

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Diploma Thesis abstract**

**Analysis of e-business start-up project in food industry of the Czech Republic**

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**Abstract:**

The diploma thesis is connected with a creating of a website in the Czech Republic, which will become an Internet shop based on selling different traditional food from countries all over the world. This work contains a complex of different tools like business plan, marketing plan (market research, target customer analysis, analysis of potential competitors), strategic techniques (SWOT, PEST and Marketing Mix analyses), operations plan, deductive reasoning, observations, sector and horizontal analyses, forecasting, which will be a part of a comprehensive analysis of e-business start-up project in food industry of the Czech Republic.

**Key words:**

e-business, start-up project, market research, business plan, marketing plan, Internet shop, SWOT, PEST, Marketing Mix analysis, food trade, food industry, Internet economy, the Czech Republic.

**Proposed structure of the DT:**

1. INTRODUCTION
2. GOALS AND METHODOLOGY
  - 2.1. GOALS
  - 2.2. METHODOLOGY
3. LITERATURE REVIEW
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    - 3.3.1. Forms of e-business organizations
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  - 3.5. BUSINESS PLAN
    - 3.5.1. Main tasks of a business plan
    - 3.5.2. Functions of a business plan
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4. PRACTICAL PART: BUSINESS PLAN
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    - 4.2.1. Personnel plan
    - 4.2.2. Project schedule
  - 4.3. MARKETING PLAN
    - 4.3.1. Market analysis

- 4.3.2. Market segmentation
- 4.3.3. Target customer analysis
- 4.3.4. Competitor analysis
- 4.3.5. Strategic tools
- 4.4 FINANCIAL PLAN
  - 4.4.1. Initial investments
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- 7. LITERATURE
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### **Goals of the DT:**

The main goal of the thesis is to learn on the base of all knowledge the author obtained in the Czech University of Life Sciences how to create an independent and effective model of online store with the help of the Internet in the Czech Republic, which will be specialized on selling food products from the world market. On the basis of which it would be real to build the existing online store with possibility to make it profit in the future. In short – to create an e-business start-up project and try to develop it in such a way it will be prosperous in real future life.

The second goal is, with the help of literature review, to explore what is foreign trade, how it's changing, to evaluate the global food market and foreign trade of the Czech Republic, to determine the main factors affecting price and quantity of food in the global market, tendencies of developing the Internet economy in the Czech Republic and its' future perspectives.

The next goal is to create an accurate and appropriate business plan for the e-shop, which will help the company to implement its ideas and outlines, perform them in the real world of business successfully and to work out comprehensively all parts of this business plan, such as operations plan with detailed project schedule and personnel plan, financial plan with detailed analysis of initial investments, capital resources, budgeting, and marketing plan, which will include such parts as market analysis, target customer analysis, market segmentation, competitor analyses and strategy tools (SWOT, PESTEL and Marketing Mix analysis).

All these tools mentioned above are strong basis of the business plan, especially when they are deeply thought-out and worked. So the main goal is to prove that it is possible to create such a business plan, which will prosper and help to create the real online store with future opportunity to open a physical store in Prague.

## **Main methodological tools of the DT:**

The methodological and theoretical base of research in the thesis is the complex of various methods, which were implemented in the course of work. These are literary research, deductive reasoning, observation, sector and horizontal analyses, forecasts, business plan, which includes comprehensive analysis of financial plan, marketing plan and different strategic techniques (SWOT, PEST and Marketing Mix analyses), which were performed with the help of studying internet resources, scientific works, textbooks and so forth.

This business plan includes such parts as market research with detailed analysis of target customers and competitors, marketing plan with using 'SWOT', 'PEST' and 'Marketing Mix' tools to evaluate some important internal and external factors and forces, which can impact on further development of this type of e-business, also with using operations plan and personnel plan.

In order to provide market analysis, some of the figures on the Internet resource (statista.com) have been taken: in the periods from 2013 to 2018 – 'The share of enterprises (B2C commerce sales in the CR)', 2008-2016 years – 'Annual production of the Food&Beverages service activities industry in the CR', 2008-2017 years – 'number of Enterprises in the manufacture of food products industry in the CR' and 2012-2016 years – 'Consumer expenditure on food in the CR' in order to provide some analysis, which was needed for better understanding of the problem. The presented figures are shown in these specific periods, as exact figures were available only in that time interval on the Internet resources and there were not any possibilities to choose the one for all of them.

## **Conclusion:**

After all analyses and researches of the market have been done, it's seen that the potential of success of such kind of a business on the Czech market is steadily growing and people will continue to use such e-shops for buying food products online quite in the future and that consequently will attract more investors and suppliers from abroad.

After using all the financial techniques, such as payback period, profitability index, net present value, internal rate of return and break-even analysis, which are sorely important in financial analysis and can show us, whether business will survive going right through all the obstacles or will collapsed without any chances to recover, the author concludes that analysis proved the business will be profitable and worth being implemented. The payback period gave us the result of 3,64 years, this is quite long time to get all the capital back but still it's going to be returned anyway. After the net present value scenario analysis, it's obvious that in all worst, base and best scenarios, the business has a good opportunity to be implemented, as all the results are positive. The next, profitability index shows that all the money invested will generate 2,72 times of return to the business. Then internal rate of return identifies the percentage between costs of capital in the amount of 6,9 % and ideal rate of return in the amount of 34 %, after the calculations it's seen that the company should get the internal return in the amount of 32,4 % and the break-even analysis approximately shows how much customers the business should have in the first years of operation (2 558 buyers in the first year, 5 117 buyers in the second and third years, 4 702 buyers in the forth year and 4 288 buyers in the fifth year).

Also along with positive results there exist some threats, which can affect the business negatively, such as regular changes in political and economical situations and in international relations between countries, high amount of experienced competitors and emergence of new ambitious ones, and migration of big part of potential customers to other countries with more developed economies. But of course the proper management of the situation and well-worked strategies will give to the project a great chance to survive. On a par with this, the Czech Republic has quite stable political and economical environment, as it has been described in the PEST analysis, so kind reforms like supporting the small businesses, introducing lower fees for simple limited liability companies and reducing the minimum capital requirement create a presentable opportunity for the newly opened company. The socio-cultural and technological environment in the Czech Republic don't yield position as well, the universities have high reputation among European ones, lots of new people with ambitions and potential move here, the Better Life Index is on a high level, and from the research it can be seen that Czechs fairly a lot use the Internet in theirs' daily and working life. The technologies in the CR move swiftly forward.

Making overall conclusions for the thesis, it is needed to say that the whole analysis proved that the exact business plan almost in all parts of the analysis shows positive results and can be undoubtedly implemented into the real life.

#### **Selected resources:**

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