

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Abstract of Diploma Thesis

**Business plan and strategy for a Marketplace E-Business
startup company**

Cem UYSAL

© 2017 CULS Prague

Business plan and strategy for a Marketplace E-Business startup company

Abstract

This master thesis work includes a business plan of an E-Business start up company that aims to provide an easier life to foreigners those who are living in Prague with its offering through the selected vendors.

Defining and analysing both end customer and service provider market within the focused industries as well as the different parts of the business plan such as executive summary, description of the company and operational plan are among the achievement of this thesis. After all, based on the analyses and calculations that was conducted as part of this study, recommendations take place as well.

As results of this study, it was seen that majority of correspondents who would buy any of offered services through online channels are between 24-37 years old, mainly men and would earn 20.000 – 40.000 CZK per month.

In conclusion, there is a quite big space in the targeted market for the company. High profitability possibility, amount of required initial investment, low rivalry in the industry are also among the key findings of this master thesis.

Keywords: E-business, business plan, strategic planning.

1. Introduction

With the effect of globalization and thus increased integration among the countries, number of foreigners those who work in abroad is increasing every year.

Czech Republic, especially the capital city Prague is a very good example of this hypothesis. With numerous reasons Prague became one of most popular location both for the companies and individuals in many different business fields. As of 2015, there were 465.000 foreigners living in Czech Republic, while there were more than 170.000 of these people living in Prague.

Of course, the limited communication skills in terms of local language is a great struggle for these people as they cannot execute their daily task as easily as others. Numerous services that requires human interaction such as cleaning, repair, construction, consultancy services etc. can be counted as some of these tasks.

Within this master thesis work, an online business directory that will conduct its business operations in three major business lines, where the individual customers and service providers will meet and make the purchase transactions will be evaluated in shape of a business plan. Furthermore, calculation of different assumptions, opportunity of use as a checklist and increased communication possibility of whole idea are some of the other benefits of a business plan for the entrepreneurs.

This study has been conducted by analyzing the external environment, defining the key characteristics of the market, comparing the competitors, analyzing the situation of the company in the market, defining the marketing agenda and operational plans and last but not the least calculations and analyses such as projected profit and loss statement, break-even point and return on investment were done to estimate the financials of the company.

Conclusively, it was searched that if the evaluated business idea could be successful and deliver any additional value to the end customers while sustain profitability and growth.

2. Objectives and Methodology

2.1. Objectives

Main objective of this thesis is to provide a concrete business plan for the intended company which will be providing services to expat niche for those who are living in capital city of Czech Republic, Prague. Among these services primary product will be offering a business directory with underlying affiliate marketing model.

Secondary objectives of this thesis are:

- Explaining the business model,
- Choosing the legal status of the company,
- Conducting strategic analyses,
- Determine the marketing mix,
- Estimate the financial program of the company.

2.2 Methodology

This thesis will be composed as two parts which first of them is theoretical part that will show the literature review and second is practical part that will show the business plan.

In first part of the thesis work, literature review will be composed of definition of numerous strategic analyses and financial analyses those will be used in next parts of the thesis work. Information regarding to these definitions will be extracted from online library sources, academic publishes as well as the related articles. Also, the relevant websites will be used to extract necessary information.

Furthermore, a survey will be conducted to determine the consumer behavior among the target market. Based on the results from the survey, financial estimation and projection of sales forecast will take place.

Practical part of the thesis work, will outline the business plan which will define the secondary objectives among with including the analyses such as:

- Porter's 5 Forces Model,
- PESTLE Analysis,
- Value Chain Analysis,

- SWOT Analysis,
- GANTT Chart,
- Break-even Point Analysis,
- Return on Investment Analysis,

As it can be understood from the related part of the thesis, a business plan would include variety of different topics such as, strategic plan, marketing plan, operations and/or production, research and development, management and organization, forecasts and financial plan etc. Since, optimum length of a master thesis would be 60-80 pages, it is believed that focusing on limited number of mentioned parts would bring a higher quality of work rather than slightly mentioning all of them. Therefore, this thesis work will be mentioning and defining all the parts that were mentioned, however, the focus will be on strategic, marketing and financial plans.

4. Recommendations

Based on the analyses that was conducted for developing this business plan, it was shown that company can penetrate the market quite easily. However, low entry barriers and easy to copy business model is rising a significant risk for the company. To be able to sustain its growth and profitability, the company must focus on increasing the added value and its competitive advantages.

To create a brand loyalty and sustain its market share with increasing the repetitive purchases of existing customers, company should also try to gain new market shares before the competitors reacts to this market penetration.

In an environment where technological development costs less than neighboring countries focusing on its tech capabilities could also benefit the company on extraordinary levels.

To assure the quality and other added values such as punctuality, safety and communication skills of the employees those who will be delivering the service, vendor selection becomes a strategic process. Therefore, it is highly important to set measurable KPIs and standards in this process.

While penetrating the market, it is also very important to keep an eye on the competitors as both competitors those were taken into consideration has several years of experience and capabilities to launch a product easier than anyone else.

5. Conclusion

As conclusion, it can be claimed that this master thesis meets all its objectives that was defined at the second part, objectives and methodology.

As subject of this master thesis, a business idea was defined, relative researches including literature review were conducted, diverse number of analyses took place and recommendations were made.

In theoretical part, most common business types of business entities in Czech Republic was defined, several types of business plans were explained, components of the business plan such as;

- Executive summary,
- Description of the company,
- Operations / Products,
- Marketing plan,
- Operational Plan,
- Forecasts and Financial Plan were introduced.

In practical part, a survey was designed, distributed, conducted and processed as a mean of primary research to determine the consumer behavior regarding to business idea. Additionally, as a mean secondary research, different websites, statistical data sets, social media sites, libraries, governmental agencies' publications were used to develop the business plan components of the company. Furthermore, various strategic analyses were done to explain the rivalry and the key players in the market.

Based on the conducted researches and analyses, a relevant, realistic and up to date data came out as a result that explains the industry, market, competitors and the customers.

Among these components, various tools took place as analyses such as;

- PEST analysis to define the macro environment,
- Porter's 5 analysis to explain the rivalry and key characteristics of the market,
- Value Chain analysis to define value adding advantages and strengths of the company,
- Competitor analysis to determine the capabilities and current situations of the key actors in the market,
- SWOT analysis to come to a determine the company's position in the market,

- GANTT chart to explain and define the expected calendar for company's actions,
- Variety of calculations to determine estimated cash flow,
- Break-even point analysis to determine the required minimum amount of sales,
- Return on Investment analysis to determine the profitability.

Furthermore, at the end, recommendations were made to improve the results of the company based on the researches, analyses and the calculations that was done.

Conclusively, all the primary and secondary objectives of this master thesis work have been successfully achieved and presented.

References

- Ford, B. R., Bornstein, J. M., & Pruitt, P. (2007). *The Ernst& young Business Plan Guide (3 ed.)*. John Wiley & Sons, Incorporated
- Friend, Graham, & Stefan Zehle.(2010). *The Economist Guide To Business Planning*, Profile Books.
- Alhabeeb, M. (2014). *Fundamentals of Financial Planning and Management for Small Business*. John Wiley & Sons, Incorporated
- Shelton, Hal, (2014). *The Secrets to Writing a Successful Business Plan*, Summit Valley Press
- Lynch, R (2000)., *Corporate Strategy*, Prentice Hall.