

A Business Plan for a Florist Start-up

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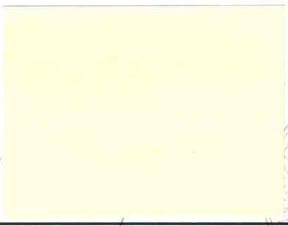
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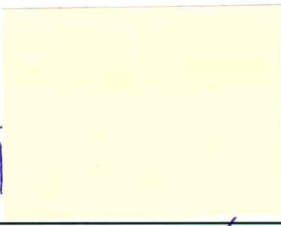
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ABSTRAKT

Cílem této bakalářské práce je sestavení podnikatelského plánu pro květinářství. Práce se skládá ze dvou částí, a to je teoretická a praktická část. V teoretické části jsou vymezeny základní pojmy týkající se podnikání a také popis jednotlivých částí podnikatelského plánu. Praktická část obsahuje vypracovaný podnikatelský plán pro květinářství *Květiny z dědiny*, kde jsou popsány jednotlivé kapitoly – popis společnosti, organizační struktura, analýza trhu a konkurence, marketingový plán, finanční plán, analýza rizik a další analýzy jako jsou například PEST, SWOT, či Porterova analýza. Kromě sestavení podnikatelského plánu je výstupem práce zjištění, zda je podnikatelský záměr realizovatelný.

Klíčová slova: podnik, podnikatelský plán, květinářství, analýza, PEST, SWOT, finanční plán

ABSTRACT

The aim of this bachelor thesis is to compile a business plan for a florist. The thesis consists of two parts, theoretical and analytical. The theoretical part defines the basic terms related to business as well as the particular parts of the business plan. The practical part contains the business plan for the florist *Květiny z dědiny* and describes the individual chapters – company description, organizational structure, market and competition analysis, marketing plan, financial plan, risk analysis and other analyses such as PEST, SWOT or Porter's analysis. Apart from drawing up a business plan, the aim of this bachelor thesis is to determine whether the business plan is feasible.

Keywords: enterprise, business plan, florist, analysis, PEST, SWOT, financial plan

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

CONTENTS

INTRODUCTION	9
I THEORY	10
1 ENTREPRENEURSHIP	11
1.1 ENTREPRENEUR	12
1.2 ENTERPRISE	12
1.3 BUSINESS ENVIRONMENT	13
2 BUSINESS ESTABLISHMENT	15
2.1 BUSINESS OF A NATURAL PERSON	15
2.2 BUSINESS OF A LEGAL ENTITY	16
2.2.1 Partnerships	16
2.2.2 Capital Companies	17
2.2.3 Cooperatives.....	18
3 BUSINESS PLAN	19
3.1 MAIN PRINCIPLES OF A BUSINESS PLAN.....	20
3.2 PURPOSES AND BENEFITS OF A BUSINESS PLAN.....	20
3.3 CHAPTERS OF A BUSINESS PLAN.....	21
3.3.1 Title Page	21
3.3.2 Executive Summary	21
3.3.3 Company and Product or Service Description	22
3.3.4 Market Analysis	23
3.3.5 Competition Analysis.....	23
3.3.6 Marketing Plan	24
3.3.7 Organizational Structure	27
3.3.8 Financial Plan.....	27
3.3.9 Risk Evaluation	29
II ANALYSIS	30
4 A BUSINESS PLAN FOR A FLORIST START-UP	31
4.1 TITLE PAGE	31
4.2 EXECUTIVE SUMMARY	32
4.3 COMPANY AND PRODUCT DESCRIPTION	33
4.3.1 Mission Statement.....	33
4.3.2 Company's Objectives	33
4.3.3 Product and Service.....	34
4.3.4 E-shop	36
4.3.5 Legal Form	36
4.3.6 Location.....	37
4.3.7 Opening Hours	37
4.3.8 Organizational Structure	38
4.4 INDUSTRY AND MARKET ANALYSIS	39
4.4.1 Industry analysis.....	39
4.4.2 PEST Analysis	39
4.5 COMPETITION ANALYSIS	42
4.5.1 Porter's Analysis	42

4.6	MARKETING PLAN	46
4.6.1	SWOT Analysis	46
4.6.2	Marketing Mix	47
4.6.3	Target Market.....	50
4.7	FINANCIAL PLAN	51
4.7.1	Start-up Balance Sheet	51
4.7.2	Start-up Costs	51
4.7.3	Labour Costs	52
4.7.4	Operating Costs	53
4.7.5	Estimated Revenues	54
4.7.6	Income Statement.....	55
4.7.7	Return on investment	57
4.8	RISK EVALUATION.....	58
	CONCLUSION	59
	BIBLIOGRAPHY	60
	ONLINE SOURCES.....	62
	LIST OF ABBREVIATIONS	64
	LIST OF FIGURES	65
	LIST OF TABLES	66

INTRODUCTION

The aim of this bachelor's thesis is to develop a business plan for a new ecological flower shop and determine its profitability. The author decided to establish the florist in Brno, as it is a convenient location for almost any business establishment, furthermore, the location is near her place of residence. There are two main reasons for setting up this business. Firstly, the author personally is enthusiastic about nature, flowers, plants, gardening and planting. Second, she is interested in the environment and ecology, and she would like to raise awareness of this issue in the flower industry, which is ecologically greatly demanding for the planet, by demonstrating that it is possible to run this business in a more environmentally friendly way.

The thesis is divided into two parts – theoretical and analytical. The theoretical part defines the terms entrepreneurship, entrepreneur, enterprise and business environment as well as the legal forms of business in the Czech Republic. The next section of the theoretical part deals with the business plan itself, describing each chapter and its principles, purposes and benefits. The analytical part deals with the business plan for the *Květiny z dědiny*. The chapters from the theoretical part are then used in the analytical part, where the data and information about the potential company are applied. The business plan consists of the title page, company and product description, market analysis, competition analysis, marketing plan, financial plan and risk evaluation. Further, market and competition analyses contain PEST analysis and Porter's analysis, and the marketing plan contains SWOT analysis and marketing mix. The financial plan includes a simplified balance sheet, start-up costs, labour costs, operating costs, estimated revenues, income statement and return on investment. Finally, the risk evaluation specifies internal and external factors which could possibly affect the business. The whole practical part of the business plan with all the analyses and calculations reveal whether this business idea is feasible and profitable or not.

I. THEORY

1 ENTREPRENEURSHIP

Entrepreneurship is defined in the new Civil Code as a systematic activity performed individually by an entrepreneur under his/her own name and under his/her own liability, to reach a profit (Kozubíková 2017, 244).

According to Scarborough et al. (2015, 18), entrepreneurship is an essential part of a global economy. The number of people around the world who want to fulfil their dreams and start their own businesses is increasing. These people are recreating the business world and they are coming up with innovative products and services, opening new shops, creating new jobs and doing what they enjoy most (Scarborough et al. 2015, 18).

For a better understanding, Veber and Srpová (2012, 14) represent several approaches of how business could be interpreted:

- **The economic approach** defines entrepreneurship as a dynamic process of increasing the original value of economic resources and other activities.
- **The legal approach** understands entrepreneurship as the activity performed by an entrepreneur in order to make a profit, all in his own name and at his own risk.
- **The psychological approach** determines entrepreneurship as an activity that is performed through motivation to achieve something, try something new, meet goals and get some reward.
- **The sociological approach** asserts that entrepreneurship is creating the right path forward to using resources, providing new jobs and opportunities and well-being for everyone.

Even though there are many definitions describing entrepreneurship, Veber and Srpová (2012, 14) suggest the following general features of entrepreneurship:

- creative approaches,
- organization and management of transformation processes,
- practical benefits, added value,
- purposeful activity,
- cyclic process,
- repetition, risk of failure.

1.1 Entrepreneur

An entrepreneur not only creates a business but also carries the risk of success or failure and unpredictability, they recognize important opportunities and quality resources to make a profit and achieve growth (Scarborough et al. 2015, 21). Veber and Srpová (2012, 15) state that business success is influenced by the abilities, activity and imaginativeness or innovation of an entrepreneur.

Veber and Srpová (2012, 15) identify a few common characteristics of an entrepreneur:

- taking risks,
- the ability to recognize opportunities and set new goals,
- the ability to organize business activities,
- the ability to secure the financial resources necessary to maintain a business
- learning from experiences, self-confidence, long-term motivation etc.

The Civil Code contains several definitions of an entrepreneur and describes it as following:

- a person registered in the Commercial Register;
- a person engaged in entrepreneurial activity based on a trade license or on the basis of authorisation under special regulations;
- a natural person who carries out an agricultural activity and is registered following special regulations. (Veber and Srpová 2012, 15)

1.2 Enterprise

According to Srpová and Řehoř (2010, 35), the enterprise could be generally described as an entity in which inputs (land, labour, capital) are converted into outputs (products or services). Specifically, an enterprise is an economically and legally independent unit created for business purposes. Economic independence means freedom of business, and therefore the responsibility of owners for specific business results. Legal independence is understood as the possibility for the company to enter into legal relations with other entities and make contracts with them. (Srpová and Řehoř 2010, 35)

Moreover, according to the Commercial Code an enterprise is defined as a set of tangible, personal and intangible components of a business. The company owns things, rights and other property values that belong to the entrepreneur and are used or should be used to run the business. (Srpová and Řehoř 2010, 35)

In terms of the form of ownership, companies are divided into 2 basic types:

- Private ownership – the property is owned by a single private person.
- Partner ownership – the property is owned by an association of persons running a business together, under their joint name. (Vochozka and Mulač 2012, 37-38)

The classification of a company in the category of small, medium or large enterprises has an impact on the company in terms of the scope of administrative duties, but also opportunities. According to the statistical office of the European Union, enterprises are divided according to the number of employees as follows:

- small enterprises – up to 20 employees;
- medium enterprises – up to 100 employees;
- large enterprises – more than 100 employees (Srpová and Řehoř 2010, 37).

Moreover, the European Commission recommends a different division of businesses:

- micro-enterprises – up to 10 employees, annual turnover and assets up to 2 million EUR;
- small enterprises – up to 50 employees, annual turnover and assets up to 2 million EUR;
- medium enterprises – up to 250 employees, annual turnover up to 50 million EUR and assets up to 43 million EUR (Srpová and Řehoř 2010, 36).

Although small and medium enterprises are much more sensitive to changes in the business environment and have limited access to public procurement, according to Srpová and Řehoř (2010, 39), there are many benefits to be an owner of SMEs:

- close relationship with the customer, personal relationship with employees;
- simple organizational structure;
- flexibility - the ability to adapt to market requirements and fluctuations;
- ability to generate job opportunities at low capital costs;
- lower consumption of energy and raw materials for production;
- a smaller amount of administration or secured by outsourcing.

1.3 Business environment

The business environment is a relatively broad concept. Some institutions consider the business environment as a set of external influences that affect the growth, competitiveness and efficiency of business entities. Other institutions define the business environment as a sum of all external factors affecting the enterprise (Kalínská 2010, 167). The business

environment is made up of several conditions in the area of legislation, institutional infrastructure and market functioning. (Vochozka and Mulač 2012, 76)

Synek and Kislingerová (2015, 16-20) claim that the external environment of an enterprise consists of several elements which are interconnected:

- Geographical – the location of the enterprise, the effects of globalization, purchasing and sales logistics,
- Social – the social consequences of the company's activities, the social interests of the employees and the environment,
- Political – the interests of political parties, the legal norms, the possibilities and restrictions of company behaviour,
- Legal – the law and its forms, the most important legal standard in the Czech Republic is the New Civil Code,
- Economic – global competitive environment, other economic entities, state, financial institutions,
- Environmental – the transformation of a company's technological processes to be more ecologically friendly, which should be respected within a company because of the country's regulations and environment,
- Technological – technical progress in the enterprise and its effects,
- Ethical – providing truthful information and quality goods and services to customers,
- Culture-historical – the overall level of culture and education of the population.

A state is in a quality environment if it properly supports business, has good legislation and an efficient state and public administration. Therefore, if the business environment is thriving, economic results will be good. (Petříček 2006, 6)

Since the Czech Republic is a member country of the European Union, its business environment is characterized by the following features:

- A declining income tax rate;
- A relatively high degree of openness of the economy, which was deepened by accession to the European Union;

Harmonization of most national regulations with European Union legislation, etc. (Vochozka and Mulač 2012, 76)

2 BUSINESS ESTABLISHMENT

The key decision before starting a business is to choose an appropriate legal form in which the person wants to do the business. The Czech Republic allows two types of entrepreneurship – the business of a natural person or the business of a legal entity (Srpková and Řehoř 2010, 67). Švarcová et al. (2019, 56-58) formulate conditions that must be fulfilled in order to become a natural person or a legal entity:

- minimum age of 18 years old,
- criminal integrity,
- full legal capacity.

The following paragraphs describe both types of legal forms in more detail.

2.1 Business of a Natural Person

An entrepreneur who decides to start a business as a natural person has to obtain either a trade license or another authorisation in accordance with the Trade Licensing Act. A business of a natural person is generally run independently by individuals, under their responsibility and their name. A natural person runs the business as a self-employed person and as a typical self-employed person he/she is thereby considered a sole trader (Srpková and Řehoř 2010, 67).

An advantage of running a business as a natural person is the fact that even smaller capital is enough to establish the business, and furthermore, its regulation by the state is minimal. On the other hand, access to the necessary capital is difficult, there is an unlimited liability for debts, and the life span of the company is limited to the life expectancy of the owner (Synek and Kislingerová 2015, 80).

In terms of professional competence, trades are divided into:

- **Licensed trades** – can be performed only based on state permission that a natural person acquires from the Trade Licensing Office. An example is a taxi driver.
- **Notifiable trades** – the trade needs to be reported to the Trade Licensing Office, no permit is required. Notifiable trades are divided into subdivisions:
 - **Craft trades** – a person has to be educated and have professional experience in a relevant field.
 - **Qualified trades** – a person has to prove professional competence, which is determined by the Trade Act.
 - **Free trades** – professional competence is not determined.

According to the subject of business, trades are divided into trading, manufacturing and providing services (Švarcová et al. 2019, 59), (Synek and Kislingerová, 2015, 80).

2.2 Business of a Legal Entity

If an entrepreneur decides to run a business as a legal entity, it will be more administratively challenging. In many cases, it is necessary to deposit a registered capital when establishing a company. Furthermore, all types of legal entities must be registered in the Commercial Register (Srpková and Řehoř 2010, 68).

The Commercial Code distinguishes the following legal entities:

- Partnerships – created and owned by two or more partners whose personal involvement in the company is shared, and who share the profits and are responsible for the losses together. Partnerships are further divided into a general partnership or a limited partnership.
- Capital companies – can be founded by a minimum of one person. The founders have only one obligation, and that is to make a deposit. They usually have limited liability. Capital companies include a limited liability company or a joint-stock company.
- Cooperatives – an organization owned and operated by a company of persons whose purpose is not to make a profit but to benefit its members (Synek and Kislingerová 2015, 82).

2.2.1 Partnerships

General partnership

A general partnership (in Czech “veřejná obchodní společnost”, “veř. obch. spol.” or “v. o. s.”) can be established by a minimum of 2 associates who share the company’s profit and loss equally. Both associates can be either a natural person or a legal entity and are responsible for the company’s liabilities jointly, unlimitedly and severally with their whole property (Švarcová et al. 2019, 68).

Limited partnership

A limited partnership (Czech translation is “komanditní společnost”, “kom. spol.” or “k. s.”) can also be established by a minimum of 2 associates and they can be a natural person or a legal entity. The associates are divided into limited partners (“komandisté”) and general partners (“komplementáři”). A limited partner is responsible for the company's liabilities only up to the amount of his or her deposit. Only general partners are allowed to participate

in the day-to-day management of the company and have unlimited liability with all their assets (Synek and Kislingerová 2010, 78).

An advantage of being a general partner is the fact that he/she is not obliged to contribute any initial deposit, whereas a limited partner has to contribute a deposit of at least 5,000 CZK (Veber and Srpová 2012, 73). Moreover, the profit is shared among all associates in equal parts as well as the loss (Švarcová et al. 2016, 68).

2.2.2 Capital Companies

Limited Liability Company

A Limited Liability Company (in Czech “společnost s ručením omezením”, “spol. s r. o.” or “s. r. o.”) is the most common form of business in the Czech Republic and can be established by a minimum of 1 natural or legal entity with a minimum registered capital. The capital base must be at least 1 CZK per person, however, in reality, it is not possible to establish a LLC for such a small amount for money, so the actual capital base is at least a few thousand Czech crowns (Synek and Kislingerová 2015, 82). The partners are responsible for the company’s liabilities only up to the unpaid amount of their capital interest, whereas a Limited Liability Company is responsible for its liabilities with all of the company’s assets.

The body of a LLC consists of three parts – the General Meeting, which is the most important one and is considered a company’s supreme body. The second part is the executive manager and then the General Meeting (Švarcová et al. 2019, 68-69). To start a limited liability company, it is necessary to draw up a partnership agreement, deposit a certain amount of share capital, secure a trade license or other authorization to start a business capital and last but not least, to be registered in the Commercial Register. This requires a proposal for entry in the Commercial Register signed by all executive managers in the company (Srpová and Řehoř 2010, 77).

Joint-Stock Company

A Joint-Stock Company (in Czech “akciová společnost, “akc. spol.” or “a. s.”) is another capital company which can be founded by either one person, which has to be a legal entity, or by several founders. The shareholder is not liable for the company's obligations, though the Joint-Stock Company is liable for its obligations with all its assets (Synek and Kislingerová 2010, 78). For the establishment of a joint-stock company, it is necessary to be registered in the Commercial Register. The value of the registered capital of the company must be at least 2 million CZK or 80,000 EUR and the registered capital is divided into a certain number of shares (Martinovičová et al. 2019, 81-85). The body of this capital

company is split into 3 parts. The supreme body with all its shareholders is called the General Meeting, which appoints and recall members of the Board of Directors, a statutory body of a company. The last part is the Supervisory Board, which supervises the Board of Directors (Dočekalová 2017, 26).

2.2.3 Cooperatives

Cooperatives (in Czech “družstva”) is a partnership of at least 3 persons, both natural and legal entities. Unlike capital companies, cooperatives can accept an unlimited number of new members who, also, are not responsible for the cooperative's liabilities. The amount of the minimum registered capital is not given as well as each members' contributions that make up this capital. The highest body of the cooperative is the Members Meeting, which encounters annually and elects the Board of Directors, and the third one is the Control Commission (Švarcová et al. 2019, 71).

3 BUSINESS PLAN

A business plan is a written document in which an entrepreneur processes all external and internal factors that affect the commencement of business activities or the operation of an existing company (Veber and Srpová 2012, 95). Sutton (2012, 12) describe these factors as following:

- External factors – serve for communication of the company with the external environment. Through a business plan, it highlights its strengths in order to increase its chances to obtain the necessary start-up capital from potential investors to run their business. Examples of external factors are products, services, costs, staff, etc.
- Internal factors – serve to ensure the basic activities within the company to ensure the functioning of the company. Internal factors include competition, political forces, market trends, etc.

Rather than a written document, according to Abrams (2014, 18), a business plan is a project that can help one's business idea to become prosperous. Červený (2014, 1) claim that a business plan is usually made by enterprising people who are daring and independent in building their own business. Shelton (2017, 23) summarizes five key elements that should construct a business plan:

- Business goals
- The reasons why these goals are achievable
- A plan for reaching these goals
- Data backing the uniqueness of the product and services
- Supporting information about the organization and team

Moreover, this process should help determine if the business idea is attainable and financially valuable. Based on the facts and data that are collected during the creation of a business plan, information describing your business intention is developed, which will be presented to customers, investors, vendors, employees, etc. (Shelton 2017, 23).

3.1 Main principles of a Business Plan

The goal of the following principles is to properly prepare a business plan so that people outside the company have a positive impression of it. Therefore, Veber and Srpová (2014, 96) are convinced that these generally applicable principles should be respected by an entrepreneur writing his business plan:

- Intelligibility – it is appropriate to express one’s thoughts simply and clearly and to avoid creating complex sentences, expressing too many ideas simultaneously.
- Orderliness – the information given in the plan should be continuous and based on facts.
- Brevity – a brief statement of the information, but all the essential and important facts must be complete.
- Truthfulness and objectiveness – the veracity of all the data provided should be a matter of course.
- Respecting the risk – identifying potential risks and designing solutions increases the credibility of the business plan.

3.2 Purposes and Benefits of a Business Plan

A business plan is used to determine and direct production and sales, research and development of new products and technologies, supply of materials, energy and human resources. It should help entrepreneurs figure out how to “sell their business” and convince potential stakeholders that the entrepreneur is coming up with the right products or services that are better than their competitors (Synek and Kislingerová 2015, 193).

Existing companies create a business plan to find a direction in which their business will continue, or in the last phase, a business plan can also be used to dampen or terminate the business (Červený 2014, 8). Therefore, a business plan is developed not only for establishing a new company but also whenever a company wants to implement a larger investment project (Veber and Srpová 2012, 95-96).

To determine the rate of profit and invested capital for starting a business, the key part of a business plan is a financial plan, thus that can also show the ability of the business to, for example, repay loans (Synek and Kislingerová 2015, 193).

According to McKeever (2018, 5-7), creating a business plan should help you with:

- Earning money
- Deciding whether to continue or stop
- Improving a business concept

- Improving the chances of success
- Keeping on track

3.3 Chapters of a Business Plan

Since the structure of a business plan is not legally listed, it is always individual and varies from business to business. Each business plan should be composed according to the author's business idea to provide the most accurate information possible for the right audience (Srpková and Řehoř 2010, 60), (Shelton 2017, 40). Nevertheless, McKeever (2018), Srpková and Řehoř (2010), Pinson (2008) and Abrams (2014) provide a general summary of chapters that should form every business plan:

- Title Page
- Executive Summary
- Company Description
- Market Analysis
- Competition Analysis
- Marketing Plan and Sales Strategy
- Organizational Structure
- Financial Plan
- Risk Evaluation

3.3.1 Title Page

A title page is the initial page of a business plan making the first impression and containing the fundamental information about a company, for instance, the name of a company, its logo, owner's name, contact details such as phone numbers, e-mails, web address, company address and also the date of establishing the company, etc. Moreover, the author of a business plan and its release date should be mentioned as well (Pinson 2008, 17-18)

3.3.2 Executive Summary

An executive summary provides the basic information about a business, which answers all the essential questions (why, who, what, where, when, how) at the beginning of the whole document, after the title page (Pinson 2008, 35). However, since it is the summary of a business plan, it must be written last (Shelton 2017, 71). Srpková and Řehoř (2010, 60) highlight that an executive summary is not an introduction, but a simplified form of what

can be found on the following pages. Accordingly, it is considered the most significant part of a business plan, as an executive summary is the section, where the reader decides if he/she wants to see the whole business plan (Pinson 2008, 35).

Right at the beginning, the reader should understand the purpose of the business and what goals the entrepreneur wants to achieve. Therefore, the business should be briefly but clearly described here. When it comes to marketing, as well as to the management and financial part, the author should convince the reader (the potential investor) with sufficient explanation that all the data, information and sales forecasts are realistic and reasonable (Shelton 2017, 70-71).

3.3.3 Company and Product or Service Description

Besides the fundamental information about the business (for example, company's legal form, name, ownership, contact information, location), the description of a company also serves to improve the reader's understanding of the entrepreneur's vision, what are the key goals and objectives of the business, etc. Therefore, it is appropriate to begin by telling why the company was created. The company description offers a piece of precise information about the business. Furthermore, it helps the entrepreneur to realize what exactly he/she expects of his business, and how he/she wants it to be perceived by others (Shelton 2017, 73), (Pinson 2008, 32).

It is good to start with the so-called company's mission, which is a form of description that briefly summarizes the basic objectives and principles of the company concisely in order to show that the author of the business plan knows exactly what the main focus of the company is (Pinson 2008, 32).

The "Product or Service Description" part must contain a detailed description of the product or service offered, including pictures, diagrams, schemes, technical specifications as well as distribution channels such as internet, or wholesale, etc. The author should also mention, how he/she plans to protect the product or service – trademarks, patents or copyright (Shelton 2017, 83-84). When describing the product or service, it is not good to pay too much attention to technical details, because the reader is often not well educated in the field. In addition, as competitiveness has a major influence on customer decisions, it is helpful to use the scheme of performance parameters and prices of the product or service compared to the rival product (Srpová and Řehoř 2010, 61).

3.3.4 Market Analysis

Srpová and Řehoř (2010, 61-62) divide the market into 2 parts – macro-environment and micro-environment. A company cannot influence the macro-environment, but any company can monitor and adapt to it. Macro-environment can be analysed using PEST analysis, which is an acronym for the following factors:

- Political– analyse current and potential effects of political influences
- Economic – focus on local, national and world economy and its impact
- Social – deal with the projection of social changes within the organization
- Technological – evaluate the impact of the latest and advanced technologies (Managementmania.com, 2015).

In addition to that, Srpová and Řehoř (2010, 62) assert that analysis of the micro-environment (customers and competition) should answer certain points:

- Which product or service will be offered to which customer?
- In what location will the product or service be accessible?
- What customers to focus on in this location?
- What motivates the customer to buy the product or service?
- What is the customer's shopping behaviour?

Further, Shelton (2017, 90) states that analysing the market has two purposes. Firstly, it is necessary to know the size of the market and to find out if there are enough potential customers. The next important aspect to identify is the ideal potential customer – common characteristics or interests of the customers (for instance, the same age, gender, religion, hobbies, income level, family structure, diet, etc.).

3.3.5 Competition Analysis

As Finch (2019, 37) points out, the fact that a company offers better quality goods than its competitor does not automatically mean that the company will be more successful on the market. It is worthwhile to look at both kinds of competitors – existing competitors and new entrants – and to identify their strengths and weaknesses, the number of customers, their pricing, operation resources and others. According to Shelton (2017, 95), common examples of strengths and weaknesses are prices, operating hours, accessibility, delivery and return policy, budget and so on. After identifying the strengths and weaknesses of the established company, it is possible to determine its competitive position (Srpová and Řehoř 2010, 62).

What Shelton (2017, 95) and Srpová and Řehoř (2010, 62) agree on, is that competitors might react to the entrance of a new business by, for instance, lowering the prices, improve advertising, providing free delivery and develop other services, which could endanger the new start-up.

To detect a company's strengths and weaknesses, it is convenient to carry out a SWOT analysis, which should motivate to develop the organization, help to estimate success or failure and support in generating new ideas. The acronym SWOT stands for strengths, weaknesses, opportunities and threats. These factors are divided into internal factors that are influenced by a company, and external factors that cannot be influenced by a company. The internal factors are represented by strengths and weaknesses, whereas the external factors include opportunities and threats (Srpová and Řehoř 2010, 132).

Porter's analysis or Porter's Five Forces is a method of analysing a particular industry and its risks. The purpose of this method is to anticipate how the competitive situation will develop by estimating the behaviour of the five factors – competitive rivalry, the threat of new entrants, supplier power, buyer power and the threat of substitution. Competitive rivalry analyses the competition in the market in the relevant field for an entrepreneur's company, in other words, the ability of a competitor to influence the price and offer of a company. The threat of new entrants is a factor, that analyses the danger that new entrepreneurs will enter the market and affect the price and supply of an organization. Supplier power is a force that deals with the suppliers' impact on changing the price. The buyer power addresses an impact on the pricing and demand for goods or services. The threat of substitution deals with the possibility that customers' needs may be met by other products or services (Managementmania.com, 2015).

3.3.6 Marketing Plan

A marketing plan aims to develop a way to communicate with customers. To find the right way to do so, Shelton (2017, 97) advises considering the question “where do potential customers go for information?” which is the basis of a marketing plan, thus that is the way to promote the business. The next question is whether an entrepreneur wants to gain more new customers or keep the existing ones and encourage them to make purchases repeatedly, because Shelton (2017, 97) claims again, that loyal customers generate 90 per cent of sales in retail stores and the rest comes from new customers. Even of the new ones, 90 per cent came from referrals from the remaining customers. Hence, it is advantageous to concentrate on the 99 per cent.

According to Srpová and Řehoř (2010, 196), marketing strategy is connected with three issues:

- Target market – to what kind of customer to focus on?
- The market position of the product or brand – how do we want the brand to be perceived by customers compared to competitors?
- Marketing mix – how to get to the target market position?

To be able to choose the target market, it is necessary to divide the market into the necessary common characteristics (specific requirements for the product) of customers. This is called market segmentation. The aim of market segmentation is to unify the offer with the customer's requirements. Subsequently, another challenge is to state the unique position of the brand or product among its competitors, which is based on special product features (for instance, high safety and reliability). The process of creating a position is called positioning. Concerning the selected market position, the marketing mix for the product and the given market/segment is then implemented (Srpová and Řehoř 2010, 196-198). The marketing mix consists of the so-called 4Ps and the following paragraphs explain them in detail:

- Product – the result of an organization's activities. Products are outputs, that are generally divided into goods and services (Managementmania.com, 2017). Srpová and Řehoř (2010, 199) declare, that product is the core of marketing, as it is the essence of the company's offer which satisfies the wants and needs of the target market. In addition to goods and services, products can also take the form of persons and organizations (artists, athletes, unions, political parties), an idea (fight against drugs, environmental protection), or a place (a vacation). Moreover, Gattis (2010, 48) advises discussing in the business plan the benefits the product brings to the customer's life or how it simplifies life.
- Place – or the so-called distribution, not only represents the place where the product can be obtained, but also the process of moving the product from the place of production to the customer, frequently through distribution channels. There are generally two types of distribution channels – direct and indirect distribution. In terms of direct distribution, which is the simplest, the product gets from the manufacturer directly into the consumer's hands at the place of production; in the producer's shop; in vending machines and, in the case of sales without sales premises, by post, telephone, electronically or ordering from a catalogue. However, the utilization of direct distribution is limited, thus indirect distribution is used by companies more often. In

the case of indirect distribution, there are several steps (intermediaries – retail shops, wholesale, shipping companies, etc.) between the manufacturer and the customer, through which the product must pass to get to the customer. The purpose of this kind of distribution is to penetrate the widest possible market (Srpková and Řehoř 2010, 213-215).

- Price – the amount of money customers have to pay to get the product they want or need to buy (Managementmania.com, 2017). The price of the products is determined by the company itself, which also sets its competitive position, influences its position in the hierarchy of consumers and their purchasing decisions. A price determines the value of a product, which, however, often does not match with the actual value. The price changes depending on the demand and supply of the product. However, the seller perceives the price differently than the customer. While the seller must cover at least the costs incurred in the production of goods and services, the customer gives up a certain part of his money to meet his needs and buy the product.

Thus, pricing means finding the right compromise between how much the customer is willing to pay, and a selling price sufficient for the manufacturer (Srpková and Řehoř 2010, 206). In the business plan, financial terms such as price list, discounts and benefits or payment information may be mentioned (Gattis, 2010, 48).

- Promotion – the purpose of promotion is to encourage potential customers to buy the offered product or service. Promotion consists of a few different promotion tools serving to accelerate or intensify purchases in the short term (Kotler and Armstrong 2018, 472). According to Srpková and Řehoř (2010, 219-223) promotional tools include advertising (TV, billboards, leaflets, etc.), sales promotion (coupons, free samples, loyalty programs, etc.), personal selling (trade fairs, exhibitions, business or informal meetings, etc.), public relations (donations, press conferences, etc.), and direct marketing (shipments, emails, etc.).

Moreover, it is worth mentioning that marketing mix in a form of 7Ps, where politics, public opinion and people are added to the typical 4 Ps marketing mix, is also used. Additionally, a 4C marketing mix is used to manage customer relationships, and this includes customer, cost, convenience and communications (Srpková and Řehoř 2010, 198).

3.3.7 Organizational Structure

For the efficient cooperation of employees and company performance, it is important to create a suitable organizational structure in the company. If the owner cannot or does not want to manage the company as well as needed or as he would like to, he can transfer a part of his responsibility to a manager, but the manager must act as if he was the owner. The division of labour means that the total work is divided among the employees so that, thanks to the interconnection of all activities, it creates smooth collaboration and a quality result (Synek and Kislíngerová (2015, 164-165). Additionally, Shelton (2017, 130) states that the best way to form a start-up is to begin with a small-sized company and grow gradually. It is common for an entrepreneur to start a business all by himself at the beginning, however, a successful company needs a team of well-experienced and skilled employees (Shelton 2017, 132).

3.3.8 Financial Plan

A financial plan is everything that was written before in a business plan, just expressed in numbers, thus the business plan will be credible and defensible (Pinson 2008, 4). Further, Pinson (2008, 13) declares, that a financial plan is well thought out and realistic and it is what investors will want to see to make sure that the company will achieve its pre-planned objectives and that it will make the profit that they previously agreed on. Usually, it is one of the first sections that potential investors go through in the business plan (Pinson 2008, 78).

It is reasonable to form financial assumptions by writing down a real number of goods or services that could be produced, and next, to determine how many can actually be sold. It is also practical to create an optimistic and pessimistic version of sales (Shelton 2017, 137).

Shelton (2017, 140) recommends analysing the three major financial statements: income statement, cash flow statement, balance sheet and also break-even analysis and start-up expenditures.

Income statement

An income statement, or in other words, a profit and loss statement, provides information about the earnings of a company over a specific period (year, quarter, or month). It shows the revenues, which are the earned money from the products or services sold. Next, it portrays the money spent on producing those products sold, which are called variable costs, and the last category included in the income statement are fixed costs (rent, insurance,

advertising, utilities, etc.) To make a net profit or loss, it is sufficient to deduct costs from earnings. (Shelton 2017, 142).

Cash flow statement

Cash flow is the money transferring into and out of a business – the money can be used immediately. When the amount of money transferring into a business is higher than the money leaving the business, it is called a positive cash flow, and conversely, more money leaving the business than floating into the business reflects a negative cash flow (McKeever 2018, 156). Shelton (2017, 148) indicate the cash flow from operations, investments, and financing.

Balance sheet

A balance sheet shows the total value of the company – its prevailing property and equipment (Abrams 2014, 310). This financial statement is often used by entrepreneurs running a non-profit organization. It reports the company's assets, liabilities, and equity, however, not over a time period as mentioned above, but at a certain date – often the last day of a year, quarter or a month (Shelton 2017, 151).

Break-even analysis

This analysis shows how sales would have to decrease to put the company in a zero-profit situation, thus, it shows how many products or services are required to be sold in order to generate net profit (Finch 2019, 106). Nevertheless, Shelton (2017, 160) points out that this analysis serves to make sure there are enough resources to produce income.

Start-up expenditures

Shelton (2017, 153) considers this financial statement as a useful tool for starting a new business or for establishing a new project. Start-up expenditures consist of counting all the costs incurred before the business opens. These expenditures include, for example, insurance, rent and utility deposits, website, equipment and vehicles purchased, marketing, etc. Even though it is typical to estimate these amounts at first, it should be based on some knowledge and experience, so they are likely to be correct.

3.3.9 Risk Evaluation

Risk assessment is beneficial in order to prepare for a potential risk situation so that it can be solved as easily as possible through premeditated actions. Furthermore, it is possible to prevent or at least reduce these risks if we identify their probable causes during the analysis. Factors that can cause risks may include changes in customers' behaviour, company's weaknesses, legislation, changes in competitors' behaviour, and so on (Srpová and Řehoř 2010, 66).

Since every business involves certain risks, it is very important to acknowledge the risks of your business. Not only will the business plan be more credible to the reader, but it will also prevent his or her concerns or questions about it (Finch 2019, 121).

II. ANALYSIS

4 A BUSINESS PLAN FOR A FLORIST START-UP

4.1 Title Page



Figure 1: Logo of *Květiny z dědiny* (Barbora Koudelková: Bunny Design)

Name of the company:	Květiny z dědiny
Slogan:	Natřej si svoji kytku!
Legal form:	Natural person
Location of the company:	Kamenná 835/13, 639 00, Brno-střed-Štýřice
Establishment date:	1 March 2022
Founder:	Ema Fránková
Telephone number:	+420 775 157 131
Email:	ema.frankova@gmail.com
Website:	www.kvetinyzdediny.cz
Financing:	500,000 CZK
Company's description:	The <i>Květiny z dědiny</i> is a flower shop in Brno providing mainly local flowers. Customers can not only buy exceptional bouquets, but also help protect the environment and support Czech flower farms with their purchase at this florist.

4.2 Executive Summary

The flower shop *Květiny z dědiny* is a business concept by Ema Fránková, a student at Tomas Bata University in Zlín, who decided to run the business as a natural person. The enterprise will be located in Brno, specifically in the central part of the city. As the address of *Květiny z dědiny* is located on a busy and at the same time easily accessible place in Brno, the location can be considered advantageous for the sales and overall success of the company.

The main focus of the flower shop is to offer great quality flowers at reasonable prices. In addition, the purpose is to sell flowers that have been grown in the most environmentally-friendly way. Due to the fact that most of the flowers will come from Czech flower farms, the company will have better means to assure that no dangerous chemicals have been used during the production of flowers. Moreover, the flowers will not travel to the end customer across half the globe via air transport, which is also harmful for the planet.

The ultimate goal of the founder is to run a flower shop with beautiful goods, but concurrently, have a positive impact on the global environment. Over time, *Květiny z dědiny* would like to become the customers' first choice when it comes to flowers.

4.3 Company and Product Description

Květiny z dědiny is a flower shop located in the centre of Brno city. This flower shop perceives flowers as a work of art and thus offers unconventional-looking bouquets and floral decorations. *Květiny z dědiny* is one of the few shops which offer local or imported flowers from neighbouring countries from carefully selected suppliers with the Fair-trade label, all this for ecological reasons. Furthermore, unlike most florists in the Czech Republic, this flower shop will have its own e-shop. The name of the company “*Květiny z dědiny*” is inspired by the natural beauties of the Czech countryside.

4.3.1 Mission Statement

The mission of the company is to set up a successful flower shop and to provide extraordinary flowers of superior quality while at the same time selling flowers that are grown using sustainable techniques and create the final bouquet or arrangement according to precise customer requirements. And since anyone has the opportunity to tie their bouquet themselves, a visit to *Květiny z dědiny* will be an enjoyment for everyone. The flower shop will provide classic bouquets, but also decorations for restaurants, cafes or exhibitions, and celebration or wedding arrangements. Moreover, considering that the floricultural industry does not behave ecologically, *Květiny z dědiny* wants to contribute to the protection of the environment by promoting local producers and using local flowers, without the use of chemical sprays, pesticides, fertilizers and other toxic substances.

4.3.2 Company's Objectives

The main goal of *Květiny z dědiny* is to sell organically grown flowers, cultivated especially in the Czech Republic and neighbouring countries such as Austria. The purpose is to expand the sale of high-quality domestic products without damaging the environment and thus supporting the so-called slow flower movement idea. Furthermore, to make flower shopping an entertainment for creative customers, they will be able to create their bouquets themselves, with the possible help of qualified and nice staff, on which we place a great emphasis on. It is hoped that the customer will take away flowers, which will then last an exceptionally long time, and he/she will be happy to return to the florist in the future.

4.3.3 Product and Service

As mentioned above, flowers will be supplied by farmers from the Czech Republic and bordering countries, such as Poland and Germany. For this reason, flowers will be sold mainly seasonally, depending on the period in which they grow. There will be a wide range on offer, such as different types of tulips, daffodils, rhododendrons, etc. in spring; hydrangeas, roses, magnolias, daisies or peonies, etc. in summer; and chrysanthemums, pansies, dahlias etc. during autumn and winter. Several flowers, such as carnations, lilies, and many more, grow almost all year round. Some can be grown in a greenhouse even outside the season in which they bloom naturally, so customers can look forward to roses, for example, even on Valentine's Day. Wildflowers such as chamomile, cornflower, poppy, marigold, bluebell, or anemone and more, will be offered as well. Furthermore, twigs, pine cones, pine needles or leaves will be also added to embellish the bouquets and arrangement.



Figure 2: Possible look of a winter bouquet (Carolsdarkroom.cz)



Figure 3: Possible look of an autumn bouquet (Instagram.com/loukykvet)



Figure 4: Possible look of a summer bouquet (Instagram.com/loukykvet)



Figure 5: Possible look of a spring/summer bouquet (Instagram.com/loukykvet)

The flower shop will also have ready-made bouquets on sale every day for those who prefer to buy an already prepared bunch of flowers without having to spend more time at the florist. In this flower shop, customers usually have the opportunity to pick individual flowers by hand and tie them, or they can take advantage of the help of florists. Of course, a typical service, where the customer communicates his requirements and based on that the florist creates a bouquet, will also be available. In addition to cut flowers, customers will be able

to purchase a variety of plants, such as monstera, aloe vera, ficus, philodendron, begonia, and many others, which the company will largely produce itself.

In the case of event decorations, the customer will be required to arrange and order the service well in advance – from several months to a year for weddings, and no less than a few weeks before any celebration. This information is only an estimate, it will all depend on the actual workload of the company. Furthermore, the florist is ready to establish long-term cooperation with any store, restaurant, café or bar to create flowers arrangements for them on a regular basis.

Another service provided by *Květiny z dědiny* will be flower delivery throughout Brno and its surroundings. Orders can be placed both by phone, and through the e-shop, at least one day in advance – the further the flower is delivered, the sooner it is necessary to place an order.

4.3.4 E-shop

Květiny z dědiny plans to have its own e-shop, where customers will be able to order a bouquet or a plant and have it delivered at a particular address, or they can pick it up at the store. The e-shop will be regularly updated, according to the current assortment on offer – individual flowers will always be listed so that the customer knows what to choose from. The e-shop will contain photos of finished bouquets (and plants) that can be purchased, and a customer will also have the opportunity to add special requirements to the order in the notes. A customer also marks the date and approximate time when he or she wants the flower to be delivered at a certain address or when he/she picks it up at the store. These orders ought to be paid in advance by credit card or through a bank account to prevent any unnecessary effort and to ensure the prepared flowers will be picked up.

As *Květiny z dědiny* will cooperate with the company *NF applied*, which produces porcelain and ceramics, the e-shop will also offer their flower pots, vases and also mugs of various shapes and colours and will be available throughout the whole year.

4.3.5 Legal Form

The founder and owner of this flower shop, Ema Fránková, decided to conduct business as a natural person. Not only is this legal form suitable for start-ups and this kind of business, but also the administration and conditions of a natural person, in comparison to other legal forms, are easier to meet. Moreover, income tax for a natural person is 15%, which is 4%

less than for legal entities. According to the Trade Licensing Act No. 455/1991 Coll., floristry is a so-called Free Trade (in Czech “volná živnost”) – “Production, trade and services not listed in Annexes no. 1 to 3 of the Trade Licensing Act”, specifically “1. Providing services for agriculture, horticulture, pond farming, forestry and hunting”, “48. Wholesale and retail trade” and “67. Design, arrangement and modelling” (Ministry of Industry and Trade, 2021).

4.3.6 Location

The company *Květiny z dědiny* will be located in a busy part of Brno – the capital of the South Moravian region with over 382,000 inhabitants (ČSÚ, 2021). More precisely, the store will be placed on the street Kamenná 835/13, near the busy street Vídeňská. This place is very easily accessible both by tram, as there are two tram stops nearby, and also by car, as the building has its own parking lot.

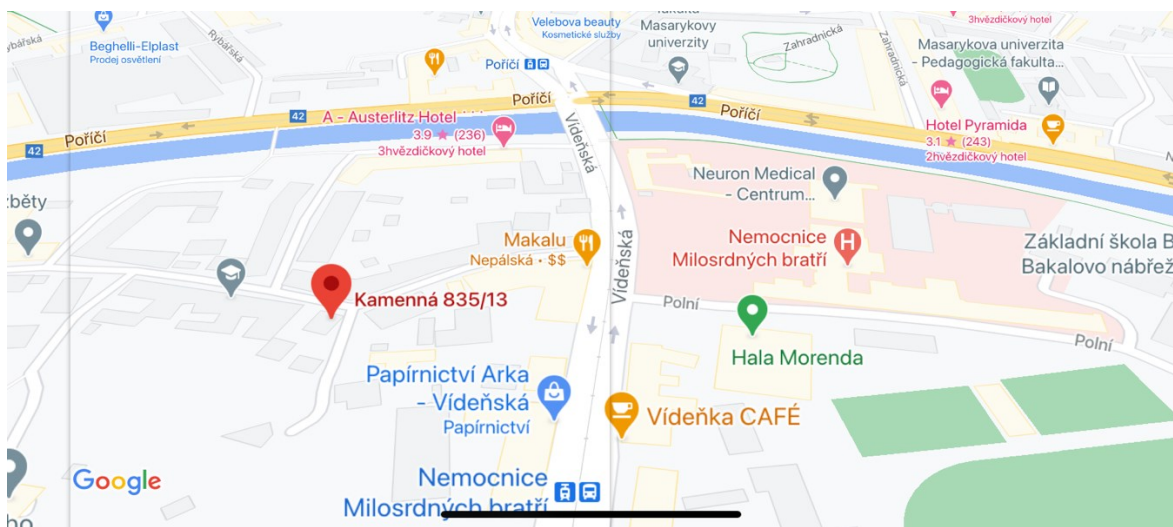


Figure 6: Location of the flower shop (Google Maps)

4.3.7 Opening Hours

During working days, the flower shop will be open all day. It will also be open at weekends, mainly because lots of celebrations take place at weekends, but opening hours will be shortened. Opening hours may change from time to time, especially during public holidays. For more detailed information, see the table below:

OPENING HOURS	
Monday – Friday	8 – 18
Saturday – Sunday	8 – 12

Table 1: Opening hours of *Květiny z dědiny* (own creation)

4.3.8 Organizational Structure

The founder and owner of the company *Květiny z dědiny* is Ema Fránková, a graduate at Tomas Bata University who has long been interested in the environment and business at the same time. Since the flower shop is a small company, the owner also represents the head manager and she hires only three more employees from the beginning – sales assistants who are also florists. Two of them will be full-time employees and will be working 40 hours per week and one part-time employee will be working 20 hours per week.

The responsibilities of the head manager will be: negotiating with suppliers, ensuring a constant supply of goods, e-shop, marketing, accounting, helping the sales assistants when needed, organizing their shifts, and last but not least, meeting the company's goals and objectives. Besides selling the flowers, florists will deliver e-shop orders, stock shelves, keep the store tidy and the goods organized, but in the first place, they will always be ready and willing to help customers pick and create excellent bouquets.

WORKING HOURS		
Sales assistant 1	Mon – Fri	8:00 – 16:00
Sales assistant 2	Mon – Fri	10:00 – 18:00
Sales assistant 3	Thurs – Fri	8:00 – 14:00/12:00 – 18:00
	Sat – Sun	8:00 – 12:00

Table 2: Possible division of shifts (own creation)

4.4 Industry and Market Analysis

This chapter contains industry analysis and PEST analysis which focuses on the external factors that may influence the business.

4.4.1 Industry analysis

The flower market in Europe provides flowers imported mainly from countries such as Columbia, Ecuador, Kenya and Zimbabwe. Other huge flower suppliers are South Africa and Thailand. It is not easy to find out where certain flowers come from on the Czech market, as flowers are transported by air from the above-mentioned countries to the Dutch flower auctions, where they are subsequently resold to the European market. Before the import, these flowers go through a process of soil disinfection, multiple spraying against pests, and finally the flowers are impregnated with a substance that slows down their breathing and thus prolongs its freshness. Many of these substances are highly toxic (Ekologický institut Veronica, 2021).

Air transport as well as growing flowers in the Netherlands in heated greenhouses represents a high production of CO₂. Furthermore, the flower industry requires a huge consumption of water, which in some countries limits the daily needs of the population. For example, in Kenya, from where 85,000 tonnes of flowers are imported to the EU each year, 30,000 liters of water is used to grow 1 hectare of roses (Ekologický institut Veronica, 2021).

Other issues in this industry are working conditions and labour abuse. A significant part of the workforce in the flower farms consists of children, whose job is to work with pesticides and other toxic substances (Deutsche Welle, 2021). However, most of the work on the farms is done by women, who often face sexual harassment from their superiors (International Labour Rights Forum, 2005). The practices of the conventional flower growing are detrimental not only to our planet but also to its inhabitants, which is one of the biggest motivations to fight against this trend.

4.4.2 PEST Analysis

PEST analysis consists of political, economic, socio-cultural and technological factors that are described more in detail in the following paragraphs.

Political and legal environment

The owner of *Květiny z dědiny* is going to run the business as a natural person, which means that the amount of income tax she has to pay is 15%. Other payment obligations that a natural

person is obliged pay monthly are social and health insurance. In 2021, the minimum amount of social insurance reserves is 2,588 CZK per month, which is 44 CZK more than in 2020 and the minimum amount of health insurance reserves increased by 41 CZK to 2,393 CZK per month, both from March 2021. Employees pay 4.5 % for health insurance and another 6.5% for social insurance, and the employer is obliged to pay 9% for health insurance and 24.8% for social insurance, both deducted from the gross monthly wage (Finance.cz, 2021).

In addition, it is also important that the entrepreneur is always prepared for possible inspections by various authorities during the business operation. In the Czech Republic, the state controls are relatively common, however, the types and amounts of them depends on the type of the company. Examples of such control authorities are, for example, Tax Office, Czech Trade Inspection, Trade Licensing Office, State Hygienic Station, State Labour Inspection Office, Czech Social Security Administration and many more (Pruvodcepodnikanim.cz, 2021).

According to the Act on Registration of Sales (Sales Registration) No. 112/2016 Coll., florists are obligated to use the Registration of sales (in Czech “EET”) since the 1st March 2017. The purpose of the Registration of sales is to record the sales of a company, with each customer receiving a receipt containing a unique code from the merchant for their purchase. Nevertheless, due to the coronavirus pandemic, this obligation was suspended in March 2020, which will probably last until the 1st January 2023 (Eltrzyby.cz, 2021).

Economic environment

The impact of the coronavirus has been economically significant worldwide and the Czech economy has fallen rapidly. Gross domestic product fell by 4.7% in the last quarter of 2020, however, in the first quarter of 2021, GDP decreased by 2.1%. The average inflation rate in 2020 was 3.2% and is currently slowly declining. In the last quarter of 2020, the unemployment rate was 3.2% and in the first quarter of 2021 reached 3.4% and the average gross wage was high as well and reached 38,535 CZK at the end of 2020 (ČSÚ, 2020).

In the South-Moravian region, where the florist is located, the average gross wage has been continuously growing since 2013 and in the last quarter of 2020 was 37,814 CZK, and the unemployment rate was 4.55% (ČSÚ, 2020). Despite the significant decline in the Czech economy, worse results had been expected. Thanks to vaccination, a gradual but slow improvement can be expected, and it is tentatively estimated that the economy should return to the pre-crisis levels by the end of 2022 at the latest.

Regarding the Květiny z dědiny’s flowers supplies, they are not as cheap as those from the Dutch flower auctions, but their prices are still quite low – a few Czech crowns for 1

flower. The difference between the purchase and sale price is usually significant. In the case of *Květiny z dědiny*, the difference will not be that big, as the costs for transport and protection are added in the case of the imported flowers. Accordingly, it must be taken into account that the purchase prices of flowers may increase with respect to economic changes.

Socio-cultural environment

Besides the political and economic factors, even the socio-cultural environment could have a significant impact on the enterprise. Firstly, a great company location could have a beneficial impact on its sales. As was already stated, the *Květiny z dědiny* will be located in Brno-střed on the Kamenná street which is not only easily accessible, but also has a lot of random passers-by every day. Due to the fact that Brno is one of the largest and most innovative cities in the Czech Republic, a lot of families and individuals living there are most likely well-educated and employed in local companies and earn good money. Moreover, due to the amount of secondary schools and universities, Brno is also considered a student city, therefore, students belong to a very important group of our customers. In general, Brno residents are often people who are welcoming new things, enterprises and ideas with open arms.

In recent years, buying local products in general has become an upward trend. People are more inclined to choose what quality of products they buy and where these products come from, whether it is food, clothing, cosmetics, household items, or even flowers. Although the awareness of the environmental issues of the floricultural industry is still in its infancy in the Czech Republic, it will hopefully continue to expand. However, this is associated with the threat of new competitors on the market, the number of which is likely to increase.

Technological environment

Technologies are evolving rapidly and are widely used in most kinds of industries. The flower shop does not need or plan to use any special technologies and it will use only the most necessary means to fulfil its mission, but at the same time save energy, money and the environment. Nevertheless, the company will use e-commerce on a daily basis, as it has its own website and e-shop, which will need to be updated frequently with new products, information and contributions. Other fundamental technologies that will be used on a daily basis are the cash register and air conditioning. Furthermore, a Wi-Fi connection will be available in the store, mainly due to the operation of e-commerce business, and a car will be necessary for a flower delivery.

4.5 Competition Analysis

The threat of existing or new potential competitors is identified and analysed using Porter's five forces analysis.

4.5.1 Porter's Analysis

Competitive Rivalry

Since Brno is the second-largest city in the Czech Republic, there are many florists, however, only one of them has its own flower e-shop, and none of them offer the customers the opportunity to tie the flowers themselves. Furthermore, only a few of them provide organically grown flowers. *Květiny z dědiny* considers the following enterprises to be the biggest competition.

- **La Plevela**

La Plevela, s. r. o. is a flower shop situated on Václavská street 229 in Brno-střed, directly opposite the Václavská tram stop. The florist is relatively new, as it was established in 2014. La Plevela is a small florist that produces unusual bouquets, often reminiscent of meadow flowers, and also sells houseplants in small quantities. The florist cooperates with various suppliers and most flowers are imported mainly from the Czech Republic, Slovakia, Germany, Italy, Belgium, or Israel, mostly in eco quality. La Plevela's prices depend on the type and size of flower – a small to medium-sized bouquet costs between 500 – 600 CZK. They are only open on weekdays, from 08:00 to 18:00, on Fridays to 17:00. This flower shop does not have a website; thus, they also do not provide flower delivery services. Therefore, they present their creations primarily on social networks – Instagram and Facebook.

- **Kvítí z lesa**

Kvítí z lesa was established in 2016 and is located also in Brno-střed, on Kopečná street 3, which is 1 km from the main railway station and a 20-minute walk from the location of *Květiny z dědiny*. The flower shop creates bouquets that are inspired by nature and woods, and their offer includes also houseplants. They get flowers from local growers, but also from Holland, Italy and Poland, however, every year from March to October they grow their own flowers. Kvítí z lesa is opened on weekdays, every day from 11:00 to 18:00, but on Wednesdays only by appointment. The prices of their bouquets are around 600 – 2000 CZK, and they prefer orders in advance rather than tying flowers on the spot. This florist provides flower delivery on Tuesdays and Thursdays from 11:00 to 19:00. Even though Kvítí z lesa does not have an e-shop, it does have its own Facebook and Instagram, where it shows a

current offer, and it also has a website full of useful information about the florist, and their portfolio.

These two florists are possibly the main competitors of *Květiny z dědiny*, because the concepts of both florists show a close resemblance to the concept of the *Květiny z dědiny*. Not only does La Plevela produce a similar style of goods in organic quality and has been on the market for several years, so it has already gained customers, but it is also located relatively close to *Květiny z dědiny*, so it is considered our biggest competitor.

- **Florescence**

Florescence is a new small flower shop established at the end of 2019, located on Vídeňská 16, a short walk from the tram stop U Milosrdných bratří. Their offer consists of cut plants, as well as a few species of houseplants and also home decorations. This florist is opened from 8:00 to 17:00 during weekdays, from 9:00 to 13:00 on Saturday, and is closed on Sunday. Their flowers and plants come predominantly from Holland and Columbia and are sold at relatively low prices – a medium bouquet can be purchased from 350 CZK. Florescence promote the florist only via Facebook and Instagram, they do not have a website or an e-shop, nevertheless, it is possible to order a flower delivery by phone, which is free of charge when ordering over 1,000 CZK.

- **Květiny V&Š**

Květiny V&Š, s. r. o. has five branches in Brno, situated on Mendlovo náměstí, Křenová, Táborská, Veverčí, and Příkop streets and the company was established more than 27 years ago. Květiny V&Š is quite an extensive florist that imports flowers from Holland. The branch on Mendlovo náměstí 18 is open daily from 7:00 to 19:00 on weekdays, from 8:00 to 17:00 on Saturday, and Sunday until 15:00. Prices vary depending on the type of product, so for example, a medium-sized bouquet costs more or less 700-1,300 CZK. Their e-shop, also offers special flower boxes filled also with wine, chocolate, sausages, etc., or large bouquets, for example in the shape of a heart that cost up to 3,000 CZK. In addition to the website with e-shop, they also use Facebook and Instagram, which, however, is not their priority tool for communicating with customers. Moreover, Květiny V&Š provides flower delivery in Brno, which is free of charge for orders above 990 CZK.

- **Kytice**

Kytice, v. o. s. is another small flower shop with two stores, established in 1991 and situated on Křídlovická 31 and Květinářská 3, both in Brno. Kytice is opened every weekday from

7:00 to 17:00 and on Saturday from 8:00 to 13:00. Their flowers come mainly from Holland, Italy, Columbia and also from the Czech Republic, and they provide remarkable bouquets richly embellished by various decorations. The prices of their bouquets range between 350 – 450 CZK, and larger bouquets between 850 – 1,000 CZK. Kytice run their website and provide flower delivery in Brno, however, they primarily deliver sympathy and funeral bouquets. The flower shop also provides their customers with a loyalty card, where they collect stamps and after two purchases of over 300 CZK a customer receives a 10% discount on the third purchase.

Floressence, Květiny V&Š and Kytice are conventional flower shops that provide flowers mostly from abroad, from where they are imported to most Czech and European florists and the look of the bouquets they create is significantly different from the type of bouquets our florist would like to create. Nevertheless, all these florists are located near the *Květiny z dědiny*, especially Floressence. In addition, unlike Floressence, which has only been on the market for a year, Květiny V&Š and Kytice have been on the market for almost 30 years, thus have gained a lot of loyal customers. Moreover, both of them have more than one branch.

Supplier Power

In the Czech Republic, where we aspire to purchase most of our flowers, there are only a few flower suppliers, which indicates a significant risk, however, it is hoped that flower farms in the Czech Republic will expand over time. Fortunately, there are many fair-trade suppliers from surrounding countries, mainly from Poland and Germany, who will also supply us with additional flowers. The purchase prices of flowers are low and do not increase much, but due to possible economic crisis, this factor must also be taken into account.

Buyer Power

Although there are many florists on the market, and since there is a great demand for flowers, most of the florist businesses are successful. At the same time, there are not so many flower shops that are interested in protecting the environment. Moreover, the florists do not even try to manage their businesses in this way despite the fact that more and more people are showing an interest in the environment. For these reasons, it may be assumed that there is a high number of potential customers.

Threat of Substitution

Due to the total number of conventional florists in Brno, and supermarkets selling the cut flowers at very low prices, the threat of substitutes is considerable. This is why our flower shop will not have overshot prices at the beginning, so as not to discourage customers. In addition, unlike regular florists, supermarkets have longer opening hours, up to 20:00 or 22:00, especially at weekends, which is a great advantage. On the other hand, these flowers are usually not aesthetically so pleasing and serve more as a substitute when the customer has no choice where to buy the flowers.

Threat of New Entrants

The awareness of non-organic practices in the flower industry is beginning to spread. Czech florists are breaking this trend and trying to return to a time when meadows and gardens of grandmothers and farmers were commonly full of wildflowers, which were subsequently sold in the same country. Hence, it can be assumed that the number of florists with the same mission will slowly increase. An advantage for beginning entrepreneurs in this field is also the fact that no special education is required to run this kind of business.

4.6 Marketing Plan

4.6.1 SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Long-lasting eco-quality products • Environmental impact • Relatively low prices • Modern and original look of bouquets • Involvement of customers • E-shop and delivery service • Convenient location • Friendly atmosphere 	<ul style="list-style-type: none"> • No experience with running a business • Not providing all kinds of flowers all year round • Limited financial budget
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing interest in flowers from ecological resources • Supporting local business/flower farmers • Possibility to extend the range of eco-friendly florists 	<ul style="list-style-type: none"> • New entrant on the market • Lack of experience • Not the only retailer of its kind in the town • Economic crisis • Increase of supplier prices • New entry competition

Table 3: SWOT Analysis of *Květiny z dědiny* (own creation)

Our florist will prove that even local flowers can be beautiful, have a longer lifespan and, in addition, by buying them, the customer even helps to save the environment. To discourage the customer from believing that what is quality, is also expensive, the prices will be average at least initially. Furthermore, in no other florist is it possible for the customer to touch the flowers, so with us, anyone has a unique opportunity to “bundle” their flowers themselves, which could be very appealing. Since the founder of *Květiny z dědiny* know from experience that the willingness of employees in many florists leave a lot to be desired, in our florist, extreme care will be taken to ensure that all employees are friendly, kind and always ready to help or advise the customer.

Nevertheless, as the owner has no experience with running a business, some new different situations in which the owner may not know how to behave or how to act could appear, but this factor is expected to improve, mainly with the help of experienced staff that will be recruited over time. As mentioned, due to the origin of the flowers, it is not possible to supply the entire selection throughout the year, which could discourage some customers. Nonetheless, it is believed that if we demonstrate to the customer what we can actually create from ordinary flowers, the demand will not be badly affected. Another weakness is the limited financial budget, because of which the flower shop will be forced to start on a smaller scale and improve slowly over time.

Květiny z dědiny has the opportunity to raise awareness of how the flower industry actually works and consequently, why the flower shop was set up. Customers will more likely think about what are they buying and what is the better option. In addition, the florist strives to support more and more local growers to continue to grow and thus expand the trend of organic florists in the Czech Republic.

Květiny z dědiny is a new entrant on the market with a lack of experience, which in itself is risky, especially when it is not the only florist of its kind in the town. However, Brno is quite a big town and there are not so many competitors that our florist cannot surpass them or be at least on the same level with them thanks to its strengths. A significant threat is an economic crisis, currently triggered by the coronavirus and even though florists remained fully opened throughout the pandemic, most businesses have had to close for a significant period of time and many of them even went bankrupt. This is also associated with an increase in the rental prices or suppliers. Last but not least, as environmental awareness has been spreading in recent years, new entrants are expected. That is why we need to create a circle of customers and constantly reach out new ones, monitor and also create trends so that we are always of interest to the customers, and constantly expand our offer.

4.6.2 Marketing Mix

Product

Chapter 4.3.3. Product and Service already includes most of the important information about the products that *Květiny z dědiny* will be selling. As mentioned before, *Květiny z dědiny* offers a wide range of flowers of extraordinary quality supplied mainly from the Czech Republic and the offer will vary according to the season due to the flowers' origin. Our florist carefully selects not only the origin of the flowers but also the packaging. Since many flowers are sold per day, it would also involve a lot of paper consumption. Therefore, the

bouquets will be wrapped in recycled wrapping paper, each with a stamp with the *Květiny z dědiny* logo. However, during warmer months, it will not be necessary to wrap the flowers.

Price

As a new entrant into the market, *Květiny z dědiny* cannot afford to set high prices. Therefore, the prices of flowers will be average and will, at least from the beginning, more or less coincide with the prices of the competition, but at the same time so that the company will be able to pay all the costs and make a profit. After some time, once the florist gains a reputation and more customers, the prices can be increased slightly. Regarding payments, customers have the option to pay either in cash or by card. The approximate prices can be seen in the tables below:

PRICES OF BOUQUETS	
Small bouquet	250 – 350 CZK
Medium-sized bouquet	350 – 550 CZK
Large bouquet	550 – 950 CZK
Extra-large bouquet	950 – 1500 CZK

Table 4: Prices of bouquets according to their size (own creation)

PRICES OF INDIVIDUAL FLOWERS			
Category 1	Main large flowers	Dahlia, rose, peony, gerbera, sunflower, chrysanthemum, marigold, poppy, etc.	20 – 80 CZK/piece
Category 2	Small decorative flowers	Holly, chamomile, lilac, buttercup, etc.	15 – 95 CZK/piece
Category 3	Decorative foliage	Eucalyptus, eucalypt, gypsophila, ruscus, etc.	5 – 35 CZK/piece
Category 4	Houseplants	Monstera, orchid, aloe vera, ficus, rhododendron, etc.	240 – 600 CZK

Table 5: Prices of individual flowers and plants (own creation)

Place

There are four other companies based in the building where *Květiny z dědiny* will be located, so the place is quite busy, which should be beneficial for the flower shop's sales. All bouquets will be created in the store right in front of the customer's eyes, or the customer can choose to make a bouquet themselves, thus the florist will contribute its flower products through direct selling. However, in the case of flower delivery, it is an indirect selling as well as the sale of porcelain and ceramic products in our florist, which come from the workshop of the company NF applied, which is also based in Brno.

Promotion

Promotion is crucial for gaining customers, keeping them informed, but also for presenting the company's products, events and other news and updates. *Květiny z dědiny* will start promoting itself before opening the flower shop.

- Facebook and Instagram

Nowadays, Facebook and Instagram are the key tools for promoting a company and keeping in touch with customers, as these two platforms belong among the most popular. The Facebook profile of *Květiny z dědiny* will be more informative and will contain company location, opening hours, phone number, link to our website, link to our Instagram profile, logo, information about discounts, events. It will also contain photos of bouquets and arrangements that have been created for our customers, and an offer of the other products that can be purchased in the flower shop. Instagram is used particularly by the first segment of the customers, which means young people from 18 (and younger) to 26 years old. Instagram posts will be added daily, especially Instagram stories in order to inform customers daily about what we create and what is happening in our florist. Moreover, customers will be able to share photos of flowers they purchased in *Květiny z dědiny* and tag our profile and thus spread awareness of our florist, which could increase the sales.

- Website

The website will be beneficial mainly for the customers from third segment because this age group often does not use the social networks mentioned above. Therefore, our website will contain all the important information including the address, contact information, links to our social media, photos and also the e-shop, where all the flower orders will be carried out. Further, customers will have the opportunity to express their impressions and reviews of the florist.

- Word of mouth

Even though this type of promotion is for free and comes from the customers' side, it is one of the most effective ways to promote a company, as it is based on real customer experience. Therefore, each member of staff will receive clear instructions regarding employee behaviour. Also, the state of the store and goods will be regularly inspected and maintained in the best possible condition to prevent customer dissatisfaction.

- Loyalty cards

One of the great ways to motivate regular customers to continue visiting our florist is loyalty cards, where customers obtain a stamp with the logo of *Květiny z dědiny* for each purchase over 350 CZK. Every fifth purchase will then have a 25% discount.

4.6.3 Target Market

The flower shop is located in a city, where many young working people live, but also a lot of students, as there are several high schools and universities in Brno. Further, near the location of the florist is a housing estate with family houses, a kindergarten, a hospital, two university faculties, two hotels, restaurants and two tram stops. It is assumed that the flower shop will be visited more by the young or the middle-aged, who, unlike elderly people of retirement age, are more likely to look for atypical, modern tied bouquets. In addition, young and middle-aged people are more interested in companies who act ecologically, as the interest in the environment, ecology and organic products is growing nowadays. For these reasons, potential customers consist of the following three segments:

- Segment 1 = customers in the age group of 18 – 26: young people, mainly students interested in the environment as well as in the new businesses coming up with fresh ideas and products. This segment of customers usually purchases flowers for their friends and family members, largely for Mother's Day or International Women's day. And also, young men often endow their precious halves with extraordinary flowers for anniversaries, birthdays, name days or Valentine's day. At the same time, customers of this segment are increasingly interested in keeping houseplants, which is becoming a big trend at the moment.
- Segment 2 = customers in the age group of 27 – 39: still young people who often already have families, so they buy flowers mainly for weddings, or grandmothers, mothers and wives, for anniversaries and birthdays, celebrations, and teachers in nursery schools and primary schools at the end of the school year. Moreover, owners

of restaurants, bars and other places order flowers decorations and arrangements. In addition, customers at this age often build their new homes, where they place not only new, but often also designer porcelain and ceramic products.

- Segment 3 = customers in the age group of 40 and older: middle-aged people who often buy flowers to please their friends, wives and other family members, or as decorations for their houses, but also sympathy and funeral bouquets.

4.7 Financial Plan

The financial plan represents all the finances involved in setting up and operating the flower shop. This financial plan is composed of a simplified start-up balance sheet, start-up costs, labour costs, operating costs, estimated revenues, income statement, and last but not least, return on investment.

4.7.1 Start-up Balance Sheet

The following table shows a balance sheet summarizing the liabilities the entrepreneur's assets on the left side and liabilities on the left side. The registered equity is 500,000 CZK, which consists of the founder's building savings, personal savings, and a loan from the family.

ASSETS (CZK)		LIABILITIES (CZK)	
Long-term assets	0	Equity	500,000
		Registered equity	500,000
Current assets	500,000	Current liabilities	0
Cash	50,000		
Bank account	450,000		
TOTAL	500,000	TOTAL	500,000

Table 6: Simplified balance sheet (own creation)

4.7.2 Start-up Costs

Start-up costs represent all necessary costs that will be used for the establishment of the business. These costs are paid only once – in the first month. Since the owner wants to save as much money as possible from the beginning, and at the same time, no exceptional furniture and other equipment is needed, the initial costs were calculated as relatively low.

After the company makes a bigger profit, the owner will invest in major renovations and equipment.

INITIAL COSTS OF THE COMPANY	CZK
Trade license	1,000
Reconstruction	12,000
Promotion – Facebook, Instagram, loyalty cards	4,000
	17,000
EET cash desk	6,500
Cash register	8,000
Wi-Fi router	1,000
Mobile phone	2,000
Computer	11,000
Racks	8,700
Air conditioning	8,000
Arranging aids – ribbons, wrapping paper	2,000
Furniture – tables, chairs, vases, etc.	14,300
Logo stamp	470
Decorations	6,000
	67,970
TOTAL START-UP COSTS	84,970

Table 7: Initial costs of the company (own creation)

4.7.3 Labour Costs

As mentioned in the chapter 4.3.8 Organizational Structure, the company will consist of 2 full-time employees and 1 part-time employee. The full-time florists will be working 40 hours weekly and the third florist will be working 20 hours a week. The labour costs include also a social insurance, which is currently 24.8% and health insurance, which is 9%. As the gross wage of the part-time florist is more than 10,000 CZK, the employer is required to pay the employer's insurance.

LABOUR COSTS (CZK)				
Employee	Gross wage/month	Social and health insurance/month	Gross wage and insurance/month	Annually
Full-time florists (2)	25,000	8,450	33,450	401,400 (x2)
Part-time florist	12,500	4,225	16,725	200,700
TOTAL	62,500	21,125	83,625	1,003,500

Table 8: Labour costs (own creation)

4.7.4 Operating Costs

Operating costs include fixed costs and variable costs. In general, fixed costs do not depend on the number of the products or services sold, therefore, they will have to be paid regularly. On the contrary, variable costs vary according to the volume of the production or sales.

Because the exact rate of loyalty cards production cannot be determined, and flower deliveries are likely to be volatile, the cards and fuel have been included in variable costs. Moreover, the supplies of flowers may change with the demand of customers during the public holidays, seasons, etc. The results of operating costs represent expenses in the case of an optimistic scenario, realistic scenario, and pessimistic scenario.

OPERATING COSTS (CZK)		
	MONTHLY	ANNUALY
Fixed costs	118,329	1,419,948
Rent	23,000	276,000
Energy consumption	6,000	72,000
Wages	83,625	1,003,500
Insurance	1,633	19,596
Mobile and internet service	1,050	12,600
Webhosting	21	252
Social media advertisement	3,000	36,000
Variable costs		
Loyalty cards	500	6,000

Fuel	2,000	24,000
Supplies of flowers Optimistic scenario	130,000	1,560,000
Supplies of flowers Realistic scenario	100,000	1,200,000
Supplies of flowers Optimistic scenario	70,000	840,000
Total optimistic	250,829	3,009,952
Total realistic	220,829	2,649,952
Total pessimistic	190,829	2,289,952

Table 9: Operating costs (own creation)

4.7.5 Estimated Revenues

The revenues are based on the average prices of the individual sizes of bouquets and the estimated number of pieces sold per day. As the number of flowers offered in a flower shop is huge and their individual prices are very difficult to calculate, the following data are drawn from the experience and calculations of a professional florist in Brno.

The flower shop will be open 7 days a week, however, the open hours are shortened at weekends – 8 hours per weekend. Therefore, our month is calculated as 24 days – 4 weeks, 6 days in a week ($4 * 6 = 24$).

Optimistic scenario (CZK)

Product	Average price	Pieces sold/day	Estimated revenues/day	Estimated revenues/month
Small bouquet	300	10	3,000	72,000
Medium-sized bouquet	450	13	5,850	140,400
Large bouquet	750	7	5,250	126,000
Extra-large bouquet	1,225	6	7,350	176,400
Total Revenues			21,450	514,800
Annually				6,177,600

Table 10: Estimated revenues: Optimistic scenario (own creation)

Realistic scenario (CZK)

Product	Average price	Pieces sold/day	Estimated revenues/day	Estimated revenues/month
Small bouquet	300	8	2,400	57,600
Medium-sized bouquet	450	10	4,500	108,000
Large bouquet	750	5	3,750	90,000
Extra-large bouquet	1,225	3	3,675	88,200
Total revenues			14,325	343,800
Annually				4,125,600

Table 11: Estimated revenues: Realistic scenario (own creation)

Pessimistic scenario (CZK)

Product	Average price	Pieces sold/day	Estimated revenues/day	Estimated revenues/month
Small bouquet	300	5	1,500	36,000
Medium-sized bouquet	450	6	2,700	64,800
Large bouquet	750	3	2,250	54,000
Extra-large bouquet	1,225	1	1,225	29,400
Total revenues			7,675	184,200
Annually				2,210,400

Table 12: Estimated revenues: Pessimistic scenario (own creation)

4.7.6 Income Statement

Income statement is determined by revenues and costs. All the revenues were deducted from the costs, and thus EBT (Earnings before taxes) was identified. Running this business is also associated with income tax, which amounts to 15% and has been deducted from the EBT.

EAT stands for Earnings after taxes, which was calculated by deducting the 15% from the EBT. EAT represents the final income statement.

Optimistic scenario (CZK)

	1 st MONTH	2 nd MONTH	1ST YEAR
Revenues	514,800	514,800	617,7600
Costs	250,829	250,829	3,009,952
Start-up costs	84,970	0	84,970
EBT	179,001	263,971	3,082,678
Tax 15%			462,402
EAT			2,620,276

Table 13: Income statement: Optimistic scenario (own creation)

According to the optimistic scenario, the company would earn 2,620,276 CZK in the first year.

Realistic scenario (CZK)

	1 st MONTH	2 nd MONTH	1ST YEAR
Revenues	343,800	343,800	4,125,600
Costs	220,829	220,829	2,649,952
Start-up costs	84,970	0	84,970
EBT	38,001	122,971	1,390,678
Tax 15%			208,601
EAT			1,182,076

Table 14: Income statement: Realistic scenario (own creation)

The realistic scenario shows that the costs are fully covered and also, the company would make a profit, specifically 1,182,076 CZK yearly.

Pessimistic scenario (CZK)

	1 st MONTH	2 nd MONTH	1ST YEAR
Revenues	184,200	184,200	2,210,400
Costs	190,829	190,829	2,289,952
Start-up costs	84,970	0	84,970

EBT	-91,599	-6629	-164,522
Tax 15%			0
EAT			-164,522

Table 15: Income statement: Pessimistic scenario (own creation)

According to the pessimistic scenario, EAT is negative, which means that the earnings of the company are not high enough to cover its expenses and the *Květiny z dědiny* would make a loss of 164,522 CZK. In this case, the income tax of 15% is not deducted.

4.7.7 Return on investment

Return on investment (ROI) is an indicator of the profitability of investments and the success of the company. The result is based as a percentage of the return on the amount spent. Furthermore, the founder's initial investment is 500,000 CZK.

The formula looks as follows: $ROI = (\text{net profit} / \text{initial investment}) * 100$.

ROI for optimistic scenario: $(2,620,276 / 500,000) * 100 = 524\%$

ROI for realistic scenario: $(1,182,076 / 500,000) * 100 = 236\%$

The ROI is positive in both in optimistic and realistic scenario and therefore, the investment should generate profit.

4.8 Risk Evaluation

It is vitally important to be aware of and prepared for potential risks that could negatively affect the operation of the enterprise. Therefore, it is needed to examine and identify the threats the company could actually face, and the entrepreneur should try to avoid them.

Choice of employees

Since high performance will be expected from the employees mainly for the purpose of customer satisfaction, but also for the internal operation of the florist, it will be essential to choose the right ones. The proper employee should not only be a professional in the field, but also disciplined and enthusiastic. Therefore, with regard to the average wages of florists in the Czech Republic, our florist will be offered an above-average salary.

Lack of experience

The founder of the company has not ever established a business and has no experience with working in a flower shop yet. Therefore, the owner will have to get acquainted with the possible different situations that could occur during the florist's operation, so that she will be ready to deal with them.

Competitive risk

In general, the number of flower shops in the Czech Republic is increasing. In addition, there is also a growing awareness of environmental protection. Hence, an increase in similar types of flower shops on the market is to be expected. Our florist wants to create a circle of its satisfied regular customers, but also wants to be regularly updated with new ideas and goods.

Economic factors

Along with the changing economy, import prices may increase in the future. Despite the fact that the purchase prices of flowers from suppliers are very low, in the order of a few crowns, the monthly purchase of flowers will be around 100,000 CZK. Therefore, a change in these prices could significantly affect the company, and it would also have to respond by increasing its prices.

Legal factors

The government may at any time implement a new law that would apply to changes in the company and complicate its business. It is important for the owner to stay informed and watch for the possible changes.

CONCLUSION

The purpose of this bachelor's thesis was to create a business plan for the flower shop *Květiny z dědiny* and find out, whether the business idea is viable and has the potential to be successful. The author's main idea is to establish a flower shop which generates many returning customers, either because of favourable prices in relation to the high quality of flowers, the origin of the plants, or because of the above-standard pleasant staff and the atmosphere in the store. Moreover, the opportunity for customers to create their own bouquet will certainly be a lot of fun for many of them.

The theoretical part of the thesis contains the basic terms relating to business and explains the legal forms under which it is possible to run a business in the Czech Republic. The last part deals with a detailed theoretical description of the business plan, where at least one paragraph is devoted to each individual chapter of the plan.

The practical part presents the business plan of the flower shop itself. The idea of this kind of flower shop came from the author's passion for flowers, plants and gardening, but also because of the global growing awareness of the environment. The business plan begins with the title page, and continues with the company, product and service description. Indispensable components of the thesis are PEST analysis, Porter's analysis, SWOT analysis and Marketing mix. The financial analysis including balance sheet, start-up costs, labour costs, operating costs, estimated revenues, income statement, and return on investment evidentially shows that the business idea is feasible. Due to the fact that establishing and running a business is generally risky, the author has also prepared a risk analysis to prepare for potential threats.

Much of the information used in the financial analysis comes from an owner of a florist in Brno with a similar concept as *Květiny z dědiny* has. Therefore, these data may not be completely accurate, but are based on real numbers and experience. In addition, some of the information found on the internet should serve as an indication and may not be precise and updated.

Taking the results of the whole plan into consideration, including all the analyses and calculations, it turned out that the business plan can be implemented, and could result in a successfully operating business. In the case of a realistic scenario, which is hoped to be achieved, the company would generate a yearly profit of 1,182,076 CZK.

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LIST OF ABBREVIATIONS

CZK	Czech koruna
ČSÚ	Český statistický úřad
EET	Elektronická evidence tržeb
etc.	Et cetera
EUR	Euro
LLC	Limited Liability Company
PEST	Political, Economic, Social, Technological
ROI	Rentability of investment
SWOT	Strengths, Weaknesses, Opportunities, Threats

LIST OF FIGURES

Figure 1: Logo of <i>Květiny z dědiny</i> (Barbora Koudelková: Bunny Design)	31
Figure 2: Possible look of a winter bouquet (Carolsdarkroom.cz)	34
Figure 3: Possible look of an autumn bouquet (Instagram.com/loukykvet).....	34
Figure 4: Possible look of a summer bouquet (Instagram.com/loukykvet)	35
Figure 5: Possible look of a spring/summer bouquet (Instagram.com/loukykvet).....	35
Figure 6: Location of the flower shop (Google Maps)	37

LIST OF TABLES

Table 1: Opening hours of <i>Květiny z dědiny</i> (own creation)	38
Table 2: Possible division of shifts (own creation).....	38
Table 3: SWOT Analysis of <i>Květiny z dědiny</i> (own creation).....	46
Table 4: Prices of bouquets according to their size (own creation).....	48
Table 5: Prices of individual flowers and plants (own creation)	48
Table 6: Simplified balance sheet (own creation)	51
Table 7: Initial costs of the company (own creation)	52
Table 8: Labour costs (own creation)	53
Table 9: Operating costs (own creation).....	54
Table 10: Estimated revenues: Optimistic scenario (own creation)	55
Table 11: Estimated revenues: Realistic scenario (own creation)	55
Table 12: Estimated revenues: Pessimistic scenario (own creation)	55
Table 13: Income statement: Optimistic scenario (own creation)	56
Table 14: Income statement: Realistic scenario (own creation)	56
Table 15: Income statement: Pessimistic scenario (own creation)	57