

A Business Plan for Gardavsky Scarfs

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ABSTRAKT

Dle daného formátu se tato bakalářská práce dělí na část teoretickou a praktickou. Část teoretická obsahuje především základní pojmy a jejich vysvětlení, vybrané postupy a další praktické pomůcky. Z této části pak čerpá navazující část druhá - praktická, kde je dále zpracován průzkum trhu formou kombinovaných technik marketingového výzkumu, především kvalitativního charakteru. Je zde určena cenová citlivost produktu, vyhodnocení hlavních cenových kategorií v odvětví a zařazení daného produktu do vhodné cenové kategorie. Dále následuje podrobný popis značky a produktu v další návaznosti na cíl této práce, kterým je zpracování podnikatelského záměru, zmapování konkurenčního prostředí v odvětví a prosazení produktu pomocí specifických marketingových nástrojů a možností propagace. Tímto produktem jsou originální autorské šátky s širokým spektrem využití.

Klíčová slova: podnikatelský plán, podnikatelský záměr, podnik, podnikání, podnikatel, marketingový mix, cílový trh, tržní prostředí, marketingový výzkum, průzkum trhu, nasycenost trhu, marketingové strategie, proniknutí na trh, způsoby propagace, šátek, šátky

ABSTRACT

According to given format, this Bachelor Thesis is divided into the theoretical and practical part. Above all, the theoretical part contains crucial terms and their explanation, following with chosen procedural rules and other practical aids. The second part is based on the theory given in the first one, starting with rather qualitative research based on a combination of marketing research techniques. Price sensitivity of a product is hereby defined along with evaluation of main price categories in the industry and the given product is fitted within the suitable price category. In addition, there is the accurate description of the brand and product. The ultimate goal of this thesis follows. Providing a business scheme, revealing the competitive environment in the industry, claiming the position on the market by using specific marketing tools and promotion possibilities are the key elements to be fulfilled. Original authorial scarves of a multifunctional use are the crucial product.

Keywords: business plan, business scheme, enterprise, entrepreneurship, entrepreneur, marketing mix, target market, market environment, marketing research, market saturation, marketing strategy, market penetration, ways of promotion, scarf, scarfs, scarves

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

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INTRODUCTION

Choosing this type of thesis has been done on purpose. One might logically assume, when studied English for Business Administration there is no better subject than business plan. The point that must be made, is that Gardavsky Scarfs as a venture has been nurtured and pondered by the author for a very long time already. The attempt finally escalated in deeper studies of the problematic and legal issues of entrepreneurship along with vast rules and necessities of business and its planning.

The profound market research must be made in order to outline a clear and fitting position for Gardavsky Scarfs that might be claimed on either Czech or International market. The various segments of customers and their buying behaviour are yet to be revealed. These segments will be evaluated and recommendations severed.

The author has decided to undertake a combined marketing research technique in order to get the most clear idea about the product price sensitivity and other various features according to each targeted segment. Searching through vast supply of different product price categories along with a survey of 9 questions will be combined together in order to yield a maxim amount of data.

The key product to penetrate the market is a Psychedelic Scarf designed by the author of this thesis. This product already has its segment of customers, those are all who have experienced psychedelics or the extension of mind. This segment could hardly be defined, the less studied and evaluated. There is another question though concerning these scarves. How would a larger segment of potential customers percept them and respond on them? There are many more other questions waiting to be answered.

In order to outline most effective positioning of the product, choosing the best promotional channels and mapping the industry, the given structure of a business plan should serve as a perfectly tailored suit for the competitive market environment. The aim of this thesis is to find strengths and weaknesses of Gardavsky Scarfs and help embracing its product along with defining strategic positions and best ways of promotion.

I. THEORY

1 ENTREPNEURSHIP, ENTREPRENEUR, ENTERPRISE

1.1 Entrepreneurship

In the middle of the 20th century, the economists seriously attempted to incorporate entrepreneurship into their models. Yet, their definitions could be seen as inconsistent and always evolving, the concept of an entrepreneur existed and was known for centuries. Entrepreneurs but not just companies were responsible for the creation of new things in the search of profit. They move various resources, promote capital formation, assume the risk, consistently reveal knowledge, create social change, break tradition, etc.

Entrepreneurship is a critical driver of innovation and economic growth. It poses high-risk, but also can be high-reward as it serves to generate economic wealth, growth, and innovation. Some think of entrepreneurship as a process that led to discovery (Hayes 2020).

Several conditions of entrepreneurship can be explained in further understanding:

- **constancy** - the activities should be taken repetitively and regularly, rather than occasionally.
- **autonomy** - Entrepreneur as a natural person acts on his/ her behalf, whereas legal person acts through its statutory body.
- **own name** - Entrepreneur as a natural person takes all legal actions under his own name and surname, whereas legal person uses its title (business name).
- **own responsibility** - Entrepreneur (both legal and natural person) takes all the risks of its operating activities.
- **gain profit** - The intention of all activities is to gain a profit, although the profit does not necessarily have to be obtained (Srpková and Řehoř 2010, 20).

1.2 Entrepreneur and it's Legal Forms

Entrepreneur is the creator of business. It is an individual who bears most of the risks and enjoys most of the rewards. Entrepreneur is an innovator, a source of new ideas, goods, services and business or procedures.

A market is dependent on new good ideas brought by the entrepreneur who plays a key role in every economy, who uses the skill and initiative necessary to anticipate needs of the market. All in all, an entrepreneur could be seen as a coordinating agent in a capitalist economy. In order to promote capital formation, the entrepreneur moves various

recourses, tangible and intangible. “In technical economic terms, the entrepreneur disrupts course toward steady-state equilibrium.” (Hayes 2020).

The entrepreneur could be described as:

- a) a person registered in the Commercial Register,
- b) a person operating a business under a business licence,
- c) a person operating a business under different specific legislation and other certificates, rather than a business licence,
- d) a person operating in an agricultural industry or manufacture who is registered under specific legislation (Businesscenter 2020; Veber and Srpová 2008, 69).

In Czech Republic, an entrepreneur can choose from two general legal forms of different specifics and a different tax rate. The tax rate for the Natural person is 15 %, whereas the tax rate for the Legal person is 19 %. The taxable acquisitions are: income and revenues from all business connected activities and asset management (Mečířová 2019).

1.2.1 Natural Person

Natural person is an individual autonomously running a business under his/ her own name and own responsibility. Natural persons are registered in the Commercial Register based on their own will, or they are obliged to do so under the circumstances stated in the Commercial Code. Several natural persons can act as one (associations of natural persons) but their joint name is not a business name. No legal entity is being established this way (Veber and Srpová 2008, 69; Cs.glosbe 2020). Although, the associations of natural persons are obliged to fulfil their commitments incurred during their business activities jointly and severally (Businesscenter 2020; Cs.glosbe 2020).

A Sole Proprietorship might be considered the default organizational form of Entrepreneurship. In most of the cases there is no need to apply for any permission in order to adopt this type of operation. There is only a fundamental need to register the business with the state and/or county. Business licence of a particular nature of the business shall be obtained. Along with preparing other remaining paperwork the business is ready to start. This type of organization consists of only one owner. The number of employees is not limited so far. The most dangerous aspect of the sole proprietorship might be the lack of personal liability protection. Some adverse action by the business can impact owner's personal affairs. In other words, a legal suit can end in a claim against own personal assets (Shelton 2017, 74–75).

1.2.2 Legal Person

“It is a legal fiction, which is used to abstract away the differences between natural persons, juridical persons and other entities such as countries.” (Cs.Glosbe 2020). According to the Czech Civil Code, Legal person is identified as a unit of organisation having a legal personality stated by the decision of law, or its legal personality is already recognized by the law (2012, §20/1, first sentence). The purpose of Legal person is a public or private intention.

Legal person can be established by the instrument of incorporation, by the law, by the decision of a public authority, eventually in other ways, stated in other legal regulation. The instrument of incorporation designates at least a business name, residence of the Legal person, object of activity, the statutory body of the Legal person and its establishment, if not stated by the law directly. It shall also determine first members of the statutory body. The written form of the instrument of incorporation is mandatory. Legal person shall arise on the date of entry in the public register (§122–126).

Legal personality is divided into:

- **Corporations** - made up of a personal component, namely associations, business corporations, trade unions, political parties and churches
- **Foundations** - made up of asset component, there are trusts and endowment funds
- **Institutes** - represent a connection between the asset and the personal component (Obcanskyzakonik.justice 2012).

The Corporations Act, also known as The Law on Companies, divides business corporations into trading companies and cooperatives. Trading companies are then divided into partnerships (an unlimited partnership and a limited partnership) and capital companies (a limited liability company and a joint-stock company).

The key characteristics of the Capital company is an equity participation of all shareholders. Their individual participation on the business management is not required.

Whereas the fundamental characteristics of the Partnership is an individual participation of all shareholders and their work for the company or managing the company, etc. Furthermore, there are European companies, European economic interest groupings and European cooperative societies (Kartusová 2019; Obcanskyzakonik.justice 2012).

1.3 Enterprises and their size

Business Dictionary provides two definitions of the enterprise:

1. It is a business or company

2. It is an entrepreneurial activity, especially when accompanied by initiative and resourcefulness (2020).

According to Srpová and Řehoř, the enterprise is generally explained as an entity in which inputs and outputs are being converted. They also mention several E. Gutenberg's features of the enterprise:

- Combination of production factors
- Principle of economy
- Principle of a financial equilibrium
- Principle of property ownership
- Principle of autonomy
- Profitability principle

There are small, medium and large size enterprises. Under the recommendation of European Commission, enterprises are divided into:

- **Micro enterprises** – up to 10 employees, 2 million EUR annual turnover and up to 2 million EUR of assets acquired,
- **Small-sized enterprises** – up to 50 employees, 10 million EUR annual turnover and up to 10 million EUR of assets acquired,
- **Medium-sized enterprises** – up to 250 employees, 50 million EUR annual turnover and up to 43 million EUR of assets acquired,
- **Large-sized enterprises** – more than 250 employees, 50 million EUR annual turnover and up to 43 million EUR of assets acquired.

Statistical Office of the European Union divides enterprises as:

- Small – up to 20 employees,
- Medium – up to 100 employees,
- Large – 100 and more employees.

The Czech social security administration recognises only two sorts of enterprises:

- Small organisations – up to 25 employees,
- Organisations – 25 and more employees (2010, 35–37).

“Small and mid-size enterprises (SMEs) are businesses that maintain revenues, assets or a number of employees below a certain threshold. Each country has its own definition of what constitutes a small and medium-sized enterprise (SME). Certain size criteria must be met and occasionally the industry in which the company operates in is taken into account as well.” (Liberto 2019).

2 THE SUCCESSFUL BUSINESS PLAN

Not just a plan but a successful plan is worth it. The main reason and a basic conceptual foundation of the business planning is to succeed and sustain the particular business thriving. In a modern and rapidly changing environment, it might be challenging and hard to come up with a well conceived plan. Long term needs of the business and devising strategies that enhance both: the overall performance of the company and personal satisfaction of the owner, might be the crucial elements of every successful plan.

“Planning isn't just what you do to go into business; it's what you have to do to stay in business.” (Abrams 2010, 3; 355). According to these claims, the process of planning as such, is an important factor of the successfulness. Abrams mentions following factors that should contribute the most to the success of the business and should guide the planning process (2014, 3):

- The Business Concept
- Understanding the Market
- Industry Health and Trends
- Clear Strategic Position and Consistent Business Focus
- Capable Management
- Ability to Attract, Motivate, and Retain Employees
- Financial Control
- Anticipating Change and Adaptability
- Company's Values and Integrity
- Responding to Global Opportunities and Trends

Another important attribute of a business plan is its dynamism. “A business plan is ever evolving. It is never finished, just as your business is not static. Your goals and approaches change as your business changes. A business plan is a necessary step but not a guarantee for obtaining funding” (Shelton 2017, 25; 30).

The process of creating a business plan could be very beneficial for the entrepreneur himself/ herself. Although, various investors have various requirements for the form and structure of the business plan. Some investors even demand the business plan to be made as short as possible, ideally in a form presentation, due to the lack of time. On the contrary, a bank might demand a vast number of other documents and information (Sprová et al. 2011, 14).

2.1 Goals

This might be considered as an important section of the plan in terms of the sustainability of the business. Hereby should be determined, where the particular business, entrepreneur or corporation (etc.) wants to go, and what the long term goals are. These Goals should clarify where and how are the revenues going to be captured, how are the sales revenue goals specified. along with a convincing argument and tangible support provided in a form of first prospects, sales pitch, competitive analysis, market awareness, etc. (Shelton 2017, 15).

The business plan should help the entrepreneur in order to answer several fundamental questions:

- What is the current position of the entrepreneur?
- What is the goal of the enterprise?
- How would the goal be achieved?

Therefore, the vision of the enterprise should be defined and where would it be in a certain time frame should be realised. This vision would than infer and determine goals of the business. Those goals should than be SMART (Sprová et al. 2011, 14; 18).

2.1.1 CSF, SMART Goal Strategy and Mission Statement

First abbreviation stands for the Critical Success Factors. These should be the three to five keys to success. They should be the most focused on and done right. Whereas, the SMART abbreviation stands for: Specific, Measurable, Action- Oriented, Realistic, Time-Framed or Time-Bound.

Mind tools server offers further explanation and a slightly different version of the SMART goal setting technique. In order to assure the goals clarity and accessibility, each one should be:

- Specific (simple, sensible, significant),
- Measurable (meaningful, motivating),
- Achievable (agreed, attainable),
- Relevant (reasonable, realistic and resourced, results-based),
- Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

SMARTER is a broader version of this technique having a little more extended meaning, the “ER” ending stands for Evaluated and Reviewed. Using this strategy helps setting all the steps, processes, actions, milestones and people responsible in fulfilling them. There must be a measurable action step for achieving every goal.

A Mission Statement outlines the purpose and direction of an organization and helps to guide through all decisions and actions. It does not contain any confidential information. Sharing these goals will facilitate getting others to engage and help. The Mission Statement is an important part of the Executive Summary (Abrams 2010, 249; Mindtools 2020; Shelton 2017, 17; 81).

2.1.2 Growing Towards Own Vision

Here are stated some possible visions, the company can be identified with (Abrams 2010, 250):

- Steady Provider,
- Innovator,
- Quality Leader,
- Market or Industry Leader,
- Niche Leader,
- International Market or Worldwide Market Seller
- Exploiter.

The goal should be clear and specific, otherwise the focus on efforts would be lost along with a true motivation of achieving it. Answering several “W” questions might help in order to clarify the goal and vision as such (Mindtools 2020):

- What do I want to accomplish?
- Why is this goal important?
- Who is involved?
- Where is it located?
- Which resources or limits are involved?

2.2 The Goal-Setting Plan

It might be wise to set goals both annually and periodically. Or at least in one of those methods. Abrams mentions several performance objectives to follow (2010, 356–357):

- Measurable
- Reasonable
- Time Specific
- Motivational

Goals should be measurable in order to track the progress and stay motivated. Assessing progress would help to stay focused, meet the deadlines and feel the excitement of getting closer towards achieving those goals (Mindtools 2020).

A measurable goal is best captured and identified in addressing these following questions from the Mind tools server (2020):

How much?

How many?

How will I know when it is accomplished?

Milestones setting is an important tool which helps to keep on track. It is a part of project management. According to Harned, they are considered powerful components in project management because they show key events and map forward movement in the project plan. He also describes a difference between a task and a milestone by answering following questions (2018):

- Is this a task or a deliverable?
- Will this impact the final deadline?
- Is this an important moment in the project that will indicate forward progress?
- Does this need to be reviewed by stakeholders?
- Is this an event that impacts the project?

Milestones are given additional significance over tasks in a plan so the tasks could be tracked and the forward progress could be focused on (Harned 2018).

2.2.1 Sales Processing Goals

Setting sales quotas should be: done for a specific period (month, quarter, year) and based on specific assessments like territory, product line and customer base. Sales quotas could be set in monetary figures or in the number of goods or services sold. Right tools and data are crucial in order to make important decisions.

CRM is a powerful tool in order to engage with prospects and organize contact information, manage sales and monitor the sales force. The activities that affect results should be controlled. By tracking contacts and responses, the rate of contact could be calculated and evaluated as types and amount of activities logged against a lead to qualifying it as an opportunity. Types of activities bringing desired results should be monitored in connection with the profile of an ideal customer and the target market.

Reaching sales goals would be a sign that the performance is at its best and the future growth is predictable (Kulbyte 2020; Abrams 2010, 167).

3 BUSINESSPLAN STRUCTURE

There are many various structures to be found. More or less, they are similar and follow the same rules such as logical manner, easy location of information, numbered pages, fluency and well organised coherent and cohesive text (Shelton 2017, 48–49; Srpová et al. 2010, 60–66; Abrams 2010, 373–375; Cantero-Gomez 2019):

1. Executive Summary
2. Company Description
3. The Target Market and Analysis
4. The Competition
5. Strategic Position & Risk Assessment
6. Marketing Plan and Sales Strategy
7. Operations
8. Technology Plan
9. Management & Organization
10. Development, Milestones & Exit Plan
11. The Financials
12. Appendix

3.1 Executive Summary

This part is considered by many to be the most important part of the whole business plan. It reflects the results of all planning. It surely is a crucial part of the plan. It must motivate the reader. Therefore, it is written as the last.

The executive summary would follow the title page. The summary should tell the reader what is the goal or business desire. It should not be buried on page eight. What is the mission, should be clearly stated in the summary.

The whole statement is best kept short and businesslike, probably no more than half a page. It could be longer, depending on how complicated the use of funds may be, but the summary of a business plan, like the summary of a loan application, is generally no longer than one page. Synopsis of the entire business plan have to be provided within that page.

The key elements of the executive summary are: business concept, financial features, financial requirements, current business position and major achievements. According to Abrams, there are two types of executive summary:

1. The Synopsis Summary
2. The Narrative Summary

The structure could also consist of a long term mission, followed by an overall view, technological brief description and a statement about the suitability of the product or service to the market. All in all, “just a summary and Financials might do the job.” (Entrepreneur 2020; Abrams 2010, 53; 249).

3.2 Company Description

Usually one page for this section should be sufficient, maybe even just one paragraph. The key information is the industry or business area description, along with the particular products or services produced or offered. There are general information about the company and its legal structure, status, ownership, business location, financial Status, company mission along with key goals, and finally milestones achieved to date.

There are several legal forms of organization, namely the sole proprietorship, LLC, S corp, C corp, partnership or other depending on a particular state's legal forms. Moreover, the Company description should include the state where the organization was formed, contact information, and a listing of owners with their shares (Shelton 2017, 73; 74).

3.2.1 The Elevator Pitch Strategy

Succinct and memorable review of a business idea might be created by using this strategy. It should serve in order to make the readers understand the goal of the business and its unique proposition offered. The company description must get the reader's attention. The elevator pitch is a quick and clear description. Considering this a first impression, the pitch should better be awesome. Being brief, clear, and dynamic are the three keys to success (Lord 2017).

3.3 Industry Analysis and Trends

Customers are the crucial element to be focused on. Important are their likes, needs and demographics. Proof and demonstration of a real opportunity for the venture in the market is the main purpose of this part (Cantero-Gomez 2019).

Due to the dynamism of markets and customers, both size and growth rate of the industry should be tracked and a maturity of the industry should be evaluated along with major trends that will influence industry health (Abrams 2014, Chapter 6).

Product design, if ineffective, might lead to poor quality or a design that would not sell good. Moreover, it would not sell at all. The key to success is in the market and trend analyses. Determination of demographic changes and how is the life style of the target segment influenced, should be set up in a research system. As Robinson stated in 1987

already: “The right things should happen at the right time”. This results in an urge of manufacturers to seek shorter product development, sourcing, production and delivery cycles (Hines 2007,196).

3.3.1 Fashion

Fashion as a term is defined as the prevailing style (as in dress) during a particular time. More specifically, it is defined as a “style of consumer product or way of behaving that is temporarily adopted by discernible proportion of members of a social group because that chosen style or behaviour is perceived to be socially appropriate for time and situation.” (Burns et al. 2016, 3). Burns also claims that fashion is a broad term, it is the prevailing style and it is studied by those involved with design, production, and distribution of fashion products. There are Fashion forecasting firms specialised in tracking trends and attitudes in consumers to determine what will evolve as the next prevailing style (2011; 2016).

“Fashion is best defined simply as the style or styles of clothing and accessories worn at any given time by groups of people.” (Steele and Major 2010).

3.3.2 Fashion Industry

The upper class ruled fashion before the industrial revolution in 18th century. There were Sumptuary laws used throughout history to dictate what type of clothing could be worn and by whom. Styles produced at the time were only worn by the wealthy. Therefore, the prevailing style in an era in fashion history is related to a prominent ruler and not to a specific designer or company as nowadays. The influence of technology and the rise of the middle class during the industrial revolution brought up the need for RTW (ready-to-wear) fashion. RTW fashion is nowadays leading production system in this industry (Burns et al. 2016, 3–6). Modern fashion industry is driven by the internet and diverse shopping options along with merchandising being one of the cornerstones of the industry. Furthermore, fashion industry could be distinguished as the one which makes “high fashion” and the apparel industry which makes “mass fashion” although the boundaries between them had blurred in 1970s. Fashion industry is a “multibillion-dollar global enterprise devoted to the business of making and selling clothes.” (Steele and Major 2010).

3.3.3 The Fast Fashion Phenomenon

This concept has become quite common and almost familiar in the fashion environment. “Ultra-fast supply chain operations that focus on consumer demand of fashion goods.” (Burns 2011, 351).

3.4 The Target Market

“Market analysis saves money.” The company's orientation on the demands and trends, changing in advertising, packaging, location, sales structure, product or service characteristics - these criteria needs to be constantly shaped. It is important to choose the right marketing tools. There is a difference from the marketing plan. Here, the purpose is to identify and understand customers. Whereas, marketing plan is about reaching customers.

There are several criteria to be considered in the target market. Demographical and geographical segmentation, lifestyle and psychographics of potential customers, their purchasing patterns and last but not least, their buying sensitiveness. Quite helpful can also be defining the market size and trends. Although, this might be a challenging and hardly reachable precise or accurate definition (Abrams 2010, 99–114).

A full understanding of the market needs and identifying customers shopping experience satisfaction is a complicated task that still needs to be mastered. It is nowadays retailers's top concern. It is more and more challenging to satisfy customers because they claim to know what they are looking for but they are unable to find it. Therefore, it is crucial to focus on having one loyal customer instead of selling to many others. In other words, it is better to built a long-term customer relationship by supplying many “right” products (Hines 2007,197).

3.5 The Competition

Every business has a competition. If there is no competition, there may be no market for the concept or the homework has not been done (Studyslide 2020). According to Abrams, it is Important to assess properly the impact of the competition on the particular business. It helps in better understanding own product and distinguishing own company in customers eyes. Learning from the competition should help in order to understand what customers want. Evaluating only those competitors who are aiming for the same target market is a wise step to do. Furthermore, the author encourages to be ten times better than the competition and offers several questions to be answered in order to do so (2014, 115–132):

- Who are the major competitors?
- On what bases they compete?
- How to compare?
- Who are the potential future competitors?
- What are the barriers to entry for new competitors?

Looking at current prospective rivals and competitors, identifying them along with their strengths and weaknesses and realising what distinguishes own business from theirs is a key criteria in order to indicate the competitive outlook for the industry (Cantero-Gomez 2019). Furthermore, there are several factors to be considered, such as the size of the industry and the size of own market. Important is also the market share distribution among competitors and what tangible and intangible recourses do the market leaders have. It is wise to focus on the competitors strategic partnership, their reputation, quality, good design, etc. (Studyslide 2020).

3.5.1 Benchmarking

It is a tool for strategic management. Measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry is the point of benchmarking. Identifying internal opportunities for improvement, studying companies with superior performance and breaking down what makes such superior performance possible, along with comparing those processes to own business operations, allows implementation of the changes in order to yield significant improvements. CRM system enables more personalized communication with customers, as well as tweaking a product's features to more closely match a competitor's offering, or changing the scope of services offered can lead to either continues or a dramatic improvement (Shopify 2020; Kozel et al. 2011).

3.6 Strategic Position & Risk Assessment

“Knowing competition makes strategy.” (Studyslide 2020). Strategic position could be defined by stating what is being done and what is not. A distinct impetus for customers in order to keep doing business with them should be developed. Customers have easy access to other competitors. Well delineated strategic position influences almost every aspect of the business, considering product development, marketing operations and choice of location.

Strategic Position should be:

- Own strengths and interests
- Industry trends and development
- Market changes and opportunities
- Competitive changes and opportunities
- Changes and opportunities brought through new technologies

Kinds of Strategic Position are:

- Customer Perception Factors
- Market Segment
- Market Share
- Operational and/or Technological Advantages
- Proprietary Products, Technology, Abilities, Relationships
- Sales Channels (Abrams 2010, 133-148; Studyslide 2020).

3.6.1 Branding

The definition of branding is “the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products.” Moreover, the brand could be seen as a promise to customers. It tells them what to expect from the product or service (Entrepreneur 2020).

3.6.2 SWOT Analyses

SWOT Analyses might help in realising what the business is about. It helps in assessing the risks and lets investors know about the clear-eyed view of what the business is getting into. It is done by simple balancing strengths and weaknesses, risks (threats) and opportunities (Studyslide 2020).

3.7 Market Plan and Sales Strategy

Customers should be told what they get, not what the entrepreneur is doing (Studyslide 2020). For many entrepreneurs, this might be the most important section. Market Plan should describe potential customers, include an analysis of the competition, the niche eventually and probable reaction of these competitors. It should also demonstrate that the marketing is targeted to the potential customer. Taken marketing actions should be described, including time and cost involved, along with a sales forecast and marketing budget. “For without demand, there are no sales and there is nothing to account for” (Shelton 2017, 89).

According to Shelton, there are three principal sections a marketing plan includes (2017, 89; 90):

- 1) market analysis,
- 2) competitive analysis,
- 3) specific marketing actions.

Although they are closely related, marketing and sales are two different activities. Marketing is designed in order to increase customer awareness and deliver a message, whereas sales is the direct action taken to procure customer order doing (Studyslide 2020).

3.7.1 The 4 P's of Marketing

- Products
- Price
- Place
- Promotion

The marketing mix is most commonly executed by these above mentioned terms. It is a crucial tool in order to help in understanding what the product or service can offer and how to plan for a successful product offering. It can be especially helpful for example in addressing a need felt by a specific niche segment (Luenendonk 2014).

“Most marketing strategists agree that people buy benefits, not features. In other words customers are more concerned about how a purchase will affect their lives than about how the company achieved those results.” (Studyslide 2020).

In order to define and plan specific marketing actions, Canada Business Network offers mainly these ways of promotion to reach customers: brochures, posters and packaging, business cards, local newspaper advertising, magazines, television, radio, the internet, cell phones and smart phones, social media, promotional gifts, networking and community involvement (Infoentrepreneurs 2020).

3.7.2 Green Marketing

There is a future in green marketing and it offers useful pointers for anyone interested in smart, sustainable brand communications and sustainable consumer products creating.

It is wise to choose this type of strategy for the marketing of products and services in the critical times ahead.

All the generations starting with Baby Boomers, the Millennials and X, Y, Z Generations even more are growing towards green approach. Moreover, there are now finely defined segments of green consumers.

Green consumers only show their trust to brands that tell all. BP, ExxonMobil, and SIGG learned this lesson the hard way. Well-known name or fancy label is no longer enough and does not mean as much anymore as it used to. Today's brands become trusted by practicing “radical transparency.” They have to disclose both the good and the bad.

Green behaviour is a daily phenomena and it is becoming a mainstream (Ottman 2011, 4–20).

3.8 Operations

The daily business activities should be focused on along with strategies that will support them. Charts, graphs or tables could be used in order to show complex information such as the breakeven point, the sources of suppliers or the manufacturing and distribution process (Cantero-Gomez 2019).

According to Wengrzyn, Operations Management can be described as the overseeing and controlling of the manufacturing process. It could be most effectively divided into four parts (2013):

- **Materials planning** is the coordination of purchasing and delivery of raw materials to make the final product.
- **Process planning** deals with designing the processes required to ensure the product can be made in the shortest amount of time, with as little waste and as efficiently as possible.
- **Capital requirements** is the portion of operations management that deals with buildings and machinery.
- **Human capital** is the management of the employees that help run the facility.

Operations Plan as such could also include all the company's objectives, goals, procedures, and timeline explained. It is helpful not only for investors, but also for the owner and employees, and other participants of the whole process. The intent is to think about tactics and deadlines. In this section are stated each steps toward completing the business mission (Grasshopper 2019).

Furthermore, The Grasshopper Operations Plan offers several simple answers to the following questions (2019):

- Who? The personnel or departments who are in charge of completing specific tasks.
- What? A description of what each department is responsible for.
- Where? The information on where daily operations will be taking place.
- When? The deadlines for when the tasks and goals are to be completed.
- How Much? The cost amount each department needs to complete their tasks.

3.9 Technology Plan

Technology must be approached with intentionality. It helps to form Information Technology process in the future. The Technology Plan should be designed in order to determine for instance the hardware, software and technical support needed in the future. It should work with the business, rather than against it. The future vision of the business should also be considered, both on the short-term and long-term scale. The search for areas of improvement is crucial. It is the process of simplifying communications and reviewing the processes as such. If the technology is slowing the business down it costs time and money. Therefore, the core problems in the business technology should be identified.

The organizational structure should be determined along with the system in place. A good fitting software for the inventory should be chosen or developed. The CRM software might be considered in order to provide the best possible customer relationship with the business. Nevertheless, the protection and access to sensitive information is highly considered too (Dynamic quest 2019).

3.10 Management & Organization

Here would be the introduction of the team and the description of how they are going to work together. The knowledge, skills and the ability of the team to work together as a capable unit will be most likely one of the first element to be evaluated by potential investors. Therefore, friends and family might not always be the wisest choice (Cantero-Gomez 2019).

There are two main studies that are focused on a human behaviour in organizations. It is OB and HRM. Human Resource Management (HRM) differs from Organizational Behaviour (OB) in that it is both a field of study and a profession. Whereas OB is the study of how people behave in organizations and is mainly focused on their motivation, job satisfaction, leadership or how the organizations themselves behave. Studying those disciplines might help in recruiting and selecting the best employees, using the most effective selection methods included (Sutton 2018; 5–21).

3.11 Development, Milestones & Exit Plan

“Business development is the practice of growing a business beyond its current state.” The aim is to make the business more competitive, expand products or services and focus on specific markets. Depending on the type of business, it is important to focus on one or

more of the following three crucial areas: markets, customers, and relationships (Lawson 2016).

Milestones could be seen as intermediate stages that must be fulfilled before reaching a final goal or objective. It is a way to observe, measure and monitor the progress and/or performance of a project. They also can give a proof for explaining and reporting the status of the project. They have a potential for providing opportunities for course corrections and learning experiences. Milestones might serve in order to maintain accountability and motivate staff. Each deliverables that meets deadline can be seen as a successful milestone (Whiting 2016).

“I’ve worked with and observed thousands of entrepreneurs over the last 25 years. One thing that is always surprising is that the vast majority put little effort into planning for life after their company.” (Anderson 2015). The author of this quote furthermore illustrates, that it might be hard for some entrepreneurs to imagine life beyond the organization into which they’ve poured their life. Developing a business strategy and goals to get the organization to important milestones, should have the same value as a plan for an exit. There are four phases of exit in detail, which take varying amounts of time to execute:

1. **Exploratory** – defining the possibilities, the final outcome from the business, the non-negotiables about the people and culture of the company, satisfactory number or timeframe.
2. **Strategic** – recognition of what the buyers view as valuable, implementing these characteristics into the organization, thinking of the business as a product.
3. **Execution** – transaction or sale of the company, time frame for this transaction depending on chosen type of exit (strategic or financial buyer, a management buyout, an ESOP, etc.).
4. **Transition** – recognition of next steps after selling the company, new purpose.

The longer the planning process would be, the happier the exit. The final phase should not be underestimated. The plan should be done accordingly in order to reach own goals (Burlingham 2014; Anderson 2015).

3.12 The Financials

The current and future projections of the business financial performance should be clarified here. How much money to be raised should be reflected on the capital requirements section along with describing the use of money and how much will be needed from investors. It would be best if all assumptions in terms of growth or internal components of the business

were backed up with strong evidence and experts opinions. Another crucial part is the income statement as the forecast of the business for the three to five years outlook. The balance sheet generally prepared by the accountant could be of a great help too. In order to see whether the company is successfully turning its profits into cash, the cash flow statement is another part of fulfilling this section (Cantero-Gomez 2019).

An exit strategy should be showing the horizon for the investors, during which they can make a profit. Any bank or lender will also ask to see these numbers as well in order to be sure that a loan could be repaid. Being realistic is the crucial rule in filling the financial section. The figures might be broken into components, by sales channel or target market segment, in order to provide realistic estimates for sales and revenue.

Even if there is no need for external financing, a financial forecast should be compiled in order to simply be successful in steering the business. The most important reason to compile this financial forecast is to understand own projection on how the business will do. It is also important to review this part of the plan more than once a year during the period of running the business (Wasserman 2020).

3.12.1 Cash Flow Statement

This projection or statement serves in order to show physical monetary moving in and out of the business. Projecting a cash-flow statement could be for example broken down into 12 months. When compiling this cash-flow projection, it is important to understand that choosing a ratio of the amount of invoices paid in cash, in a certain period (30 days, 60 days,..) should be realistic (Wasserman 2020).

3.12.2 Breakeven Point Analysis

The breakeven point is when the business's expenses match the sales or service volume. For example the three-year income projection would enable undertaking this analysis. Overall revenue would exceed the overall expenses, including interest at a certain period of time, assuming the business is viable. This analysis is important for potential investors (Wasserman 2020).

4 MARKETING RESEARCH TECHNIQUES

Marketing research serves in order to collect, analyze and interpret information used to make sound business decisions and successfully manage the business. Information helping to identify opportunities and problems are collected through marketing research. Designing marketing activities, refining the marketing activities and evaluating them, is the main purpose of marketing research. The very first step in the beginning of the research would be a problem definition along with research objectives. Those objectives would than most likely be of three types:

- **Exploratory objective** obtains preliminary information that may help better define the problem and develop a hypothesis.
- **Descriptive objective** engages in research to describe something important for the company, such as the market potential for a proposed new product or demographic research to determine the company's target market for a product.
- **Determination of a cause-and-effect relationship**, which means that one variable directly affects another variable. That might be for instance the entrance of a new competing product in the market. (MRA 2020; Grimsley 2017).

ICC/ ESOMAR defines market research as the one which includes all forms of market, opinion and social research and data analytics, it is the systematic gathering and interpretation of information about individuals and organisations. It uses the statistical and analytical methods and techniques of the applied social, behavioural and data sciences to generate insights and support decision-making by providers of goods and services, governments, non-profit organisations and the general public (2020).

The research can be operated using two types of data:

Primary data is information collected by the researcher for the specific research project. Primary data can be collected through surveys, focus groups, interviews, and observational research.

Secondary data is data that already exists somewhere else. It might have been collected for another reason unrelated to the research project. Examples of secondary data may include government statistics, financial records, sales records, books, and journal articles, among others. When using secondary data, there is a need to ensure that the data is relevant to the research study. It should be accurate, current, and impartial (Grimsley 2017).

All in all, there is a simple process of several steps in Marketing Research. 1st, as mentioned above is the problem definition, 2nd is the development of the research plan for

collecting information, 3rd is the implementation of the research plan through analysing the collected data, and the final step is the report interpreting the findings (Kotler and Armstrong 2015; 131).

4.1 Qualitative Research

MRA describes this technique as the use of unstructured exploratory techniques (such as group discussions and in-depth interviews) that are based on statistically small samples in order to understand a problem further. It is a conducted research that cannot be quantified or analyzed quantitatively. Qualitative data requires subjective analysis as it is not collected empirically. Focus groups, interviews, and open-ended questions are all forms of qualitative research (MRA 2020).

Qualitative Research practice might be considered as both science and art. It crosses a variety of disciplines and perspectives, it could be very useful in seeking “the meanings and motivation behind behaviour as well as a thorough account of behavioural facts and implications via a researcher's encounter with people's own actions, words and ideas.” (Mariampolski 2001; 7).

4.2 Quantitative Research

According to MRA, it is the collection of (statistically) large samples of quantitative data and usually some form of statistical analysis. Quantitative research is often used to substantiate the findings from qualitative research. It is also described as a research performed in search of empirical evaluations explaining consumer attitudes, behaviour, and/or performance. Conducted to forecast numerical measurements of product acceptance and consumer purchase intents (2020).

4.3 MRA's Glossary of Marketing Research Terms & Techniques

In order to keep things as simple and accurate as possible, there are crucial appropriations of marketing research depicted from the MRA's Glossary. Most of the above and below mentioned terms, processes and techniques might be used and combined in the practical section of this thesis:

Questionnaire

Is a structured technique for collecting data consisting of a series of carefully worded questions that, with consumer responses, would aid researchers in achieving necessary data

to fulfil research objectives. Questionnaires can be self-completion or administered by an interviewer, they can be completed orally or in writing.

Structured Questions

Those are questions where the choice alternatives for respondents are all specified.

In other words, it is a questionnaire that already includes fixed answers. The interviewer reads the question and answers and records which answer the respondent selected.

Structured Response

The respondent must choose from predetermined responses provided on the questionnaire.

Structured Observation

Is a research study in which the observer records what they are witnessing. Can be done by filling out a questionnaire form or counting the occurrences of a certain activity. In other words, it is a form of observation study where the behaviour of interest and the method of observation are clearly specified in advance of the study.

Subjective Question

Is a survey question that requires the respondent to generate a response in their own words as opposed to selecting an answer from a list.

Survey Objectives

Are the information that researchers are looking to use as decision making information from the questionnaire results.

Survey Research

Is a method of research to collect participant responses on facts, opinions, and attitudes through questionnaires.

Surveys

Surveys involve a (statistically) large number of interviews with respondents, using pre-designed questionnaires.

Single Response Question

Is a question that asks respondents for only one answer (MRA 2020).

II. ANALYSIS

5 MARKET RESEARCH ANALYSIS

This individually tailored market research is combined of two different methods, one supporting the other in an accurate outcome and further investigation. Some of the buying habits of customers have been verified along with new attitudes revealed. The main goal of this research is to define the target segment of customers for the Gardavsky Scarf. Moreover, the results of the second research, done in the form of a survey, suggested a future direction of adapting the scarf as a product in order to reach a wider spectrum of customers.

This research have been evaluated and focused mainly within the market environment of Czech Republic. Secondly, not the whole fashion industry was taken into the research but only the product of scarves.

5.1 Scarf Fashion - Scope of Businesses Operating in the Sector

The Analysis of secondary information sources (web pages/ online shops)

Focusing closely on the first type of research, where the supply of competitors have been thoroughly studied and determined along with their pricing strategy, the right average price for Gardavsky Scarf could be easily allocated and the product fitted within this most favored price category. The data have been collected and filled in according to search results of the Heureka price comparison server. The total amount of scarves supplied on this market and presented on Heureka server is roughly about 10 000pcs. (2020).

Whereas for the comparison, on the Ebay server which might be considered a global market, is roughly about 1 000 000pcs. (2020).

The target price category would most likely yield the largest profit. Whether it is the right strategy and place for Gardavsky Scarfs as the brand of a unique type, remains though for now an answered question. The secondary information sources have been analyzed by browsing the supply in the scope of depicted businesses operating in the Scarf Fashion Industry of CZ. Moreover, a rapid changing of the variety and the total amount of scarves supplied in some pricing categories has been detected.

There are two tables describing the range of each price category, total amount of scarves as a product supplied, major brands operating in each category and notes which illustrate what is going on in the particular sector and what type of brands stand there. It is worth mentioning, that the materials or fabrics from which these scarves are made vary too much. Therefore, it could not have been mentioned or described or even evaluated further in the

notes section due its wide relevance. Only the luxury sector might be considered mostly dominated by scarves made of pure silk but not necessarily in every case.

Table 1. Scope of the Scarf Supply (own creation)

Price Range	Amount of Products	Major Brands	Notes
800 CZK – 1999 CZK	507	Desigual, Fraas	Amount of products changes rapidly, largest product variety, renowned fashion brands set their products starting in this price range
2000 CZK – 2999 CZK	84	Gant, Karl Lagerfeld	Large product variety, simple patterns, overall amount of products decreases rapidly
3000 CZK – 3999 CZK	26	Armani, Gant	Larger product variety, amount of products decreases
4000 CZK – 4999 CZK	5	Vivienne Westwood	Very low variety of products, lowest overall amount of products
5000 CZK and more	10	Annada, Pillango, Versace, Hermes	Luxurious segment, few products, surprisingly similar to less expensive categories

The amount of products supplied in the first category price range is extremely high compared to all of the remaining categories. That implies it might be the target category with the highest yielding of profits. In order to get closer to the product price sensitivity in the most favourable category, the second table offers a more precise apportionment of pricing range in each category. There is a clear outcome from this price rising sequence. The higher the price, the lower the supply. It could be assumed that customers of this segment would most likely not buy such “expensive” product.

Table 2. Scope of the Target Pricing Categories (own creation)

Price Range	Amount of Products	Major Brands	Notes
800 CZK – 999 CZK	276	Desigual, Fraas	No renowned fashion brands, largest amount of products
1000 CZK – 1199 CZK	76	Fraas, Art of Polo	No renowned fashion brands, amount of products decreases rapidly
1200 CZK – 1399 CZK	48	Desigual, Guess, Calvin Klein and Tommy Hilfiger	Renowned fashion brands set their products in this category, amount of products decreases a little
1400 CZK – 1599 CZK	38	Calvin Klein, Tommy Hilfiger	Amount of products decreases again
1600 CZK – 1799 CZK	38	Tommy Hilfiger	Amount of products stagnates
1800 CZK – 1999 CZK	31	Calvin Klein, Fraas	Lowest amount of products, this segment seems the least attractive

Tables composed 10.02. 2019.

In further notice, this research have been taken a whole year ago. Therefore, the results might not be fully accurate nowadays. In order to proof their lasting validity, the research has been reevaluated in May 3rd, 2020. Mostly, the results differ just slightly. Only the most expensive categories have shrunk down in the amount of supply and the last two most expensive categories (1st Table) have disappeared from the Heureka server entirely. Moreover, the given 2nd Table lacks the cheapest price category for being irrelevant due to the high production cost of Garadvsky Scarf. This category (1CZK – 799CZK) quite unsurprisingly occupies about 97% of the whole scarf supply. Clearly implying that most of Czech customers would not pay more than 800 CZK for a scarf.

5.1.1 Recommendations resulting from the first type of research

It seems that the Czech market might not be the right target market for Gardavsky Scarfs. At least not in the most supplied price category. Due to high production costs of Gardavsky Scarfs it is wiser to focus on a niche marketing strategy aiming on the international unique target market in order to yield a decent profit.

Therefore, a brief similar type of price comparison research have been made in May 3rd, 2020 on Ebay, resulting in rather surprising outcome. There is a significant scarf supply gap in between price categories. There might be a reasonable explanation for the pricing gap. It seems that people gaining an average salary are not willing to spend more than 3000CZK for a scarf, no matter how fancy it might be. Most people would probably pay less than 1000CZK. On the contrary, high society and wealthy or posh people so to speak, would not spent less than roughly 5000CZK for a scarf, probably thinking it is not worthy spending so little amount and getting such a common article. Exclusiveness is the key determiner in their buying habit.

Depending on the future brand profiling of Gardavsky Scarfs, one of these pricing strategies must be chosen and further steps in order to reach the right customer segment must be taken along with a thorough global market research in the field of scarf fashion industry and the product supply in a particular price category.

The current aim should be to penetrate the global market and target a unique segment of customers particularly interested in the phenomenon of psychedelics and psychedelic art, accessories and scarves, rather than a common segment of general scarf buyers.

5.2 The Survey

The aim of the second type of research is to get a closer picture about the product price sensitivity along with its popularity, the buying behaviour of customers, their preferences and the frequency in which they are buying scarves as a fashion product. The answers from the survey were collected during three days. The total amount of respondents was 97. Most of the respondents have been reached on Facebook.

5.2.1 Results & Comments

Every first numbered paragraph represents the question asked along with a brief result explanation. The whole survey is attached in the appendices.

1. What gender do you identify yourself with?

63 respondents were women, 32 were men, 2 were gender fluid.

It is clear that the people most interested in scarves as such are most likely women. Although, there is a fact that must be considered. Psychedelic scarves would probably not be favored by the most of women. It might be assumed that such scarves would be favored gender independently.

Graph 1. Gender Analysis (own creation)

Gender Analysis



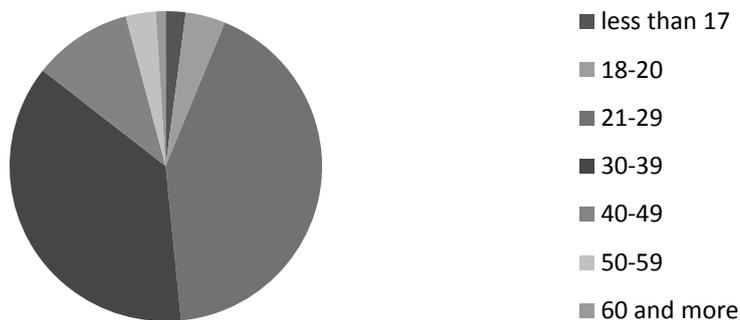
2. Which of the following categories includes your age?

The most of the respondents were in between 21 - 29 and 30 - 39 years old.

It seems clear that the target segment should be mostly middle aged people or slightly older. It might be assumed that this survey will reveal the buying habits and preferences of people in this range of age.

Graph 2. Age Analysis (own creation)

Age Analysis

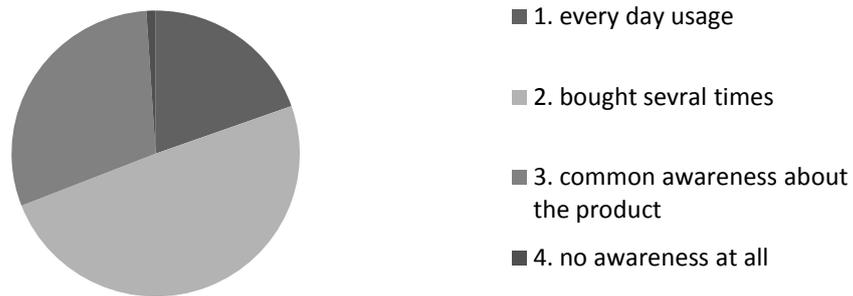


3. How much are you aware of scarf as a fashion accessory?

Most of the respondents have bought a scarf several times already. Smaller percentage just know about the products existence and even smaller percentage of respondents wear scarves every day. Very little percentage does not know about the product at all. Scarves in general are not the most popular fashion article but surely are not the least either.

Graph 3. Common awareness about scarves (own creation)

Common awarness about scarves



4. How often do you buy scarves?

Most of the respondents buy scarves less often than several times a year. About a third of them do buy scarves several times a year. Very little amount of people buy scarves several times a month and only a miniscule percentage buy scarves several times a week. Therefore, it might be challenging to sell sufficient amount of scarves periodically. In order to have an e-shop operating on a daily bases, other future products should be considered adding.

Graph 4. Frequency of buying scarves (own creation)

Frequency of buying scarves



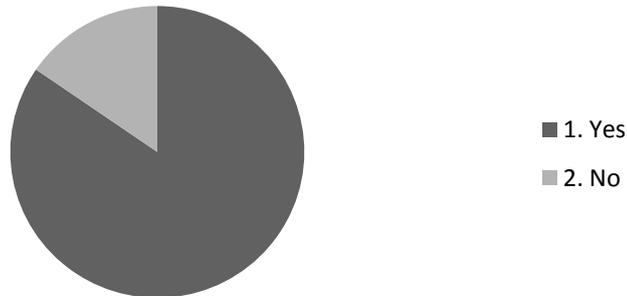
5. Would you buy a scarf just for a decorative purpose of an interior or exterior?

Most of the respondents were willing to buy a scarf just for a decorative purpose. Due to

the rather decorative function of Gardavsky Scarfs, this question was crucial and the result is comforting.

Graph 5. Decorative purpose Analysis (own creation)

Decorative purpose Analysis



6. Would you buy some of the following scarves? Most of the patterns are printed in fluorescent colors.

The respondents were shown several patterns of Gardavsky Scarfs. The results were excellent. Although, it might be assumed that the more pattern and color variety, the more people would chose for themselves. The aim of this question was to find out whether the design would be favored sufficiently, regardless of the scarf size, type of material, price etc.

Graph 6. Design Atractivity Analysis (own creation)

Design Atractivity Analysis



7. Which prize would you be willing to pay for such a scarf? The size is 104 x 104 cm, material is a specially fabricated polyester, smooth when touched, made in Vsetín. The whole product is regionally produced.

Most of the respondents were willing to buy the Gardavsky Scarf for 800 CZK. These results were rather surprising and slightly contradictory to the result of the first type of research, where the largest amount of scarves offered was cheaper than 800 CZK. However, comforting fact is the significant amount of people willing to buy the Gardavsky Scarf for the amount of 1199 CZK. This would be the price that Gardavsky Scarfs were expected to be sold for. On the other hand, in order to sell more scarves on the Czech market environment, it would be crucial to consider lowering the final price of the scarf.

Graph 7. Price sensitivity Analysis (own creation)

Price sensitivity Analysis



8. Do you prefer to buy scarves in on-line stores (with a possible returning of the goods back and a refund)?

This could be considered a very positive outcome for Gardavsky Scarfs. Although, it might not be as much surprising according to nowadays trends.

Graph 8. On-line buyers Analysis (own creation)

On-line buyers Analysis

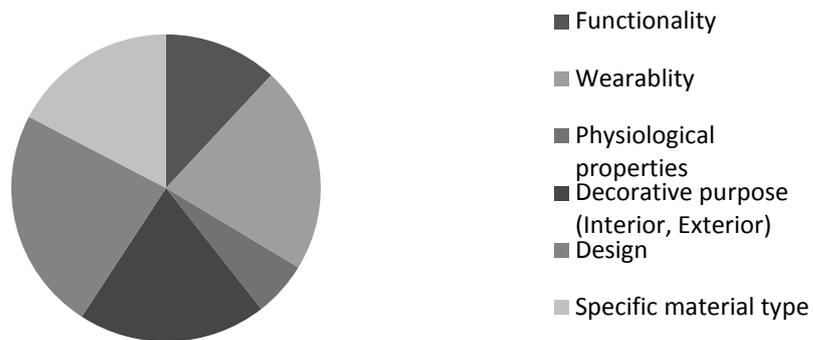


9. What kind of usage or a function of the scarf do you prefer?

It was clear from these results that the most important factors were (in order of appearance): design, wearability, decorative purpose, material type. Function and physiological properties were the least important factors.

Graph 9. Functions and properties of a scarf (own creation)

Functions and properties of a scarf



5.3 Final Recommendation

There are several outcomes and hints for choosing a strategy of positioning the product. The production cost of the scarf should be reduced in order to set the price lower, targeting the largest segment. The final price of 800 CZK or even less should be reached. This segment is the largest but also the most sensitive when it comes to the final price of the product. This would be crucial in order to reach out to the largest segment of possible customers on the Czech market.

On the other hand, the international market is a way less sensitive when it comes to the price of scarves. It seems vital for Gardavsky Scarfs to penetrate the international market for not only this reason. Due to the rather occasional habit of buying scarves, the larger market, the better chance to sell the product more frequently.

The other solution may lie in penetrating the luxury international segment. The final price would be appreciably higher, making the sales frequency more relative.

6 EXECUTIVE SUMMMARY

Gardavsky Scarf is an extraordinary version of a common article. Years of improvement and never-ending creative process give rise to profound use and sensational impact of each scarf. Caro Gardavsky is a renaissance man participating on many ventures, some being already several years sustained businesses. Finally, he's about to run one of his own. Authorial design in every first step done by own hand. All production processes of each product are local, including all materials and fabrics used.

Beware! It's not just a strange design, it's magic!

Patterns are designed especially for expanded mind experience, not easy to be reached by means of meditation, though achievable. One might also get there using psychedelics such as psilocybin, lysergic acid diethylamide or other substances. Although, this way is not much advised, especially when being inexperienced. Nevertheless, upon a closer surveillance in the intricate Gardavsky Scarfs design, one might realise how beautiful they truly are and fell in love with them just the way they are.

Stay tuned, the journey is yet to begin!

Gardavsky as a brand plans to expand. The variety of the scarf as a product is already immense as in shapes, colours and sizes. More trendy patterns and lovely designs too are already in progress in order to impress customers all over the world. The price will be affordable and they would just glorify every space and outfit. Above all, **Facemasks and "Maskarves"** (a combination of mask and scarf) are being currently designed. The future goal is to produce knitwear fashion and wider range of accessories.

The owner, a natural person and **a sole proprietor**, art director, **head designer**, manager and marketing specialist **Caro Gardavsky** all in one and one in all, would love to grow towards own vision and find investors and colleagues to join him on the journey.

There is no need for investment if the business is kept small as it currently is. In order to grow, spread the ideas and goods on a larger scale and yield grater profits, the investment is necessary. Hopefully, there will be a company established along with it.

The realistic and achievable expected turnover is **1,726,560 CZK annually**.

Gardavsky Scarfs intends to grow bigger.

Currently the on-line store **gardavsky.com** is prepared to be initialised. Due to the small amount of each article and lack of promotional documentation the process is yet on hold.

The owner will promote the product on social media, he plans to make short stories not only with funny content but sometimes more serious or rather educative.

7 COMPANY DESCRIPTION

Gardavsky Scarfs

www.gardavsky.com

Caro Gardavsky

Company Registration Number/ IČ: 76453537

Establishment: Dvořákova 1456, Napajedla, 763 61

caro@gardavsky.com

Contact Number: 775 989 569

Management/Leadership:

Caro Gardavsky is a sole proprietor, yet the only owner, head designer, manager, marketing specialist, producer and manufacturer. Ondřej Sapár is the graphic designer and on line shop coordinator.

The Mission:

Gardavsky Scarfs are produced locally, the aim is not only to yield a profit but spread ideas designed in each scarf. Most of these scarves are fluorescent. This product serves as a totem unifying the global tribe of open minded people, regardless of sex, race or religion.

The Vision:

The main idea is to leave a mark or better make a significant, notional “scar” on people’s hearts, hope to be remembered and maybe live beyond a mortal life transformed into work of art. Antoine de Saint-Exupéry mentioned in his book called Citadelle this concept of an artisan becoming immortal through the object of his or her own creation. Just like the writer might live forever not just in all the books, but in these ideas they represent (Saint-Exupéry 1997). Therefore, all those real objects, those scarves specifically, may not last forever materially but the idea might last a little longer, if good, maybe forever.

The Ultimate Goal is to spread the idea of an open mind, bring the phenomena of psychedelics into the public awareness. These scarves are ready to be an essential article of the psychedelic tribe and should help in broader understanding the purpose of spiritual unity and spread the sensation beyond the community. Therefore, the scarves might bring more curious mind explores, grab their attention, remind them of true values and hope in finding balance, and purpose of life itself.

8 INDUSTRY ANALYSIS AND TRENDS

8.1 Stores and Malls

“Every day, headlines herald the death of brick-and-mortar stores. There are so many abandoned shopping centers, we now have a name for them—ghost malls. Amazon.com gets bigger by the click, and as soon as there is drone delivery, we won’t ever have to leave our homes to buy anything” (Moore 2017, 9).

Afterwards, the author asks a question: “But then what?” She answers it by encouraging the reader to never give up on those brick-and-mortar stores, and argues all the reasons and cons of it. Sadly, it has this overwhelming nostalgic mood. The truth is that this is a common phenomena, just going to lead in an yet unknown definite solution. Moreover, the author surely did not expect that some people almost around the whole world would not be even allowed to leave their home and all these fashion stores would be all closed and sealed. At least for a certain period of time. However, the possibility for Gardavsky Scarfs of having a brick-and-mortar store have not yet been considered as optional.

8.2 General Trends

“There’s a whole generation of people under forty who don’t know how to discern quality in clothes... These young people are largely ignorant of the hallmarks of fine tailoring and fit. Jeans, T-shirts, stretch fabrics, and clothes sized in small, medium, large, and extra-large are what this blow-dry, wash-and-wear generation have worn virtually all of their lives. While their mothers and grandmothers donned slips and girdles—and pulled out the ironing board before they got dressed—these young people had already formed the habit of wearing comfortable, carefree clothes” (Agin 2010, 25; 26).

There is a clear and still topical message in this quotation. Nobody nowadays is likely to dry-clean or iron any Scarf. Therefore, the trend is to have a material that does not need any difficult maintenance. It should be easily folded or even crumpled and suddenly be ready for another use. Gardavsky Scarfs definitely are this type of product.

Comforting fact is that Seasonality is not the biggest concern in this industry. Although it might be assumed that scarves would be most likely sold in autumn and winter. The variety of materials and fabrics from which scarves can be made is vast. Having Low-grammature, high-grammature, almost whatever grammature, scarves are worn, sold and bought throughout the whole year.

In this industry, there are certain limits in pricing of scarves depending on the target segment of customers. According to the market research of this thesis, the overwhelming majority of this product costs up to 1000 CZK. In Czech Republic even less. The global market supplies scarf for the largest segment mostly up to about 2500 - 3000 CZK per PCS. Whereas the global luxury segment sets their prices roughly in between 4000 - 10 000 CZK per PCS. The luxury scarf market though does not seem to even exist anymore in the Czech market environment.

It is worth mentioning, there are even higher prices for a scarf than 10 000 CZK. For instance, there is a list of Top 200 Makers of High-End Luxury Scarves & Shawls (Theinternationalman 2020). Moreover, **the world has its most expensive scarf**. It is the “original print of Matisse entitled *Oceanie, La Mer* that was based on his visit to Tahiti in 1940 and it has a kind of sentimental value. This silk scarf began its journey when Zika Ascher, founder of well-known scarf brand Ascher London, went to Paris in 1946 to convince the legendary French artists Pablo Picasso and Henri Matisse to design this piece of luxury. It was designed by the famous artist Henri Matisse. The print was produced in a limited run of 30 scarves, but the original was a large scale design that hung in the artist’s studio. The most expensive scarf in the world was sold at auction for **\$4.8 million** at Christie’s in London.” (N. Gabriela 2014).

8.3 Coronavirus Outbreak

One might suggest that the Coronavirus outbreak would make scarves a more desired product. It seems to be already happening even though the product generally lacks affective protective qualities. Vast cultural and social changes might appear in connection with the Coronavirus pandemic and the economic crises. The question how vast these cultural and social changes might be, remains unanswered. There could be tracked some positive aspects to it in terms of slowing the wheels of ever growing economy and thus slowing the global pollution. Scarves and face masks are considerably one of these cultural and social changes. Until now, it has been only a phenomena of eastern - mainly Asian countries. This former perception has now been changed throughout the western world. Browsing the latest news regarding the actual affairs in this industry proves the rapid turnover towards a scarf as a product and its popularity. “Fans and detractors alike are scrupulously tracking the extensive collection of silk scarves, many by Hermès, that the White House coronavirus response coordinator Deborah Birx has made her signature style.” (Satran 2020). Moreover, some entrepreneurs already yielded significant profits and

scored immense growth of their business. Like Andrew Kessler, the founder of Scough - an American manufacturer of scarves with built-in air filters, which is struggling to satisfy demand. It must be noted, that 5 years ago his business was a rather niche, quite small and very little known about (Carroll 2020).

Face masks rule the industry immensely now everywhere. Those who have quickly adapted and came up with products such as a combined facemask with a scarf, might have a chance to yield a decent profit.



Figure 1. Illustrative Promotional Photograph of a Gardavsky Scarf

9 TARGET MARKET AND RESEARCH

The general market saturation in the scarf fashion industry might be seen as extremely high. Although, due to new trends and more profound interest of consumers in scarves as such has made many manufacturers short in supply. There have been defined and described several segments of target customers in the market research section of this thesis. The largest segment has been thoroughly studied and recommendations served.

Targeting the luxury segment is not an option in the current situation. Further research and fundamental changes in promotion and strategy of Gardavsky Scarfs would have to be undertaken. Maybe even rebranding would have to be considered.

The idea to target the niche, not yet fully mentioned segment of green consumers and people having experienced psychedelics or the extension of mind seems even more reasonable. The new trends mainly caused by the Coronavirus pandemic enlarges the segment in some ways. Scarves could be considered a generally more wanted article. However, targeting the international market should bring more of this kind of customers. This is the way Gardavsky Scarfs are headed.

9.1 TARGET MARKET DEFINING

The Czech market in scarf fashion industry is understandably way smaller than the international market. Consequently, the targeted market is of rather global or at least European kind. All these markets share some equal or similar features. Women are generally more interested in scarves as such. New trend caused by the Coronavirus outbreak will definitely bring more male consumers, how many it will be still remains an open question.

The largest segment composed by the majority of women is the most price sensitive. They should be targeted in order to yield the most frequent product sales. There can be tracked some common features in the global scarf supply, which might help in assessing the following strategic position of Gardavsky Scarfs in this segment.

The already targeted segment is the green consumers and people having experienced psychedelics or the extension of mind as mentioned above. These are in general most interested in sustainable consumer products and are less product price sensitive. Although, they are gravely concerned about the products origin and a true story of the brand.

10 THE COMPETITION

Assuming the targeted market of a rather global or European kind, the market saturation is very high in both regular scarf supply and even in the special psychedelic type of scarves supply. The regular scarf supply has mainly two pricing categories. It is the common largest segment up to maximum 3000 CZK per PCS and a luxury segment priced from 4000 CZK to 10 000 CZK per PCS.

Psychedelic, also called Trippy Psychedelic Scarves have rather similar pricing categories as regular scarves, although the pricing system here seems a bit messy and hardly defined because the price range is very diverse. Also channels of supply vary but the leading suppliers could be considered these: **farfetch.com, etsy.com, redbubble.com, ebay.co.uk, ebay.com, amazon.ca, amazon.com, zazzle.com, pinterest.ch, pinterest.com, gucci.com, ravelry.com, lucideyestudio.com, trendhunter.com, etc.**

Most of the authors of both psychedelic and regular scarves use universal online shopping platforms or simply on-line stores mentioned above. Some authors use both universal international on-line stores and also own authorial on-line store.

10.1 Competitive Position

Acquire a position for Gardavsky Scarfs relative to its competitor and reach a significant advantage over them might be the most challenging step to take, but in order to penetrate the international market, it is rather necessary. Using both universal international on-line stores and own authorial on-line store gardavsky.com is only a little step to reach rather equivalent position to competitors. Attracting more customers, gaining mindshare of customers and market share as such would require more effort in terms of promotion and using the right promotional channels. This journey would might be long and tough.

10.2 Market Share Distribution

It is very hard to determine the leading business which holds the greatest value of market share. Maybe the LucidEyeStudios could be considered the one among psychedelic scarves. The global competition is very diverse and there is a vast number of other competitors both individuals and companies. Although, from another point of view the greatest volume of market share seems to be held by various individual most successful authors. Therefore, the barriers to enter this market might be considered weak, thus being a double-edged sword in terms of immense possible future market saturation.

11 STRATEGIC POSITION & RISK ASSESSMENT

Although, the concept seem noble and pure, the true aspect and purpose of business planning is to gain financial profit. Thus, according to the market research, the crucial aspect of this plan is to choose and fit in the right pricing category. Going significantly under price is not an option, as well as targeting high society and luxury customers. There are two target price categories to be fitted into: 800 – 999 CZK (or less if possible) and 1000 – 1199 CZK. The current financial situation does not allow Gardavsky Scarfs to sell the product within the lower price category. Therefore, already mentioned targeting the international market should help in order to enlarge and yield a satisfactory profit, along with keeping the final price higher.

11.1 Main Strategic Positions

Different strategic positions might be generated and determined by various criteria. According to targeted segment of customers, trends in the industry, channels of promotion, etc., there are several depicted strategic positions for Gardavsky Scarfs to be assessed:

11.1.1 Advance Current Approach

Creating even more profound psychedelic designs of patterns along with a vast promotion of current scarves is the right position to start with. Transparent manufacturing process of scarves and a true story of Garadvsky Scarfs brand are vital aspects.

11.1.2 Hit the Largest Segment

Gardavsky Scarfs are definitely willing to undertake certain changes in general designing of patterns, material type variety and reduction of the production costs as much as possible, in order to reach the largest segment. The main criteria is to stay original but slightly less extravagant.

11.1.3 Strategic Opportunities

There are several strategic opportunities:

- **Adapting the design of patterns in order to reach the largest segment** – There can be tracked some common features in the global scarf supply. The pattern design is mainly floral and faunal. Some are purely abstract and very little amount is purely geometrical. Black is the leading colour, grey follows and than a there is a vast variety of pastel like colours.

- **Producing special Face Masks.** There is a special Chinese pattern for a homemade fabric face mask not used much in the western part of the world. It is in the shape of KF94 face mask. A quite challenging pattern for an inexperienced tailor. Gardavsky Scarfs shared this pattern with Petra Ptáčková who still seems to be the only designer in Czech Republic producing this type of mask.
- **Producing “Maskarves.”** Designing and producing a hybrid of face mask and a scarf. This opportunity might be time limited. Quick response and action has to be taken. Soon it might happen that it will be a niche market again.

11.2 SWOT Analysis

Table 3. Risks and Opportunities - SWOT Analysis (own creation)

Strengths	Weaknesses
Originality	Lower sale frequency of scarves
Unique design	New to the market
Sustainability	High production price
Variability	Unable to reach the largest segment
Regional production	Extravagancy
Awareness about the risks	Outsourcing
Awareness about possible segments	
Well prepared promotional strategy	
Opportunities	Threats
International market	New competitors
Production price reduction	Large market saturation
Reaching the largest segment	Very low sale frequency
New trends in the industry	Loss of vital partnerships
Penetrating the luxury segment	

The strongest factor of Gardavsky Scarfs is the original design. It could be assumed that with a growing design and product variety, the strong position of Gardavsky Scarfs would be secured. A great opportunity for the company lies in penetrating the international market. Moreover, reducing the production price of scarves and adapting the design and material type would help to finally target the largest customer segment. New trends in the industry create enough space for even more scarf producers. Other, non-negligible

opportunity is the luxury segment penetration. If well prepared and promoted, targeting this segment would solve the production cost issue once and for all.

Lower sale frequency of scarves as such might be considered the biggest weakness. In order to overcome this position, new type of more popular products should be considered adding to the on-line store. The inability of reaching the largest segment is disputable, when considering the possible option of choosing to rather penetrate the luxury segment. Therefore, since this option is not being currently considered, the aim to reach the largest segment is crucial.

Main threat for the company poses the significantly high number of competitors and the high saturation of scarves on the market. Insufficient promotion might remarkably endanger Gardavsky Scarfs.

11.2.1 Risks Assessment

Identified objectives of Gardavsky Scarfs are: penetrating the international scarf market, breaching a significant portion of the market share along with the mindshare of customers and keeping the position reached for as long as possible. Due to the relatively small initial endowment it might seem there are no risks at all and there is nothing to be feared of.

Yet, there are certain risks. Creating plans in order to avoid them is necessary. Allocation of resources might be one of the future concerns for Gardavsky Scarfs. Most of the production processes are being outsourced at one local individual graphic designer and two other businesses. If anything goes wrong among those three mentioned entities, suitable alternate outside sources would have to be allocated. It might seem a little frightening if some of these yet unforeseen problems would have to be dealt with in real time.

Ensuring that required actions to manage the assessed risks are in place and being aware of those risks is vital. The contingency plan could be either in extending Gardavsky Scarfs as a company producing all outsourced procedures on its own, or simply finding possible and suitable outside sources in advance.

12 MARKETING PLAN AND SALES STRATEGY

Creating catchy stories and creative ways of promotion in order to attract most desired segments of customers is vital. The Gardavsky brand has to gain its trust of customers. Transparency of the production process and a story of the brand along with the company's message are the key elements of the marketing plan strategy.

12.1.1 Customer Segmentation

There have been defined essential segments of customers. The segment of green consumers and people having experienced psychedelics or the extension of mind. This segment is the current target of the marketing plan and sales strategy. The other largest segment mostly composed of female gender is yet to be targeted and a product best suitable for their wants and needs is already in the designing process as well as the marketing plan and sales strategy.

12.1.2 Marketing Strategy

Promoting the decorative use of scarves and their function variety (outdoor, indoor) is the essential intent of Gardavsky Scarfs. Using Instagram and Facebook is already in process. Other suitable promotion channels have to be detected and set in regular use. Online marketing tactics such as using search engine marketing and optimization, affiliate and associate programs, getting into articles and news stories, writing online press releases, blog maintaining or maybe even holding contests and giveaways are the key elements of Gardavsky Scarfs promotion. Strategic partnerships with large on-line stores is also vital.

12.1.3 Sales Strategy

Strategically chosen fairs and festivals are to be attended, promoting and selling scarves on these are another essentials for Gardavsky Scarfs in order to build the brand. Design markets such as Bricklane in London, Mauerpark in Berlin, etc. Festivals such as Ashram Festival Switzerland, Ozora Festival Hungary, Whole festival in Berlin and all kinds of different Psy-Trance festivals all around the world need to be attended with a promotional tent in order to gain the largest possible awareness about Gardavsky Scarfs.

Gardavsky already produced own first trial Scarf Festival, though on a very little scale two years ago at Café Klášter. Sadly, due to the Coronavirus outbreak, these activities are on hold. Therefore, there is a profile on the Instagram established and named “carocarres” (Caro carrés - Caro's scarves). The On-line promotion is currently the only possible and most reachable source of sales and promotion.

13 OPERATIONS & TECHNOLOGY PLAN

13.1.1 Operations

The first step is Caro Gardavsky's hand drawing with a use of combined techniques. Those drawings are finally processed on a computer. The raw pattern is ready for the graphic designer Ondřej Sapár. He fills patterns with desired colours and adjusts a proper intended size for each scarf. When all consultations are done and all kinds of designs are ready, two other outsourced businesses are concerned in the process. CARATTI elastic textiles, s.r.o. is the one producing fabrics, more specifically knitted fabrics. When the fabrics grammature and other propositions are determined and the material knitted, CARATTI elastic textiles, s.r.o. sends this fabric to another business focused on printing. Subliprofi, s.r.o. now prints all designed patterns in intended numbers on the given fabric. The Quality of the print is controlled and the batch is taken over. The printed fabric finally goes to Gardavsky's workshop where final adjustments are done. Each scarf must be cut out. The final operation might be overlocking, if desired by the customer. The overlocking is not a necessary operation. It is the very last one in the scarf production process. Order fulfilment and customer service along with packaging and sending the product is also done by Caro Gardavsky.

13.1.2 Technology Plan

Gardavsky's workshop is very small. But still, it operates with two industrial sewing machines and one overlock machine. There is a fast computer for graphics and administration. The CRM software along with online store is ready to operate. There is a decent storage of materials and fabrics for various kinds of production. Larger premises would solve a lot of current issues and make processes more effective. Production costs of the Gardavsky scarf are higher than a price of most favoured scarf types sold on the market. Outsourcing is the main reason of the higher production price.

13.1.3 Scarf Propositions

There are various proportions now designed and made in about 4 different shapes and sizes. Patterns are made in multiple varieties. There are fluorescent colours used on the most of the patterns. Under the ultra violet light they shine brightly. All the patterns are printed using the sublimation printing technique. The material used is a special and light 100% polyester knitwear. This material is surprisingly smooth and comfortable to wear, although the function is intended to be rather decorative.

14 MANAGEMENT & ORGANIZATION

Currently, there is only one self employed employee - the owner Caro Gardavsky. He intends to earn monthly salary of 15 000CZK. Several years of investment and development of Gardavsky Scarfs should finally yield a descent monthly award. Moreover, Gardavsky produces the special facemasks himself. Given the amount of masks demanded by customers, satisfying this demand might become a challenge. Management of all operations and coordinating the outsource processes is not the easiest task as well.

Therefore, part time workers will be considered as soon as Gardavsky Scarfs starts operating on every day basis. At least one will surely be needed to fulfil orders and provide customer service along with scarf promotion. Another part time worker might be considered in order to produce special face masks, eventually other products and also take part on the promotion of Gardavsky Scarfs as a brand. The estimated costs of part time workers at the beginning of the business is up to 12 000CZK.

All in all, there is not so much to be managed and organised yet. It is rather difficult to propose whether more employees and what kinds of positions exactly would have to be established and occupied. It could only be roughly assumed for a case of a larger investment.

14.1 Future Management Strategy

There would be the owner in leadership of the company, still acting as a manager, director and a head designer. After that, would be the sales manager, administration officer, marketing specialist and least but not last some graphic designers and tailors. The preferred management style would rather be of a flat kind. Precise monthly expenses on wages would have to be calculated and consulted with a human resource specialist.

In the following two years projections, this option might be considered seriously. If there will be an investor sooner than that, Gardavsky would have to quickly reevaluate current actions and commitments along with new or advanced business scheme and customer segment targeting. Current Gardavsky's commitments could be reduced to part time in order to train other operating managers. These would help to establish and run this business.

15 DEVELOPEMENT, MILESTONES & EXIT PLAN

15.1 Development Stage and Milestones Achieved

The first batch of scarves was only in square shape 90 x 90 centimetres (35.4 x 35.4 inches). The material was 50% cotton and 50% polyester knitwear. Their use was determined as rather functional than purely decorative. There had been only about 20 scarves made and sold. Nevertheless, patterns were only few and simple. This enterprise had been though successful enough to serve as a motivation in broadening designs and shapes of new scarves. It is worth mentioning there were other items made along with these scarves such as flags, wallets, belts and bracelets. Whereas, only those wallets showed up to be a quite successful enterprise, and some new items in the form of similar accessories might be considered later on when the scarf e-shop would be fully operational. Currently, there is a demo version of the e-shop and there are accurate propositions and information being processed in order to achieve a perfect marketing environment for the new batch of scarves.

15.2 Technology Goals and Position

Finding a cheaper material and adapting the size of scarves in order to use the most of the material producing the least amount of waste. This is now the easiest way to cut the production price, given the current situation in order to reach the largest segment of customers.

15.2.1 Long-Term Company Goals

Extension of the brand is generally the long term company goal. There several visions to be achieved on a long term perspective. One of these is a land art and textile art performing (combined techniques) used in landscape, public spaces, private gardens, indoor and outdoor premises. Further extension of the brand is also being concerned in the form of clothes - especially knitwear, accessories, wallpapers, postcards, etc.

15.3 Exit Plan

It might be assumed that the sale frequency of scarves would decrease in time. Therefore, the above mentioned goals would be considered. It also might happen so in the future, if Gardavsky brand would grow, some major brand or associated group would most likely take over. For this case, another exit strategy must be made. Gardavsky already cooperates with some other designers and people operating in the fashion industry.

16 FINANCIALS

This part of the plan illustrates the financial overview of the company. There is the initial investment, a start-up balance sheet, operating costs, expected revenue scale and a break-even point analysis. Most of these monetary estimations are average and based on an actual data and pricing. That being said, due to the dependency on various factors influencing the real price of the equipment, outsourced amount of work, supplies, energies etc., those prices might be changing in time.

16.1 Initial Investment

The essential initial investment has already been made. The start-up costs are proportionally low. Therefore, it is not intended to take a loan from a bank. On the other hand, seeking funding might be an advisable option for Gardavsky Scarfs in order to grow bigger as a brand. The assumed future expenses are both optional and advised to be invested in. Right after the first month of running the business, these additional investments would be made.

Table 4. Initial Costs (own creation)

Costs of Expenses Paid	CZK	Assumed Future Expenses, Advised Investments	CZK
Wordpress CMS Support	1,000	Module for Czech transport	1,000
Woocommerce Setup	500	Module for Payment Gateway GOPAY	1,000
Gopay Registration	200	Module for Payment methods (optional)	1,000
SSL https Certificate	500	Ordering process setting	1,000
Google Search Console + SSL Implement ace	300	Basic Visual Identity	15,000
Google Authenticator	200		
Dummy Data Testing	500		
Mockup Pack	2,000		
Demo Products	2,000		
CSS editing	2,000		
Coding and optimization of needed requirements	2,000		
Wordpress template	2,500		
Logotype	1,000		
Terms and Condition, GDPR – Supervised by a Lawyer	800		
First Graphic Designer salary	8,000		
Material and Sublimation of Scarves	17,500		
Total	39,000	Total	18,000

16.2 Start-up Balance Sheet

Start-up balance sheet represents the assets and liabilities of the company. Sewing Machines have been bought for an extremely low price long time ago from a former seamstress. Furniture was built by Gardavsky's farther and renovated by Gardavsky (the principle of self-help). In this case only the cost of materials and equipment are taken into consideration when calculating the price of the furniture. The most expensive asset have been the computer. Therefore, the final price for machines and inventory has been estimated at 60,000 CZK. The other intangible fixed asset is the gardavsky.com web page and e-shop. Supplies represent all already made scarves on stock. The Assets consist of long-term and current assets. The liabilities comprise equity capital and borrowed capital.

Table 5. Start-up Balance Sheet (own creation)

Assets CZK	CZK	Liabilities	CZK
Long-term assets	81,500	Equity capital	198,000
Machines and inventory	60,000	Owners Equity	198,000
Intangible fixed assets (Web page, e-shop)	21,500		
Current assets	116,500	Other Liabilities	0
Supplies	17,500		
Bank account	99,000		
Total	198,000	Total	198,000

16.3 Operating Costs

Operating costs are calculated both monthly and annually. These costs involve payment for electricity, rent, supplies, maintenance, wages etc. In the following table they are divided into fixed and variable. Wages are sorted as fixed, regardless of the amount of products to be made. They are all shorten as part-time due the lower amount of actual work to be executed each month. Wages could only rise with the amount of goods sold and consequently would be considered as semi-variable costs. The price for advertising and promotion might also rise in time along with the aim to sell maximum possible amount of products. The price for the raw material and sublimation of scarves could also be considered semi-variable in future. This price would proportionally lower with a larger amount of both factors. The amount of the material ordered and patterns printed. It is foreseen to produce 150 scarves each month. The more scarves or other products would be sold, the lower the production price will go. The chance to reach the largest mentioned segment of customers would be achievable by lowering the final scarf price.

All listed assumed monthly expenses in table 6 are calculated for the start up scenario and would most likely be sufficient for the following 2 years without any further investment. If the business grows faster, new calculation would have to be done and monthly expenses increased.

Table 6. Operating Costs (own creation)

Assumed Monthly Expenses	Monthly CZK	Annually CZK
Fixed Costs	49,270	591,240
Invoice Software – Automated Invoicing	300	3,600
Payment Gateway	270	3,240
Domain and Hosting	250	3,000
CRM Software	250	3,000
Mobile Services	400	4,800
Rent of Premises	4,000	48,000
Advertising and Promotion	8,000	96,000
Initial Costs Repayment	800	9,600
Gardavsky's Salary	15,000	180,000
Graphic Designer	8,000	96,000
Part-time Workers, Promoters	12,000	144,000
Variable Costs	54,270	651,240
Raw Materials and Sublimation	17,500	210,000
Shipping or delivery	20,650	247,800
Packaging	10,620	127,440
Maintenance	1,000	12,000
Energies	4,500	54,000
Total	99,540	1,194,480

16.4 Expected Revenue

The average price of one scarf is 1199CZK CZK. Realistically, it is predicted that in total at least 120 scarves would be sold each month. Following table shows hypothetical expected revenue from different points of view. There is a realistic but also pessimistic and optimistic outlined prediction type. The optimistic and pessimistic expected revenues differ from the realistic one in 30% range.

Table 7. Hypothetical Revenue (own creation)

Prediction type	Number of goods sold	Monthly Revenue in CZK per	Annual Revenue in CZK
Pessimistic	84	100,716	1,208,592
Optimistic	156	187,044	2,244,528
Realistic	120	143,880	1,726,560

16.4.1 Break-Even Point Analysis

Finally, on table 8 there is the break-even point analysis. 59 scarves a month would mean roughly 2 PCS a day. In this case the monthly revenue would be 64,746 CZK. This seems to be a quite easily achievable goal for daily sales, considering the expected rather pessimistic revenue. If everything is done right according to the plan and promotional streams, it would be all well set.

Table 8. Break-Even Point Analysis (own creation)

Fixed Cost	49,270
Sales prize per Unit	1199
Variable Costs per Unit	362
Break Even Point in Units	59

An immense Cash Flow is not expected yet, there is only one revenue stream from the on-line store due to the given situation. It is also worth mentioning, that the assumed new product of special face masks might gain a significantly larger income, thus being way cheaper in production, although it is hard to predict at the moment.

It is very disputable now to project how many scarves will be sold per each month right after launching the business. If there were only 20 scarves sold as the worst projected scenario, it would be sufficient for a first month of running the business, even with a loss. For the initial costs (table 4) were not astronomically high and Gardavsky Scarfs has yet no debts (only to its owner), even this extremely small turnover would be considered satisfactory - speaking in terms of first month after launching the on-line store. However hard it might be from the beginning, this venture would be most likely to survive.

CONCLUSION

The complete and hopefully successful business plan for Gardavsky Scarfs has been the ultimate goal of this thesis. The compound marketing research of combined techniques has been conducted in order to serve the best possible strategic direction for the new business focused mainly on scarf production. The aim of the research has been to determine the segments of possible customers and their most common buying habits. Thus being complicated, vast and in the end quite time consuming, it led into gaining a valuable data. Although a seemingly tough reality has been exposed.

It has been found that luxury segment of product supply in the Czech scarf fashion industry almost does not exist, at least for now. The largest segment of mostly female customers would remain a challenge to be breached by Gardavsky Scarfs due to the excessive product price sensitivity. The opportunity of breaching a rather international scarf market has been outlined and taken. Moreover, there is yet much more to be explored in this industry and even more research to be made. For example in focusing closer to the luxury segment.

Thereafter, the most vital part of the business scheme (considered by many) the executive summary gives a glimpse in the whole idea of Gardavsky Scarfs and its basic business features, mission and goals to be achieved. Follows the research and evaluation of the Scarf fashion industry and general trends. Next step has been supported by the compound research and the target market has been allocated and defined. Awareness of the competitive environment and the collected data, have been the key elements for creating a strategic position, marketing plan and sales strategy.

More detailed information about the technology plan and operations along with management and organization, further development of the business and where it might go, all these have been presented in the remaining sections. Financials as the last part has revealed a naked truth and served an honest realistic projection. 143,880 CZK of monthly turnover to be achieved in order to thrive and start growing from this position.

Conclusions reached, thus the market saturation might be high, even growing, there is a place for Garadvsky Scarfs on the market. If promoted well, chosen the right partnerships and never given up, there would be an exciting journey awaiting ahead.

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LIST OF ABBREVIATIONS

SMEs	– Small and Mid-size Enterprises
LLC	– Limited Liability Company
CZK	– Czech Crowns
CSF	– Critical Success Factors
SMART	– Specific, Measurable, Action - Oriented, Realistic, Time - Framed or Time - Bound
CRM	– Customer Relationship Management
RTW	– Ready to Wear
SWOT	– Strength, Weaknesses, Opportunities, Threats
OB	– Organizational Behaviour
HRM	– Human Resource Management
ESOP	– Employee Stock Ownership Plan
MRA	– Marketing Research Association
ICC	– International Chamber of Commerce
ESOMAR	– European Society for Opinion and Marketing Research
PCS	– pieces
CZ	– Czechia/ Czech Republic

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17 APPENDIX

17.1 The Owner's Reusme

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Caro Gardavsky
Dvořákova 1456
Napajedla, CZ zip/postal code: 76361

Education:

2015 - 2019 Bachelor's degree in Business Administration at Tomas Bata Universtity

2009 The College of Fashion Design in Prague. Conferred title: Qualified Specialist DiS.

2011 Ski license acquired

2005 The Secondary Vocational School of Textile Crafts in Prague.

Job experience:

2019 Operating Manager, Marketing Specialist, Barista in Kabinet Hvězda, Přerov

2014 Operating Manager, Barista in Café Klaster, Napajedla

- Business Administration, invoicing, orders Managing
- Dynamic environment, direct contact with customers, performers, tourists, etc.
- Events organizing, providing service for events organized by the club of culture
- Organizing shifts and staff training

2013 Barista

- New established Café "Kakaove Oko"
- Working on the promotion and marketing
- Direct contact with customers, visual standardization of units in service

2011 employed at Ski Karlov. Coordinator, Instructor

- Responsibility for groups of children
- Organizing Events
- Coordinating part-time workers and volunteers
- Active use of English and German
- Promoting Ski Karlov, active participating on the marketing strategy

Graphic and administrative operating skills:

MS Office - Word, Excel, Kaledo style, Adobe Premiere Pro 2.0 , Adobe Photoshop, Adobe Illustrator, Corel Draw, In Design, Colosseum, Savarin .

Other: Driving license type A, B

17.2 List of Data Sources for the First Research

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<https://www.vlasy.com/satky--turbany-a-cepice/>

<https://www.dsgl.cz/satek-desigual-dakar-negro/d-541104/>

https://www.etsy.com/listing/565655637/bandana-crystal-infused-sacred-geometry?ref=shop_home_active_10

<https://www.etsy.com/shop/DanSchaubDesigns?ref=listing-shop-header-item-count#items>

<https://www.hermes.com/cz/en/scarves-and-silk-accessories/women/>

https://www.ebay.com/sch/i.html?_from=R40&_trksid=m570.11313&_nkw=scarf&_sacat=0

<https://satky.heureka.cz/>

17.3 The Complete Survey

17.3.1 Results

1. S jakým pohlavím se identifikujete?

Možnosti odpovědí	Responzí
● Žena	63
● Muž	32
● Genderově fluidní	2

2. Která z níže uvedených kategorií zahrnuje Váš věk?

Možnosti odpovědí	Responzí
● 17 nebo mladší	2
● 18 - 20	4
● 21 - 29	41
● 30 - 39	36
● 40 - 49	10
● 50 - 59	3
● 60 nebo více	1

3. Jak dobře znáte šátek jako módní doplněk?

Možnosti odpovědí	Responzí
● Používám jej denně	19
● Párkrát jsem jej koupil/a	48
● Jsem o produktu obecně informován/a	29
● Neznám jej vůbec	1

4. Jak často nakupujete šátky?

Možnosti odpovědí	Responzí
● Několikrát za týden	1
● Několikrát za měsíc	4
● Několikrát za rok	32
● Méně často	60

5. Zakoupil/ a byste si šátek i za účelem dekorace interiéru/ exteriéru?

Možnosti odpovědí	Responzí
<input type="radio"/> Ano	82
<input type="radio"/> Ne	15

6. Zakoupil/a byste si některý z vybraných šátků? Většina vzorů je tištěna ve fluorescenčních barvách.

Možnosti odpovědí	Responzí
<input type="radio"/> Ano	91
<input type="radio"/> Ne	6

7. Jakou cenu byste byl/a ochotný/á za takový šátek zaplatit? Rozměr šátku je 104 x 104 cm, materiál speciálně upravený polyester, příjemný na omak, vyrobený ve Vsetíně. Produkt je regionální.

Možnosti odpovědí	Responzí
<input type="radio"/> méně než 800,-	16
<input type="radio"/> 800,-	51
<input type="radio"/> 900,-	12
<input type="radio"/> 1000,-	8
<input type="radio"/> 1199,-	10

8. Vyhovuje Vám nakupovat šátky v internetových obchodech (s případnou možností obratem produkt vrátit)?

Možnosti odpovědí	Responzí
<input type="radio"/> Ano	95
<input type="radio"/> Ne	2

9. Jaký účel využití a vlastnosti šátku preferujete?

Výběr z možností, více možných.

Možnosti odpovědí	Responzí
● Funkčnost	35
● Nositelnost	64
● Fyziologické vlastnosti	17
● Dekorativní účely (Interiér, Exteriér)	58
● Design	69
● Určitý typ materiálu	51

17.3.2 The Questionnaire

Gardavsky Scarfs, průzkum oblíbenosti šátků jako módního doplňku.

Dobrý den,

věnujte prosím několik minut svého času vyplnění následujícího dotazníku.

1. S jakým pohlavím se identifikujete?

Nápověda k otázce: Vyberte jednu odpověď

- Žena
- Muž
- Genderově fluidní

2. Která z níže uvedených kategorií zahrnuje Váš věk?

Nápověda k otázce: Vyberte jednu odpověď

- 17 nebo mladší
- 18 - 20
- 21 - 29
- 30 - 39
- 40 - 49
- 50 - 59
- 60 nebo více

3. Jak dobře znáte šátek jako módní doplněk?

Nápověda k otázce: Vyberte jednu odpověď

- Používám jej denně
- Párkrát jsem jej koupil/a
- Jsem o produktu obecně informován/a
- Neznám jej vůbec

4. Jak často nakupujete šátky?

Nápověda k otázce: Vyberte jednu odpověď

- Několikrát za týden
- Několikrát za měsíc
- Několikrát za rok
- Méně často

5. Zakoupil/ a byste si šátek i za účelem dekorace interiéru/ exteriéru?

Nápověda k otázce: Vyberte jednu odpověď

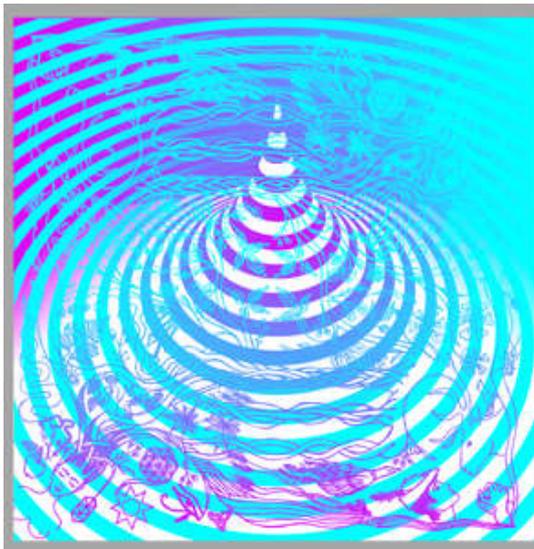
- Ano
- Ne

6. Zakoupil/ a byste si některý z vybraných šátků? Většina vzorů je tištěna ve fluorescenčních barvách.

Nápověda k otázce: Vyberte jednu odpověď

- Ano
- Ne





7. Jakou cenu byste byl/a ochotný/á za takový šátek zaplatit? Rozměr šátku je 104 x 104 cm, materiál speciálně upravený polyester, příjemný na omak, vyrobený ve Vsetíně. Produkt je regionální.

Nápověda k otázce: Vyberte jednu odpověď

- méně než 800,-
- 800,-
- 900,-
- 1000,-
- 1199,-

8. Vyhovuje Vám nakupovat šátky v internetových obchodech (s případnou možností obratem produkt vrátit)?

Nápověda k otázce: Vyberte jednu odpověď

- Ano
- Ne

9. Jaký účel využití a vlastnosti šátku preferujete?

Nápověda k otázce: Vyberte jednu nebo více odpovědí

- Funkčnost
- Nositelnost
- Fyziologické vlastnosti
- Dekorativní účely (Interiér, Exteriér)
- Design
- Určitý typ materiálu