increasing prices, small premises, no possibility to have an indoor or even outdoor seating.

In some cases, the prices are a bit higher than in other parts of the Zlín region, and some people have already noticed that the shop is continually increasing the prices. There are also more wine shops in the area, to mention some of them. There are three other wine shops, in the Tesco in Uherský Brod, wine shop Ráj and Bzenec's wine shop, but as the entrepreneur knows, nobody is talking about them, and they are not unduly known. Principally, because they sell only wine and no other products and their position is not advantageous.



Figure n.2 – The Location of Main Competitor (accessed from Mapy.cz)

Picture number one demonstrates Václav's wine shop's position, in the picture marked as the smaller square, that is seen as the biggest and the strongest competitor of this particular area. The main advantage of its location is the distance from the centre of the Uherský Brod. Detailly, it is around sixty metres far from the centre, which is around five minutes walking. Moreover, the design of the shop is top-notch, and the range of products is vast.

- *A contractual power of buyers* - Srpová et al. (2011, 166) outlines several questions that need to be answered in this part. The first question is: Do people make large volumes of purchases in this field? According to my research, based on the interview with a person from the field who also owns the wine shop, but in a different area, and he provided me with a few helpful tips. He also told me what he tracked during the operations of his wine shop. The result from an interview is that people make large purchases these days because no one is interested in buying a single litre of wine. People usually buy between three to five litres in one purchase. Wine is not a kind of good that will go bad in a short period, and if the customer stores it in a cold place, there is no problem. Provided that the customer knows that he drinks 0.4 litre of wine every day after work, the customer will simply buy at least 2 or 3 litres, in order to not go to a shop every day. Another thought connected to the volume of purchases is sales. Sales are the tool that can force people to buy more products, in this case, more litres of wine or other products available at the store.

The second and the most crucial question is. Do buyers have a choice between companies with low prices? As was outlined above, there is not much competition, and the key player is continually increasing the prices, which means customers are losing the chance to choose between companies with low prices. This is one of the reasons why the company could see potential in this area.

The third and last question is: Can buyers make the product themselves? Obviously, they can, but the possibility is relatively low in this business field, so there is no threat of customers making their own wine and condemning the wine shops to extinction.

- *A contractual power of suppliers* - whereas the number of wine producers is soaring and the wine itself is becoming more and more popular, the wine shop will not struggle with finding suppliers. But naturally, it is essential to choose the right one who will provide the company with service and, of course, with plausible prices per litre of wine or maybe per a bottle of wine. What an entrepreneur sees as a significant

advantage are small wine producers. Their examples could be found on the website page www.mali-vinari.cz. Whether they are at the beginning of their process, they need somebody who will sell their product or even promote them in some way to get into the customer's mind. If the producer offers the affordable price in return will get a space where to sell the product and medialize its brand, and this partnership could be extremely beneficial in the future. Since, my company is a starting one. There is a plan to buy products from producers that are on the market for a more extended period, as their products and brand are much more known, and potential customers might know them and be familiar with products and the quality.

- *The threat of substitute products* - in the field of wine products, there is not a massive threat of substitute. Indeed, there are spirits and beer, but they are different, and they also have distinct buyers. Beer is a national drink, and this fact is useful to bear in mind. Another fact is that the popularity of rosé wine is increasing. According to statistics, Czech wine producers supplied the market with 6,66 million litres of rosé wine, compared to the year 2008, when the market was supplied with only 1,7 million litres of rosé wine. From this statistic, the reader can see that the increase is significant (lidovky.cz, 2018). From the entrepreneur's point of view, no kind of a product could be possible to substitute the wine when talking about products made from the grapevine. In addition, during the autumn, which is the season of the product called Burčák. This time is also full of opportunity because as the product is not available all over the year, but only during a particular time, demand is even higher as people are waiting for it and are able to spend much more money.

In anticipation of the possible substitution of the wine shop's product, all three competition shops sell nearly the same products. However, the price and the quality of the products are different at every wine shop. The only possibility to diversify in this aspect is to sell high quality, and tasty product for an affordable price, plus the shop offers delivery service, which other wine shops do not offer, and if they provide customers with this kind of service is it only if they make a large purchase, meaning that customers buy over 1,000 Czech crowns. Notwithstanding, the wine shop would like to deliver the purchases starting at 100 Czech crowns.

6 BUSINESS PLAN

Name of the company:	Vinárna u Hokejky
Legal form:	Limited Liability Company
Registered capital:	300,000 CZK
Owner:	Dominik Chovanec
Address:	Neradice 2310, 68801 Uherský Brod
Phone:	+420 774 113 098
E-mail:	VinárnauHokejky@seznam.cz
Website:	VinárnauHokejky.cz
Start of operations:	1. 9. 2021
Logo of the Company:	Revealed in the appendices

6.1 DESCRIPTION OF BUSINESS PLAN

About the Wine shop: The idea to establish a new wine shop in the Uherský Brod was born in the head of the future owner who found out that there is only one prosperous wine shop in the area, and it occurred to him to bring something new to the market. To offer people something that they are not used to yet, such as different services that no wine shop in the area of Uherský Brod offers to them.

6.2 EXECUTIVE SUMMARY

The idea is simple. The owner's vision is to establish a prosperous company that will provide customers with different services, wine, and home-made products that other wine shops do not sell. The wine shop primarily targets people who are eighteen years old and older as the alcoholic products can be sold only to customers who have reached the age of majority. But, of course, there is also a plan to sell products for younger customers, although they are not the main target group of the shop. The owner has just found out two of the most suitable places for the shop, but he is not decided yet. To be precise, the names of the streets are Bří Lužů, and Moravská. The fact to point out is that both streets are near the centre. More exactly, they both lead to the centre of the town, and they are not far away from Václav's wine shop. So, the location is not seen as a disadvantage at the beginning. The price of the future premises is also acceptable, and the average monthly rent is between 5,000 to 10,000 thousand Czech crowns. That number is not higher than the sum of the average rents in the city of Uherský Brod. The small disadvantage that is worth revealing is the fact that Uherský

Brod is not a city that has a university complex comparing to Zlín. However, in Uherský Brod, there are four secondary schools, so the student's buying power is not as strong compared to Zlín, but still, there are some students who can create this power.



Figure n.3 - The Possible Locations for a Shop (accessed from mapy.cz)

Figure number two shows the possible positions for a shop and their distance from the centre of the Uherský Brod. As it is visible, the potential premises are on a place, where people can walk or even drive. Place number one, marked as a blue cross, is on the way to the centre of Uherský Brod, the second place marked as a brown cross is circa four hundred metres beneath the centre, but close to the connection to the main road. The green cross in the location of the centre, just for the imagery of the situation and the potential distance.

The reason why the students were mentioned is simple. As was said at the beginning of the thesis, the owner plans to create indoor seating for customers who just do not want to buy a bottle of wine or a few bottles of beer from regional breweries and go home to enjoy their purchased goods at home. The vision is to create a place where people, mainly students or women who would like to have a chat with colleagues after work, will go and have a glass of wine, coffee, a small snack, and to enjoy their free time after a demanding school day or office day.

As one of the future premises is a past restaurant that went bankrupt during the first wave of a Covid-19 pandemic situation, there will not be a high resource-demanding reconstruction, as everything is already done. The only things that come to mind are a new painting and the purchase of new equipment as tables, chairs, and accessories that will help

create a friendly atmosphere. The cost connected to the reconstruction could be estimated at the maximal value of around 50,000 Czech crowns as the owner's family members have their contacts and are able to agree on a much more affordable price, which will lower the initial costs.

6.3 DESCRIPTION OF VENTURE

The first step that the owner plans to do is to establish the s.r.o., which is a Czech abbreviation of the foreign Limited Liability Company, with the registered capital of 300,000 Czech crowns. In the future, the plan is to increase the capital, although, in the beginning, the intention is to invest money into equipment or into stocks.

The major mission of the wine shop is to boost the competition in the wine shops field and to create a prosperous company, and stay down-to-earth. Support a slow process of maintaining the more and more acceptable position on the market, and not being blinded with a vision of huge incomes in the first year of operations. The owner and other stakeholders believe that being modest and doing the work with passion, and patiently overcome a first crucial year could lead to a bright future of a company and potential extension.

6.4 PRODUCTION PLAN

In case of production, the company, detailly the wine shop does not plan to be a producer of goods, meaning that the company will manufacture the sold products. The plan is to find the right suppliers with the most acceptable price and quality who will deliver the wine products to the store. The wine shop plans to be the intermediary between the producer of the goods and the customer, who represents the buying power.

6.4.1 Products

When talking about the products, the wine shop plans to sell all kinds of wine as red, white, rosé wine, during the season of autumn, the wine product called Burčák. Although the shop is named Vinárna U Hokejky, the lovers of a beer do not have to be sad. There will also be a particular section selling beers from a region, district, or even from family breweries to support small producers in building their brand and getting into customer awareness. The aim is to have or sell products that cannot be bought in the supermarkets, as the supermarkets are not interested in selling local products. From the company's point of view, this is something the company can build on and differentiate from bigger and famous stores.

The other idea that the owner would like to realize is to sell home-made products from the region or the territory of Moravia. This idea needs further examination, but as the current trends show, people tend to buy honest products that are not made in a huge amount. If the survey will end positively and the feedback will say that people are willing to pay more money per product made by a small producer who does the products at home and is not a person who earns living on these products. The owner also intends to create a section in the shop where these kinds of goods will be sold. Examples of the goods could be home-made sausages, honey, cheese, milk, jams, or even pastry. The survey has not been done yet, because the wine shop does not have money to buy these products in large amounts, as the start-up budget is almost overdrawn. The plan is to start selling samples, and if these samples will be successful, the company plans to buy more of these products. Naturally, the company will have to have funds to be able to afford to buy stocks.

6.4.2 Design and packaging

The wine shop is also prepared to offer the packaging service or an opportunity to create the own design of a bottle of wine that the customer will buy in our store. Talking about the wine gift set that some larger companies tend to give to employees at the end of a year or before the Christmas holidays. In connection to this design service, there will be one simple condition: the customer has to buy at least three bottles of wine above 200 Czech crowns to be this service profitable for a company. The cask wine is going to be sold in plastic bottles, and the possibility to create an own design is not available.

6.5 OPERATIONS PLAN

The wine shop is going to be a non-manufacturing company whose primary goal is to sell the products to the customer. The price of the product will be increased by the shop's commission, as the company needs to earn money to be profitable. As was mentioned in the theoretical part of the thesis, profitability is one of the company's main goals.

The company is prepared to deliver wine from all the parts of Moravia, but not only to sell them. The company's idea is to bring wine closer to a customer, and this forces a wine shop to organize a tasting of wine every first week of the month. This could help customers get to know the taste and not force them to buy something they have not tried yet. Obviously, the event will not be for free, but the main purpose is not to get rich on this idea, rather do something extra for customers. For outlining the cost, the estimated cost should be around

100 Czech crowns per one person. The price includes the tasting of five different wines and some samples of cheese or home-made sausages.

Connected to the supply, the company searches the producers with the ability to quickly supply the shop, avoid making large purchases, and have goods in a store for a long time. The purchase of the car to increase the ability to transport the products is also prepared, and the company has already detached the needed amount of money for this purchase of a car. However, the wine shop does not plan to buy a new car. The plan is to buy a small van, the ideal model of a car would be Volkswagen Caddy, or Skoda Roomster, just in a case when small producers or as said before the producers of home-made products will not be able to deliver the products to the shop, or to a store. These cars were chosen intentionally, as the budget is around 50,000 Czech crowns, and these types of cars could be found on the internet at a price that is equal to the price that the wine shop is willing to pay. On top of the wine shop prepares to do a delivery service. So, the purchase of a car is a need. However, the situation when the owner will not be successful in buying a car because the prices of used cars are increasing due to the shortage on the market, as the Covid-19 pandemic situation does not offer the opportunity to import used cars from abroad. The owner plans to insert his own car into the business to cover the delivery service, which the company claims to provide for hard-working people who would appreciate the delivery at home for a symbolic fee. The fee is going to depend on the distance and on how large a purchase the customer made.

6.6 MARKETING PLAN

The marketing plan and the promotion of the company are some of the most important things that need to be done at the beginning of the process. The company plans to run a series of promotions, but it is important to stick to a budget, as it is not bottomless. The plan is to use several different ways of promotion, like radio promotion, local television promotion, Facebook company pages, Instagram, leaflets. The estimated budget is going to be roughly 35,000 Czech crowns, maybe a little bit lower. However, the budget is not high, the company believes it will be enough to cover these costs at the beginning, and the company also sees spending a greater amount of money as a waste because the money could be invested into much more useful things as a purchase of an automobile and the equipment of indoor seating.

In the case of market segmentation, the company sees people between 18 to 65 years old as the buying power of products, as these people are allowed to buy alcoholic products and are in their working age, meaning they should have an income. However, it is crucial to bear in mind that not all of them drink wine, or some of them do not want to waste money

on buying alcoholic products, or they might not have enough money to afford to buy such products. In connection to the geographical segmentation, the company assumes that the majority of customers will be people from the Zlín region, precisely people from the area of Uherský Brod and the surroundings, with at least moderate buying behaviour. The ideal buyer persona is defined as a person in their working age, with at least an average income and passion for wine, wine products, and home-made products. The person should be from the Zlín region and should buy between two to four litres of wine per one purchase.

6.6.1 Radio promotion

Some people or even marketing experts say that radio promotion is not as powerful as it used to be because younger generations do not listen to the radio. Nevertheless, the company would like to include this kind of advertising, for the shop's customers are not only students and young people, the shop also wants to target a middle-aged generation or even a bit older than middle-aged. Therefore, the radio advertisement could be a powerful weapon in reaching this segment of buyers, and as it is known, middle-aged listen to the radio.

According to freely available data, the creation of thirty seconds recording to a radio costs between 1,500 to 3,000 Czech crowns. The company plans to have a shorter recording of around 15 seconds. The one repetition of a recording on an average radio, not Evropa2, costs between 1,000 to 3,000 Czech crowns per thirty seconds recording. The radio Europa 2 is out of the question, as the prices of an advertisement here are astronomical and not possible to finance for the start-up company. If the company has a shorter recording under 30 seconds, radios use the coefficient 0.7 times the price of the advertising space. The company would like to have its advertisement broadcasted two times a day, as most people listen to a radio in the morning between 6:30 to 9:00 and in the afternoon between 14:00 to 17:00 because during this period people travel to and back home from work (mediaguru.cz, 2016). The overall advertisement will be 15 seconds long, and the final spending should look as follows - the average recording creation process costs 2,000 crowns, plus the average cost per one broadcast is 2,000 as the company's recording is shorter times 0.7, and that equals 1,400 crowns. The usual campaign is five days long, so the final number is 2,000 for recording, plus five times two broadcast per day equals ten, and that number is multiplied by 1,400 per one recording broadcast, and the final sum equals $2,000 + 14,000 = 16,000$ Czech crowns.

6.6.2 Facebook and Instagram promotion

These days, the promotion through Facebook and Instagram is gaining huge popularity, maybe because people spend a more significant amount of time on social media and are able to notice these advertisements more quickly. The second advantage is that the promotion through these channels is not a drain on a resource, meaning the company does not need a large sum of resources to run a series of advertising on these platforms. However, if the company wants to achieve a larger quantity of followers, sometimes a paid advertisement or payment of the possibility to “top” the post to be visible to the wider public is a need. In the case of an Instagram account, there is the possibility to add stories to the profile, which could be a quick piece of information, maybe some behind the scenes pictures, or even the process of preparation, and this is also a useful tool, how to show the customer, that the company does the work on a professional level. The everyday promotion should be based on the posts of the wine shop which will be promoted on Facebook or Instagram, and the paid versions of these two online platforms will help the wine shop to reach a larger audience because if the company uses only a basic form of these media, the range is not wide enough, or only your friends who will share the page can build company awareness.

The costs connected to this section will not be higher than 10,000 Czech crowns per month. Precisely, the most basic campaign on Facebook costs five dollars a day. An average month has thirty days, so the final number is 3,300 Czech crowns per month. In the case of Instagram, the lowest dotation per day is thirty crowns a day, and Instagram will show the post to at least 150 to a maximum of 500 people per day from the area. The company would like to devote one hundred Czech crowns a day to reach at least 500 to 1,000 people a day from the chosen area. The overall costs will be thirty days times one hundred crowns per one advertising day and, the sum is 3,000. The final sum is 6,300 Czech crowns per month.

6.6.3 Leaflets

From the company’s point of view, leaflets could be the cheapest way how to promote a company, and sometimes perhaps the best. The whole process of creating leaflets could be done by a company, the only material the company requires is paper and a printer to create the final advertising product. The process of creation of the leaflet will be done by an owner with the assistance of the owner’s friend, who has the knowledge of how to create a leaflet in free software. A company could also do the delivery, so it is not necessary to pay a delivery service and save some money. Eventually, the company plans to create the sales action, which says: if the customer comes with the leaflet, he will receive a 10% discount, or he will

receive a card where his purchased litres of wine will be market and the tenth litre will be for free as the reward for being loyal.

The overall costs could be calculated as two packages of A4 paper. One consists of 500 lists, altogether 1,000 lists, and one package costs around 90 crowns which is 180 crowns for two paper packages. Cartridges for a printer are available at a price of 500 crowns per one, which is able to print around 1,000 copies, depending on the difficulty of the printed text. The company will use a car that does not waste over 6 litres of oil fuel per one hundred kilometres for delivery. The sum is six times 29 crowns equals 174. The final number is 1,000 lists, the price of 180, plus 2 times 500 for a cartridge equals 1,000, plus 174 per oil fuel, the final sum is 1354 Czech crowns. As the A4 format consists of two A5 formats, the company will print two smaller leaflets on one A4 paper to have a more significant number of leaflets and cover more spaces.

6.6.4 Website

The wine shop also plans to have its website, but the main aim is not to promote the company through the websites. The wine shop wants to create a section “About Us” for customers to know the story and the shop’s mission. The second part of the plan is to have an ordering system for wine and product delivery. The system will not be complicated. The customer will see all the products and then only pick the demanded products and choose the quantity. The only limitation will be the price. The customer will have to order in the minimum value of 150 Czech crowns, which equals two litres of wine. This precaution is made in order to make the delivery of wine meaningful for the wine shop, as delivering one litre could be a waste of time.

The basic web used for a company presentation could be created at a price between 5,000 to 10,000 Czech crowns. Obviously, it depends on the elaboration. Some pages even do not force companies to pay them for their services etc. After the websites are done, the company will receive the manual of how to operate on the website, and if there are some problems, the company can turn to the creator and ask for help. The recommended price is around 10,000 Czech crowns for a basic company design, plus the company has to pay for web hosting, but the overall expenses for hosting do not exceed 1,000 Czech crowns.

6.7 ORGANIZATION PLAN

Insomuch as the wine shop called “U Hokejky” is a starting company with a limited budget, the plan is to create a Limited Liability Company, whose owner will be Dominik Chovanec.

The owner is going to be responsible for every act that the company will do in the future. The registered capital would be 300,000 Czech crowns. As the company will generate a profit, the owner does not plan to take the money away from the company. His intention is to keep this capital in the company. With regard to employees, at the beginning of a business process, the owner is prepared to be the only stable employee of the company, but he counts with the help of family, friends, and girlfriend, who plans to help him during weekends. The owner is as well delighted that his father, who has experience with wine and management, promised his full support.

As Pauknerová (2012, 194) says, one of the most important things at the workplace is the “mutual accountability relationship,” which could be defined as responsibility for doing tasks that are demanded and the person is responsible for them. The reason why the owner chose the structure in this way is set on his conviction. He believes that the people around him would do the hard work for him as they know and trust one another. Hard work is the key to success, and sometimes, the employees hired for doing a particular thing do not do their best, and they work as hard as their salary is high, and they do not give the work a drive that the work deserves. A simple example could be an unpleasant shop assistant, and if the customer is not satisfied with services, he will not come back, and the wine shop is losing money. Therefore, the management of the company is predicted to be family-based, at least in the beginning.

Last but not least, the opening hours of the wine shop should be mentioned. From the observation, the company knows that there is no need to open early in the morning because people do not buy wine on their way to work, which seems logical. The plan is to open at around 10.00 and close at 18.00, as the company sees the highest potential in these opening hours. People usually buy wine on their way home after work, which is between 14.00 to 17.00 o'clock. However, some people buy products or go shopping between 11.00 to 12.00 o'clock, when they have their lunch break, to not waste time on their way home. The last segment of people are potential customers who do not have time because they finish lately or just their work is exhausting, and they do not have the mood to go shopping after work, and for them, the wine shop offers wine delivery, which the company plans to carry on after the closing hours, the estimated time period is between 18.00 to 20.00 o'clock. On Fridays and Saturdays, the shop will have longer opening hours and close at 22.00. On Sundays, the wine shop will be closed.

6.8 APPENDICES

In this section of the business plan, I am delighted to reveal the logo of the wine shop that will represent the company in the future. Whereas the logo is created by the professional in this field, the company believes that the logo will help the company to diversify from others.



Figure n.4 – Company's Logo (author: D. Truxa)

7 FINANCIALS

In the last section of the business plan for a wine shop establishment, the owner would like to describe the starting budget, ways of financing, or the optimistic, realistic, and pessimistic versions of the future evolution of a wine shop, plus the ROI indicator calculation as last. The prices of the goods are also going to be revealed in this final part of the thesis.

7.1 START-UP MONEY

Since the owner has around 300,000 Czech crowns in cash available, this is the money he has been saving since he left primary school and had his first part-time job. Needless to say, that the financial support from his parents is significant. The intention is to start the business without any loans or debts. In case some more money will be needed, the owner's family promised to help the owner with the financial injection that he will have to repay in the future, but the help is without an interest rate, which is more affordable than borrowing money from a bank.

START-UP BUDGET	
Rent (3 months in advance)	30,000
Reconstruction (painting)	20,000
Furniture	60,000
Equipment (car included)	100,000
License and fees	3,000
Stocks	50,000
Website and advertisement	33,654
TOTAL	296,654

Table n.1 – Start-up Budget (author: own creation)

As it is visible from the table above, the start-up budget, which was set at 300,000 Czech crowns, is nearly gone, but in case of some features from the table, the prices could change as the cost are still going up and down, the same as the prices of workers. It is not excluded that the wine shop will buy a car a bit cheaper than expected or when there will be a need to save some money. The owner is willing to insert his own car into the business to lower the expenses. The row which defines the reconstruction has only a limited budget of around 20,000 Czech crowns because the future premises are the past restaurant, so toilets and sinks are included, and the owner does not feel a need to change them. The only thing that must be done is painting to improve the inside space of premises.

7.2 BACK-UP PLAN

Although the owner's family promises to help the owner in the unpleasant situation, the owner also created a back-up plan to support the operations of the wine shop. The plan in case of an insufficient amount of money is to take a loan from a bank. The owner sees the interest rate of around 3.9 % from an Air Bank as the most plausible one. If the owner borrows the sum of 100,000 Czech crowns with an interest rate mentioned above and a monthly payment of around 4,500 Czech crowns, the sum should be repaid in 24 months.

From the owner's point of view, under these circumstances of a loan, it is worth undergoing the process of debt to support the operation of the company, as the sum of the 4,500 Czech crowns is possible to be taken from the owner's wage to be paid. For example, the owner will not earn net 28,000 Czech crowns, but only 23,500 after a repayment deduction.

7.3 OWNER'S SALARY COSTS

Whereas the wine shop is a start-up company, the vision for the future is to have one stable employee, who will be the owner of the wine shop, at least at the beginning of the business process, to lower the expenses and the salary costs. The only and possible workers to be hired are people on an agreement to complete a job, but the idea about them is going to be introduced in the next section. The owner, as the only employee, would like to have his salary circa 35,000 Czech crowns.

The owner's salary (monthly)	
Tax Base	35,000
Tax Before Discounts	5,250
Tax Deduction	2,320
Tax	2,930
Tax Allowances for Children	0
Social and Health Insurance (employee)	3,850
Social and Health Insurance (employer)	11,830
Net Salary	28,220

Table n.2 – The Owner's Salary (author: own creation)

The owner's salary was set at 35,000 Czech crowns, which is slightly over 28,000 as the net income. The number was chosen intentionally as the average salary in the Czech Republic was in the third quarter of the year 2020 between 31,183 to 35,402, and the average increase was fluctuating between 1.5 to 2.0 % (czso, 2020).

From the company's perspective, the most important number is the number of the overall expenses per one particular employee, and that is calculated as follows, the tax base times the coefficient 1.34, which stands for 34 % (25% health insurance + 9 % social insurance) that the company has to pay for the employee, and after this process, we get a number of 46,900 Czech crowns.

7.4 SIDE SALARIES COSTS

It is not possible to care about all the business and the shop or stock without help. The owner would like to hire a maximum of three, in a situation of need and an affirmative financial situation four employees on an agreement to complete a job which is limited by 300 working hours per year.

According to a company's calculation, it is enough to have three employees on an agreement to complete a job, as one employee could work 25 hours per one month (300 divided by 12 months). If then 25 hours are multiplied by three employees, it is 75 hours, and the wine shop is daily open for 8 hours, so these three employees will cover rounded nine working days per month, and the owner will cover the rest.

An Agreement to Complete a Job Salaries (monthly)		
Employee n.1	24 (h) x 120	2,880 + gratuity
Employee n.2	24 (h) x 120	2,880 + gratuity
Employee n.3	24 (h) x 120	2,880 + gratuity
TOTAL	72 (h)	8,640

Table n.3 – An Agreement to Complete a Job Salaries (author: own creation)

The salary per hour was set at the sum of 120 Czech crowns, as is an average number which is paid to the part-time job workers in the area of Uherský Brod and surroundings. Plus, the owner included the gratuity into the wage per hour as a benefit, so the final number that an employee could earn is not 2,448 (after 15 % tax deduction) but could be even higher. The sum that an employee will receive after a day at work would be much higher with additional money from the customer's gratuity. The number 2,448 was calculated as follows, 2,880 minus the 15 % tax, which creates the number 432, the final number 2,448 is then paid off to the employee at the end of the month. The overall tax paid for three employees on an agreement to complete a job is 1,296 Czech crowns.

7.5 PRICES OF PRODUCTS

It is complicated to define prices, or even estimate, for the prices are continually changing, and there are also several factors that can affect the prices, as demand, the amount of company's consumption, climate changes, etc. The actual price per litre of cask wine is between 35 to 45 Czech crowns. The usual selling price is between 75 to 90 Czech crowns, meaning that the additional charge is nearly 100% per one litre.

In the event of bottled wine, the prices are individual, and it depends on how expensive and quality wine the shop wants to sell. According to the unnamed source (the owner of a wine shop in a different area), the basic buyer is able to buy a bottle of tolerable or first-quality wine at a price between 150 to 250 Czech crowns per 0.7 l bottle of wine. Again, the additional charge could be 100% percent, possibly a bit higher, depends on the buying price that the company will negotiate. The same example is with home producers from whom the wine shop would like to buy products as honey, sausages, cheese, home-made pastry, and beer from small family breweries in the area of Moravia. The owner does not want to lie about the prices as the prices are not fixed, and the exact prices are not to be found on the internet, or if the prices are there, they contain additional charge, so they are misleading.

7.6 BREAK-EVEN POINT (BEP)

Taušl Procházková and Jelínková (2018, 49-51) see the Break-Even Point, as one of the most fundamental analytical tools, which could be extremely helpful to the owner at the beginning of a business process. In the Czech, this phenomenon is known as "Bod zvratu", this point shows when the company will reach a balanced economic result and how much of a product or service the company must sell to achieve this particular point. By balanced result, the authors mean the point when all costs are covered, and since that point, every penny is a company earning.

The Break-Even Point is defined by the formula, which considers three main factors and they are, fixed costs, selling price, and variable costs per one unit. The formula is defined as $BEP = \text{Fixed costs} / (\text{selling price} - \text{variable costs})$.

FIXED COSTS PER MONTH	
Rent	10,000
Wages	55,540
Down Payments (water, energy, heating)	6,000
Internet + Mobile	1,000
Insurance	1,000
Webhosting	40
TOTAL	73,580

Table n.4 – Fixed Costs Per Month (author: own creation)

The table above shows the predicted fixed costs per month. To be able to calculate the Break-Even Point, the fixed costs need to be defined. The selling price was set between 75 to 90 Czech crowns, based on the type of wine, but for the calculation, the number somewhere in between these two numbers will be taken, and the rounded number is 83 Czech crowns per one litre of cask wine. The variable costs can include the price of logistics, packaging materials, energy, all costs that are continually changing with the amount of produced goods. These costs are going to be calculated in a similar way as the price is set between 35 to 45 and the number in between is 40.

Fixed costs = 73,580

Selling price = 83

Variable costs = 40

BEP = Fixed costs / (selling price – variable costs)

BEP = 73,580 / (83 – 40)

BEP = 1,711.16 litres of wine

The number, which is rounded to 1,711 litres of cask wine, may look excessively high, considering that the wine shop is open six days a week, which equals twenty-four days a month. The final number per day is not that pessimistic.

When we use the formula, which says – 1,711 / 24 = 71.29 litres of cask wine per day. More profoundly, the number of litres that is circa 71.29 could be divided by the average amount of litres that one person buys during one buying session. One person usually buys around two litres of wine, which means 71.29 / 2 = 35.6 people per day have to buy at least 2 litres, and this number now seems realistic. At this moment, the talk is only about litres of cask wine and not about the other products, since the number of sold bottles of wine, or

decilitres of wine drunk at indoor seating is hardly predictable for somebody who does not have much experience in customers buying behaviour.

7.7 EVALUATION OF PROFIT/LOSS

The evaluation of profit and loss is going to be calculated from the litres of cask wine needed to achieve to particular profit per month. The owner prepared the three versions of a possible development of the company, and versions are pessimistic, realistic, optimistic.

PESSIMISTIC VERSION – WINE PER MONTH	
Fixed Costs	73,580
Variable Costs	67,200
70 (l) Per Day	139,440
TOTAL	-1,340

Table n.5 – Pessimistic Version Wine (author: own creation)

In the pessimistic version, the company counts with fifty litres of cask wine sold every day, and as it is visible, the total number is negative, but it is worth mentioning that this table deals only with selling cask wine and no other products that will be available at the wine shop. Nevertheless, this situation could arise again in this Covid-19 pandemic when the indoor seating must be closed, and customers are not allowed to sit inside the building. Overall, this situation is not acceptable for the company, as the wine shop does not make a profit. The number 139,440 is the sum we get when the number of litres per day is multiplied by twenty-four opening days, this process equals 1,680 litres with an average profit from one litre, which is 83 Czech crowns. We get the final number above.

REALISTIC VERSION – WINE PER MONTH	
Fixed costs	73,580
Variable Costs	96,000
100 (l) Per Day	199,200
TOTAL	+29,620

Table n.6 – Realistic Version Wine (author: own creation)

The realistic version counts with 100 litres of wine sold every day, and in this stage, the wine shop is profitable, and the profit is not harmful as in the previous version. The owner believes that this version is possible to reach during the shop's operations, as one hundred litres equals around fifty people averagely buying two litres of wine during their visit of the shop or ordering the wine through the ordering system. The number 199,200 was calculated similarly to the number 139,440 above. Briefly, the steps are 100 (l) times 24 opening days,

equal to 2,400, and this number is multiplied by the average price per litre, which is 83 Czech crowns.

OPTIMISTIC VERSION – WINE PER MONTH	
Fixed Costs	73,580
Variable Costs	124,800
130 (l) Per Day	258,960
TOTAL	+60,580

Table n.7 – Optimistic Version Wine (author: own creation)

The optimistic version of the revenue looks tempting, but it will be highly complicated to earn over 60,000 Czech crowns per month only through selling the cask wine. The owner believes that this number is possible to be reached if the indoor seating and the other product selling will support the earnings. Needless to say, that the future is hardly predictable, although the owner and stakeholders believe in hard work and see the bright future for the company if all interested people will do their best to support the further development, there will not be a problem to reach the profit of over 60,000 Czech crowns in the future.

7.8 PROFITABILITY ASSESSMENT

Three possibilities of the likely development of sales show that two variants are acceptable for a company, as the monthly incomes of realistic and optimistic version are not negative, and at the end of a year they finish in the plus. On the other hand, the pessimistic version ends with a slightly negative number at the end of every month, and when the wine shop deducts the value of initial costs and fixed costs, the number is way negative at the end, and that is not something the company can build on. However, one year similar to the optimistic version and, the debt could quickly disappear.

During the realistic version, the company will generate a profit in the first year, as the overall annual profit is 355,440, counted as 29,620 times 12 months, and the initial costs are 296,654. Therefore, the overall number is 88,786 Czech crowns, calculated as $355,440 - (296,654 - 30,000) = 88,786$. The sum of 30,000 is deducted to avoid a double payment as in the initial costs the sum is already covered.

7.9 ROI INDICATOR

The ROI indicator is an indicator that shows the return of our investment into the business. Usually, the number is expressed by percentage. ROI is also seen as a clear indicator of investment efficiency (managementmania.com, 2019). ROI is calculated as:

$$ROI = (Gain\ from\ investment - costs\ of\ investment) / (cost\ of\ investment) * 100$$

The costs of investment include the value of registered capital. For the calculation process, an optimistic version was chosen as the version appears to have a positive percentage of ROI at the end. The registered capital is set on 300,000 Czech crowns. The revenue per whole year is 726,960 Czech crowns as the calculation process is the same as above. The sum of 60,580 is multiplied by 12 months.

$$ROI\ (Optimistic) = (726,960 - 300,000) / (300,000) * 100 = \underline{142.32\ \%}$$

The calculation above says that our initial investments will be fully repaid after the first year of the company's operations. The rounded number expressed in percentage is 142 %.

8 RISK ASSESSMENT

As was said before, in the Uherský Brod and surroundings area, there is not a significant level of competition. However, one strong competitor controls the market, increases the prices of the sold good over the years but does not have any kind of service for customers as delivery or even some loyal programs for customers who are regularly coming back to the shop. Václav's wine shop used to have these loyalty cards a few years ago as the wine shop was trying to catch the customer's attention. However, now as the shop gained a significant market share, the cards and all the sales or loyalty actions disappeared. The findings which support the claim are marked in the text above, supporting the claim that the shop does not feel the competitive environment in this area.

In this part, which is slowly coming to an end of the thesis, an author feels a need to reveal the SWOT analysis, which will provide the reader with several different factors from each section of this analysis from both internal factors and external factors, which can affect the future of the wine shop.

8.1.1 SWOT analysis

S – Strengths	W – Weaknesses
New services, enough customers in the area	Unknown brand
Home-made products, location	Little experience
Indoor seating, Degustation of wines	Narrow staff
O – Opportunities	T – Threats
Gap in a market (low number of competitors)	The strongest competitor could lower the prices
Creation of outdoor seating in the summer	The third wave of Covid-19 pandemic
Increase in wine consumption	Customer's ability to change a mindset

Table n.8 – SWOT Analysis (author: own creation)

The SWOT analysis reveals quite a large number of strengths. On the other hand, there are also weaknesses that the company does not have to underestimate. For example, a little experience could be seen as a weakness, although all experienced entrepreneurs had to start once, and nobody knows everything at the beginning of the business process. From the opportunity section, the possibility of creating outdoor seating seems like the biggest opportunity as the competitors do not have any, and the gap could also be found, for there are only three competing wine shops in the area of Uherský Brod. None of them have indoor seating or the possibility to create outdoor seating, even the ordering system with delivery. According to the Czech Agrarian Chamber, the consumption boom in the industry is

noticeable, and the average consumption of wine increased from 18.9 litres per one citizen to 19.6 litres. These numbers are based on the statistics from the Czech Statistical Office (akcr.cz, 2018). The most significant threat is the threat that the strongest competitor will intentionally lower the prices to get rid of our company, insomuch as the competitor who takes a larger quantity of wine from wine producer is possible to achieve a lower buying price per litre of wine, and sell the cask wine cheaper. The last threat which is worth mentioning is a customer's ability to change a mindset, in this case, the company is talking about people who are not able to try new things or simply do not want to change the shop where they buy the products, simply because they are too loyal to try to change the shop.

This threat is closely connected to the older generations like Generation X or Baby boomers. These generations are the most loyal buyers, who are not likely to change the shop, even because of the price of the products, when the difference is not significant. That is why these customers are hard to obtain because they do not care much about the other options. The generation X is more likely to change their buying behaviour when they receive a clear and classic reward or sale, for example, the old tested system which says "buy 9 litres and the 10th is for free", the old saying "less is more" works here well (Davis, 2019).

8.2 PANDEMIC PLAN

There is a possibility of a third wave of a Covid-19 pandemic. For this case, the wine shop has the vision to sell products online via an online ordering system that will be available on the website, the idea about this system was described in the sections above, plus the company plans to continue with product delivery and to have a dispensing window if the government will give companies this opportunity again. Naturally, indoor seating will have to be closed, which means the reduction of incomes, but the company believes that the ordering system, product delivery, and the dispensing window will be enough to keep the company alive during the third Covid-19 pandemic situation. The situation of the workers on the agreement to complete a job is complicated as the company will have a closed indoor seating, their help will not be needed, or maybe one worker will remain and be helping an owner with product packaging or in the event of need, the worker could help with the product delivery. This dismissal means that the company will save two salaries of workers on an agreement to complete a job, which is 5,760 Czech crowns, and that amount of money is not negligible.

CONCLUSION

This bachelor's thesis covered the whole process of developing a business plan for a wine shop. The plan aimed to find out the potential profitability and prove the ability to join the market. The wine shop will be established by the author of the thesis, and the business form of the company is going to be a limited liability company with the capital of 300,000 Czech crowns.

The bachelor's thesis contains the theoretical part and the practical one. The theoretical part deals with the process of establishing the company and explains the basic terms that are closely connected to the business field. In the theoretical part of the thesis, an author detailedly explained the most important terms as the description of an entrepreneur, the definition of the enterprise, and the types of businesses that are legal in the Czech Republic. The practical part presents the business plan itself. The business plan for a wine shop establishment with outlined financial resources demanded for a start and the program how the entrepreneur plans to cover them.

In the thesis, a reader could also find several different analyses, as SLEPT analysis, Porter's model of five forces, 4P, and 4C analyses, or even the most fundamental analysis as SWOT analysis is included in the thesis. The business plan (chapter 6) itself contains all the parts defined in the theoretical part in order to adhere to the structure defined at the beginning of the thesis. This part is followed by the chapter called "Financials" in this part, the author outlined the possible future development, salary costs, the number of employees needed to start the business, and lastly, the Break-Even Point and three possible versions of the company's development were released.

Overall, the project has the potential to be successful. The realistic and optimistic version of the future development showed that there are the right foundations on which the company could build on. However, the pessimistic version presents that only selling the cask wine without using the indoor seating could mean existing problems for the company, or the need to lower the fixed costs by dismissing the workers who are on an agreement to complete a job.

The business plan also has its limits as the lack of information about the prices of wine shared by the suppliers, for the prices could be individual and also depend on how many litres of wine the shop is going to take from a supplier. Another limitation was the complicated process of obtaining information about radio advertisement's prices because a large number of radio stations are not willing to reveal the accurate prices.

BIBLIOGRAPHY

- Abrams, Rhonda. 2014. *Successful Business Plan: Secrets & Strategies*. Palo Alto, CA: PlanningShop.
- Červený, Radim, et al. 2014. *Business plán: Krok za krokem*. Prague: C. H. Beck.
- Česko, 2014. *Občanský Zákoník: Zákon o obchodních společnostech a družstvech (Zákon o Obchodních korporacích) ; Zákon o mezinárodním a soukromém právu ; úplná znění*. Olomouc: Anag Publishing.
- Čvančarová, Zuzana. 2007. *Podniková Ekonomika A*. Ostrava: VŠB – Technická univerzita Ostrava.
- Finch, Brian. 2010. *How to Write a Business Plan*. London: Kogan Page.
- Hisrich, Robert D., Michael P. Peters, and Dean A. Shepherd. 2017. *Entrepreneurship*. New York, NY: McGraw-Hill Education.
- Hyršlová, Jaroslava, and Jiří Klečka. 2008. *Ekonomika podniku*. Prague: Vysoká škola ekonomie a managementu.
- McKeever, Mike. P. 2016. *How to Write a Business Plan*. Berkley, CA: NOLO.
- Mulač, Petr, and Věra Mulačová. 2007. *Podniková ekonomika*. České Budějovice: Vysoká škola technická a ekonomická.
- Mulačová, Věra, and Petr Mulač. 2013. *Obchodní podnikání ve 21. století*. Prague: Grada Publishing
- Pauknerová, Daniela, et al. 2012. *Psychologie pro ekonomy a manažery*. Prague: Grada Publishing.
- Shelton, Hal. 2017. *The Secrets To Writing A Successful Business Plan: A Pro Shares A Step-ByStep Guide To Creating A Plan That Gets Results*. Rockville: Summit Valley Press
- Srpová, Jitka, et al. 2011. *Podnikatelský plán a strategie*. Prague: Grada Publishing.
- Srpová, Jitka, and Václav Řehoř. 2010. *Základy podnikání, teoretické poznatky, příklady a zkušenosti českých podnikatelů*. Prague: Grada Publishing.
- Synek, Miloslav, and Eva Kislingerová. 2015. *Podniková ekonomika*. Prague: C. H. Beck.
- Švarcová, Jena. 2019. *Ekonomie stručný přehled: teorie a praxe aktuálně a v souvislostech*. Zlín: CEED
- Taušl-Procházková, Petra, and Eva Jelínková. 2018. *Podniková ekonomika – klíčové oblasti*. Prague: Grada Publishing.

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

Vochozka, Marek, and Petr Mulač. 2012. *Podniková ekonomika*. Prague: Grada Publishing.

Zámečník, Roman., Zuzana Tučková, and Petr, Novák. 2008. *Podniková ekonomika I*. Zlín: Tomas Baťa University.

ONLINE SOURCES:

AKCR.cz. "AK ČR – Agrární komora České republiky." Accessed March 4, 2021.

<http://www.akcr.cz/>

BusinessInfo.cz. 2019. "Paušální daň pomůže mnoha živnostníkům, ale nebude výhodná pro všechny." Accessed March 20, 2021.

<https://www.businessinfo.cz/clanky/pausalni-dan-pomuze-mnoha-zivnostnikum-ale-nejbude-vyhodna-pro-vsechny/>

Česká televize. 2021. "Rok s epidemií: Lídé hůř jedí a víc konzumují alkohol, začali ale naopak šetřit." Accessed February 11, 2021.

<https://ct24.ceskatelevize.cz/domaci/3265822-rok-s-epidemii-lide-hur-ji-a-vic-konzumuji-alkohol-zacali-ale-naopak-setrit>

Český statistický úřad. 2020. "Průměrná mzda ve Zlínském kraji ve 3. Čtvrtletí 2020." Accessed February 18, 2021.

<https://www.czso.cz/csu/xz/prumerna-mzda-ve-zlinskem-kraji-ve-3-ctvrtleti-2020>

Český statistický úřad. 2020. "Průměrné mzdy – 3. čtvrtletí 2020." Accessed February 15, 2021. <https://www.czso.cz/csu/czso/cri/prumerne-mzdy-3-ctvrtleti-2020>

Český statistický úřad. 2016. "Věkové složení obyvatel v okrese Uherské hradiště." Accessed February 15, 2021.

https://www.czso.cz/csu/xz/vekove_slozeni_obyvatel_v_okrese_uherske_hradiste

ČTK. "Deloitte: HDP ČR po propadu o sedm procent letos stoupne o 2,8 %" [ceskenovinky.cz](https://www.ceskenovinky.cz). Accessed March 15, 2021.

<https://www.ceskenovinky.cz/zpravy/deloitte-hdp-cr-po-propadu-o-sedm-procent-letos-stoupne-o-2-8-/1983218>

<https://www.ceskenovinky.cz/zpravy/deloitte-hdp-cr-po-propadu-o-sedm-procent-letos-stoupne-o-2-8-/1983218>

Davis, Brad. 2019. "How Brand Loyalty Differs Between Each Generation." Accessed March 3, 2021.

<https://stampme.com/how-brand-loyalty-differs-between-each-generation/>

- Ecovislegal.cz. 2020 “Doing business without a trade license in Czech Republic in 2020”
Accessed November 15, 2020.
<https://www.ecovislegal.cz/en/czech-legal-news/doing-business-without-trade-licence-in-czech-republic/>
- Epravo.cz. 2016 “Občanské sdružení versus spolek dle nového občanského zákoníku”
Accessed November 20, 2020.
<https://www.epravo.cz/top/clanky/obcanske-sdruzeni-versus-spolek-dle-noveho-obcanskeho-zakoniku-100418.html>
- Frolová, Irena. 2020. “NEZAMĚSTNANOST: Ve Zlínském kraji ubylo nezaměstnaných”
zlin.cz. Accessed March 15, 2021.
<https://zlin.cz/zpravy/nezamestnanost-ve-zlinskem-kraji-ubylo-nezamestnanych/>
- Frue, Keisha. 2020. “PEST Analysis Ultimate Guide: Definition, Templates, Examples.”
Accessed December 15, 2020. <https://pestleanalysis.com/pest-analysis/>
- Kovanda, Lukáš. 2020. “Vláda už začíná mluvit o zvyšování daní, zatím jen těch z
“neřestí”. V příštích letech ale přijde na vznik zcela nových daní, růst daní z
pohonných hmot, nemovitostí či na zvýšení DPH” kurzy.cz. Accessed February 5,
2021. [https://www.kurzy.cz/zpravy/555661-vlada-uz-zacina-mluvit-o-zvysovani-dani-
zatim-jen-tech-z-neresti-v-pristich-letech-ale-prijde/](https://www.kurzy.cz/zpravy/555661-vlada-uz-zacina-mluvit-o-zvysovani-dani-zatim-jen-tech-z-neresti-v-pristich-letech-ale-prijde/)
- Lidovky.cz. “Vinaři letos vyrobili rekordní množství růžových vín, jejich obliba roste.”
Accessed March 15, 2021.
[https://www.lidovky.cz/relax/zajimavosti/roste-obliba-ruzovych-vin-vinari-jich-
vyrobili-rekordni-mnozstvi.A180710_113724_In-zajimavosti_ape](https://www.lidovky.cz/relax/zajimavosti/roste-obliba-ruzovych-vin-vinari-jich-vyrobili-rekordni-mnozstvi.A180710_113724_In-zajimavosti_ape)
- Managementmania.com. 2016. “Marketingový mix 4C.” Accessed December 22, 2020.
<https://managementmania.com/cs/marketingovy-mix-4c>
- Managementmania.com. 2019. “Marketingový mix 4P.” Accessed December 20, 2020.
<https://managementmania.com/cs/marketingovy-mix-4p>
- Managementmania.com. 2019 “Rentabilita, návratnost investice – ROI.” Accessed March
20, 2021. <https://managementmania.com/cs/rentabilita-investic>
- Managementmania.com. 2018. “Řízení rizik.” Accessed December 25, 2020.
<https://managementmania.com/cs/rizeni-rizik>.
- Managementmania.com. 2018. “Segmentace trhu a zákazníků.” Accessed March 20, 2021.
<https://managementmania.com/cs/segmentace-trhu>
- Managementmania.com. 2016 “Výkaz zisků a ztrát.” Accessed December 28, 2020.
<https://managementmania.com/cs/vykaz-zisku-a-ztrat>.

Mediaguru.cz. 2016 “Poslechovost: Rádiové pořady, které vládnou éteru.” Accessed March 3, 2021.

<https://www.mediaguru.cz/clanky/2016/07/poslechovost-radiove-porady-kttere-vladnou-eteru/>

Muj-pravnik.cz. “Založení drustva.” Accessed November 20, 2020.

<https://muj-pravnik.cz/zalozeni-druzstva/>

Musil, Dalibor. 2016. “Podnikání – představy vs realita.” Accessed November 5, 2020.

<https://dalamusil.com/podnikani-predstavy-vs-realita>

Podnikatel.cz. “2. vlna povinných subjektů k EET.” Accessed February 22, 2021.

<https://www.podnikatel.cz/pruvodce/elektronicka-evidence-trzeb/povinne-subjekty-k-eet-v-druhe-vlne/>

Zalozeni.cz. 2020. “Jak založit s.r.o. – 8. Zakladatelsá listina respektive společenská smlouva.” Accessed November 25, 2020.

<https://www.zalozeni.cz/clanky/jak-zalozit-sro/zakladatelska-listina-respektive-spolecenska-smlouva/>

Zakonyprolidi.cz. “Zákon č.90/2012 Sb. Zákon o obchodních společnostech a družstvech.” Accessed November 20, 2020.

<https://www.zakonyprolidi.cz/cs/2012-90?text=dru%C5%BEstvo>

Zakonyprolidi.cz. “Zákon č.77/1997 Sb. Zákon o státním podniku.” Accessed March 31, 2021. <https://www.zakonyprolidi.cz/cs/1997-77>

Zakonyprolidi.cz. “Zákon č.455/1991 Sb. Zákon o živnostenském podnikání (živnostenský zákon).” Accessed April 10, 2021.

<https://www.zakonyprolidi.cz/cs/1991-455>

List of abbreviations

TBU	Tomas Baťa University
§	Paragraph Mark
Coll.	Collection
SUB	Strategic business unit
EET	Electronic Evidence of Purchases
CCA	Cause-Consequence Analysis
ETA	Event Tree Analysis
CLA	Checklist Analysis

LIST OF FIGURES

Figure n.1 – The Number of Citizens in Uherské Hradiště District (accessed from czso.cz)	42
Figure n.2 – The Location of Main Competitor (accessed from mapy.cz).....	47
Figure n.3 – The Possible Locations for a Shop (accessed from mapy.cz).....	51
Figure n.4 – Company’s Logo (author: D. Truxa).....	59

LIST OF TABLES

Table n.1 – Start-up Budget (author: own creation).....	60
Table n.2 – The owner’s Salary (author: own creation).....	61
Table n.3 – An Agreement to Complete a Job Salaries (author: own creation).....	62
Table n.4 – Fixed Costs Per Month (author: own creation).....	64
Table n.5 – Pessimistic Version Wine (author: own creation).....	65
Table n.6 – Realistic Version Wine (author: own creation).....	65
Table n.7 – Optimistic Version Wine (author: own creation).....	66
Table n.8 – SWOT Analysis (author: own creation).....	68