

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



BACHELOR THESIS

Summary

**Case study of selected business plan development in the
entertainment industry**

**Případová studie vybraného obchodního plánu v zábavním
průmyslu**

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1 Introduction

I work in the entertainment industry for several years in securing and the organizing various events in the Czech Republic.

My opinion is that nowadays it is very prosperous and a certain way too easy to do business either in e-business or in the entertainment industry. Openly I peeked and dedicated to both business, but most of all I got into the mysteries of the entertainment industry. I chose the entertainment industry as the primary, because I think that nowadays stress and rush everyone needs something to relax and the have fun, especially young people. I also chose this business because I really like to organize things.

Over the years there has been a large and the significant shift in the entertainment industry. People began to demand more kinds of fun and everything evolved technologically forward.

In this bachelor thesis is briefly described the theory and development of the entertainment industry, where I described what it actually is the entertainment industry, I divided them on certain parts, which I then also approached. In the practical part was created and described the basic business plan, as will be demonstrated investor. I have written the data that are associated with the project. It is about how to start a business, information associated with the laws of the Czech Republic, information various phases of creating a project and complete financial plan of course with profit of different variants.

2 Keywords

Business plan, Cinema, Cinematography, Music, Theatre, Sport, Entertainment, Industry, Festival, History, Entertainment industry, Club, Disco, Hazard

3 Objectives of thesis

The objective of this thesis is to approach of the theoretical side entertainment industry and its subsectors. Set up the business plan for real future use. Find out all the information related to organizing of event and calculate the costs, revenues and profits of the event.

4 Methodology

The theoretical part of the bachelor thesis was written with detailed view of selected important parts of the entertainment industry. Here are definitions and also the history of the entertainment industry, specifically parts industry, such as sport, theater, cinema and music. Then I approached hazard and described how the business plan should be build.

The practical part is focused on developing the business plan so that it can be used in real life or business. For the development of this part, I had to go through various laws organizing events in the entertainment industry, contact manager artist. The business plan are clearly listed all the costs associated with the project, as well as revenues and profits in several variants. In the practical part, I also used the SWOT and PEST analyzes that help forms the basis for the success of projects from different areas. SWOT analysis discusses the positives and negatives, opportunities and threats of this project. I evaluated the local market and competition and also own competitiveness of the project.

Elaboration of project analyzes for risk reduction may increase the feeling of security while doing business in the future. The financial aspect is the result of anticipated costs and profits, based on the information obtained during the different phases of the project.

5 Main findings

The aim of the project was to address a potential investor for the purpose of financing the project, with that the investor would be financed the project with the entire amount. Another condition is that the profit would be distributed after deduction of expenses as follows: 60% of profit the author of project and 40% of profit for investor. By this ratio because the author of this project has know-how and he will be do the whole work himself, investor will only provide money. With the fact that for investor must be clear, that this is an investment and not a loan and there is a risk that the investments might not return to him.

The technical part of the project consists of five assumptions. The first assumption or phase is the signing of contract with the artist and signing a lease with the club and know their conditions. Second phase is to provide pre-sale and subsequent sale of tickets. This means that there is a necessity to determine at what the company will be led pre-sale of tickets and what are the conditions of the company. Third phase is to provide marketing or advertising for the event. Fourth phase is to ensure accommodation and other conditions of artist. The fifth phase is to create a balance sheet for the investor. Where will, thanks to the findings of the previous phases, itemized in detail all the costs associated with the event and all possible alternatives of profit.

I made four variant of balance sheet. In the variant A was profit 445 978,9881 crowns, in the variant B is profit 477 858,5241 crowns, in the variant C is profit 104 389, 7599 crowns and in the variant D is profit 96 419,87589. But variant C and D counting on the fact that fewer people will come.

In the chapter profit of the project, it is possible to see that after deduction of VAT and all taxes is highest profit almost 480,000 crowns. For one person, it would be a very good return, but because the profit is allocated between the author and the project investor, it may not be too prosperous for the investor even if the gain is achieved practically overnight. Therefore, I myself have suggested ticket prices without VAT with that VAT will be paid, or at least half as overhead fee in the stores Ticketstream. But it can lead to loss of customers.

6 Conclusion

Bachelor thesis provides essential advice for those who would like to start a business in the entertainment industry. It is described how he should draw up a business plan also here is listed specific project, which should be really done in future.

Business plan can be brief instructions how to establish a business and how to address a potential investor. Since, I am a student and also actively do a business in this area, I would like to address the students that even when they studying or also they can after school that it is possible to start a business, and this bachelor thesis should deliver them courage and the courage to decide to take the risk of entrepreneurship and to be able to do the job that they enjoy.

The universal aspects of this project include mainly SWOT and PEST analysis, which forms the basis for the success of projects from different areas. To the specific pages belongs evaluation of the local market and competition in the field of entertainment industry with focusing on the target group of the project. It was also pointed out that the project related to property relations and various fees, which are also very significantly influence the outcome.

Elaboration of project analyzes for risk reduction may increase the feeling of security while doing business in the future. The financial plan is based on the expected development of revenue and expenses. Despite efforts to obtain quality information are the main source of risk, these estimated economic data,

which may in fact vary in relation to external influences, such as the development of demand for provided services, bad estimation and miscalculations or change in the total costs and VAT change and the change in the amount of fees.

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