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STUDENTS START-UPS: ESTABLISHMENT AND DEVELOPMENT

STUDENTS START-UPS: ESTABLISHMENT AND DEVELOPMENT

BACHELOR'S THESIS

BAKALÁŘSKÁ PRÁCE

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Abstract

This bachelor thesis talks about creation of sustainable business plan for small start-up company that enters dating industry market. Company offers coaching for self-development in terms of dating. Main chapter is – Proposal and contribution of suggested solutions. Key findings of thesis are that typical client is very analytical young male which demands step-by-step logical solution for a problem. And that this business model can be very profitable if entrepreneur avoids unnecessary risks and mistakes.

Abstrakt

Tato bakalářská práce pojednává o tvorbě udržitelného podnikatelského plánu pro menší start-up, který vstupuje na trh v oblasti seznamování a vztahů. Firma nabízí koučink v oblasti seberozvoje, seznamování a vztahů. Hlavní zjištění této práce zahrnuje, že typický klient je mladý muž s velmi analytickou myslí. Tento klient si vyžaduje logické řešení, které bude vysvětleno v jednotlivých krocích. Také poukazuje na to, že tento podnikatelský model může být velice ziskový, pokud se podnikatel vyhne zbytečným chybám a zvládne rizika.

Keywords

Business plan, coaching, analytical, dating, logical

Klíčová slova

Podnikatelský plan, koučink, analytický, seznamování, logický

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PROHLÁŠENÍ

Prohlašuji, že jsem svou bakalářskou práci na téma založení farmy StraightLineDating vypracoval samostatně pod dohledem vedoucího bakalářské práce a využití volně dostupných informačních zdrojů a odborné literatury. Všechny prameny jsou citovány a uvedeny v seznamu literatury na konci práce.

V _____

Dominik Halamka _____

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Introduction

Entrepreneurship is key factor in development of western society. Many entrepreneurs discovered ground-breaking ideas that changed the world. Great example from modern times is Elon Musk. He build Tesla brand that changed whole automotive industry. Now he works on colonization of Mars. Lack of competition and entrepreneurship in combination with other factors lead to decay of communism in Czech Republic. Nowadays the Czech Republic is a great country for developing a business. It is relatively easy and attainable to do.

The author of this bachelor thesis has spent many years trying to understand psychology and behaviour of human dating life. He invested tens of thousands Czech crowns into education from foreign top-level coaches and he wants to share what he learned in Czech market. Author and his colleague believe that dating is a skill game like martial arts, sales, cooking or any other part of life. They believe that it can be learned and they have very clear analytical method that shows how.

Dating world is constantly changing and developing. People meet differently then it was fifty years ago. Many people don't know how to socialize in real life anymore. With popularization of social media and Tinder, it is much easier to write someone than to meet in real life. Majority of population is addicted to their phones and don't conversate with other people like their grandparents did in past. Men of today lack confidence to take initiative and approach women. This is partially caused by fathers not spending enough time with their sons and being constantly busy with work. A lot of men today lack role models.

1 Goal of thesis, methods and processing procedures

1.1 Goal of thesis

Main goal of this bachelor thesis is creation of a business plan from business model canvas for small a small start-up. This business plan will give entrepreneur clear steps that has to be taken for starting a successful and sustainable business.

1.2 Used methods

Author uses business plan model from Alexander Osterwalder that is based around business model canvas. This bachelor thesis has three main parts. First part is theoretical and is divided into two smaller parts. First half describes basic theoretical terms and second half describes used analytical methods from theoretical perspective. Second part is analytical and contains popular analytical methods like Porter's Five Forces, SWOT and PESTLE. The third part is practical proposal of business plan for small start-up. It uses outcomes from theoretical part and analytical methods.

Educational business literature and articles about business were used for creation of this bachelor thesis.

2 Theoretical outcomes

This section includes theoretical explanation of terms used in the bachelor thesis. In the first part, there is a description of basic terms like entrepreneurship, entrepreneur and start-up. In the second part, there is an explanation of business plan scheme used in this thesis.

2.1 Entrepreneurship

Entrepreneurship is usage of entrepreneurial opportunities. It is one of the driving forces of regions and nations. (Hisrich, R. D., Peters, M. P., Shepherd, D. A., 2016, page 6)

2.2 Entrepreneurial opportunities

“Those situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production” (Hisrich, R. D., Peters, M. P., Shepherd, D. A., 2016, page 6)

2.3 Entrepreneur

“The Oxford English Dictionary defines an entrepreneur as ‘a person who attempts to profit by risk and initiative’. But this definition, while emphasizing risk and initiative, could cover a wide range of professions, including that of a paid assassin. “(Burns, P., 2016, page 9)

The word Entrepreneur has many definitions. One of the oldest ones come from Cantillon in 1755. He introduced the concept of entrepreneur from French word “entreprendre”. (Burns, P., 2016, page 9)

“Over 200 years ago Jean-Baptiste Say, the French economist, said: ‘entrepreneurs shift economic resources from an area of lower productivity into an area of higher productivity and greater yield’ (1803).” (Burns, P., 2016, page 9)

Today we usually accept two explanations where such opportunities come from. The first one is Schumpeterian view. According to Joseph Alois Schumpeter these opportunities come directly out of entrepreneur. Because entrepreneur is motivated to initiate or create change. Schumpeter sees entrepreneurs as innovators that want to shock the world and change it. He believed in this idea of „creative destruction“ which means that entrepreneurs destroy old things in order to create new ones. The second one comes from Kirznerian. He believes that entrepreneurial profit comes from knowledge and information gaps between people in the market. This is called information asymmetry. (Burns, P., 2016)

“Reconciling these views, we can say that entrepreneurs create value by exploiting some form of change – either shifting resources or, more directly, improving productivity. They can create this change themselves or spot it happening. (...) Entrepreneurs can exploit change in technology, materials, prices or demographics. They provide an essential source of new ideas and experimentation that would otherwise remain untapped in the economy” (Burns, P., 2016, page 10)

2.4 Start-up

Start-up is usually described as an initial, starting phase of a company. Start-ups usually have limited revenues and look for potential investment. Until the company finds outside investors, it is usually

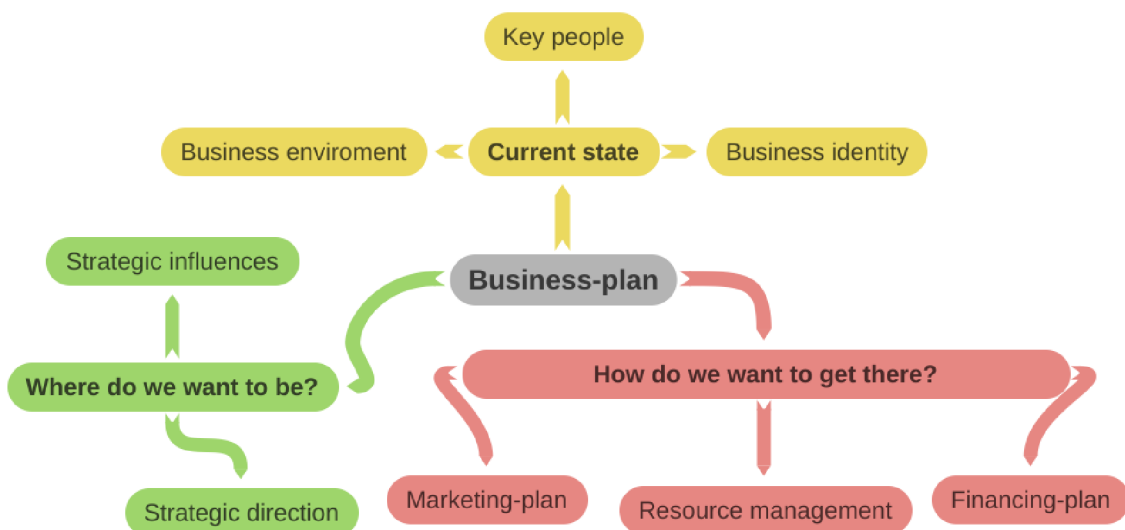
financed by founders. There is a high possibility that a start-up will not accomplish its goals and will fail. (Mitchell Grant, 2021)

2.5 Business-plan

“Business plan is written document made by entrepreneur. It describes all of the inner and outer key aspects needed for starting and running business.” (Hirsch, R., Peters, M., in Koráb, V., Mihalisko, M., 2005, page 23)

Business plan is very important document that helps starting and running any type of business. It significantly increases chances that the business will reach established goals while simultaneously decreases risk of failure. It is important tool for getting finances from any protentional investor. Business plan could be outsourced by professionals or it could be done on your own. (Koráb, V., Mihalisko, M., 2005, page 23)

Picture 1: Business plan



(Own processing inspired by: Koráb, V., Mihalisko, M., 2005, page 24)

According to the authors (Osterwalder, A., Pigneur, Y., 2010, page 268) business plan should include:

2.5.1 Executive summary of business plan

This part of business plan provides executive summary of whole business plan. It should spike interest in potential investors, so they take their time and read the whole business plan. This chapter is usually done as a last one. This part should contain the most important aspects of a business project and show its strong sides. It should clarify the main idea of a business. (Koráb, V., Mihalisko, M., 2005, page 29)

2.5.2 The Team

Title page is giving description of a management team. It shows how experienced and capable the team is. It should highlight why this team will reach established goals and there should be management profile of the team. (Osterwalder, A., Pigneur, Y., 2010)

2.5.3 The Business Model

The third part of the business plan should provide attractive description of a Business Model. Business Model Canvas is a great way to present to the investors a good company description. This part should explain vision, mission, and goals of the company. Big focus of the Business Model should be detailed description of Value Proposition. Very important part of a Business Model is a Marketing Plan.

Marketing plan describes how are the services and products going to be advertised and marketed. This part is often very important for investors. (Koráb, V., Mihalisko, M., 2005, page 29)

Business Model Canvas

“The difference between a static business plan and a dynamic business model could well be the difference between a flameout and success.” (Blank, S., Dorf, B., 2012)

According to Steve Blank and Bob Dorf, most start-ups should get rid of an idea of static business plan and instead of that adopt the dynamic model that can be adjusted at any moment. Perfect tool for this type of dynamic planning is Business Model Canvas created by Alexander Osterwalder and others. Business Model Canvas includes nine key elements of a successful start-up. Customer segments, Value proposition, Channels, Customer Relationships, Revenue streams, Key Resources, Key Activities, Key Partners and Cost Structure. The Business Model Canvas should be updated as time goes on and company gets more reference experience. First version of canvas is hypothesis, and it should be changed after customer’s feedback. Using Business Model Canvas makes it much easier to know which parts of business plan must be changed to fulfil customer needs. (Blank, S., Dorf, B., 2012)

Depending on various sources I decided that I will make a Business Model Canvas core of the business plan.

2.5.3.1 *Customer segments:*

“The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve” (Osterwalder, A., Pigneur, Y., 2010, page 20)

Customers are most important aspect of any business. It is crucial to keep customers satisfied for making profit. Customers could be grouped into different segments that are dependent on commonalities between them. These commonalities may include distribution channels, different needs etc. Company must decide on which segments it should focus on to keep the customers happy. (Osterwalder, A., Pigneur, Y., 2010, page 20)

Customer Segment types:

2.5.3.1.1 *Mass market*

This type of focus doesn’t differentiate between Customer Segments. It focuses on large group of customers. The value propositions, distribution channels and customer relationships are tailored for big group of people with common problem. (Anastasia Belyh, 2020)

2.5.3.1.2 Niche market

Niche market is very specialized customer segment with extremely specific customer needs. The value propositions, distribution channels and customer relationships are strictly specialized and tailored for according to preferences of this segment. (Anastasia Belyh, 2020)

2.5.3.1.3 Segmented.

“Some business models distinguish between market segments with slightly different needs and problems. The retail arm of a bank like Credit Suisse, for example, may distinguish between a large group of customers, each possessing assets of up to U.S. \$100,000, and a smaller group of affluent clients, each of whose net worth exceeds U.S. \$500,000. Both segments have similar but varying needs and problems. This has implications for the other building blocks of Credit Suisse’s business model, such as the Value Proposition, Distribution Channels, Customer Relationships, and Revenue streams. Consider Micro Precision Systems, which specializes in providing outsourced micromechanical design and manufacturing solutions. It serves three different Customer Segments—the watch industry, the medical industry, and the industrial automation sector—and offers each slightly different Value Propositions.” (Osterwalder, A., Pigneur, Y., 2010, page 21)

2.5.3.1.4 Diversified

This type of focus can serve more unrelated customer segments with very different needs and wants. Organization sees value in focusing on both of those different segments. Prime example of this segmentation is Amazon. It started with selling books and later added new customer segment offering cloud services. (Anastasia Belyh, 2020)

2.5.3.1.5 Multi-sided platforms (or multi-sided markets)

This type of segment occurs when organization decides to serve two or more Customer Segments that depend on each other. For example, a credit card company can focus on credit card users and on merchants that who accept their credit cards. (Osterwalder, A., Pigneur, Y., 2010, page 21)

2.5.3.2 Value Proposition

“The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment” (Osterwalder, A., Pigneur, Y., 2010, page 22)

Value proposition is the reason why customers choose one specific company. It includes problem solving and satisfaction of customer needs. Value proposition might be innovative idea or something that already exists with some aspects of differentiation and innovation. (Osterwalder, A., Pigneur, Y., 2010, page 22)

Aspects of Unique Value Proposition:

2.5.3.2.1 Newness

Value proposition could have the aspect of innovation and complete newness. This type of innovation is very common in technology sphere. (Martin Luenendonk, 2020)

2.5.3.2.2 Performance

Another great way of providing unique value to customers is improving performance of product or service. It is very common way of differentiation. Very good example of this is PC sector. Companies are constantly improving storage, graphics, and overall performance of computers to compete in the market. (Osterwalder, A., Pigneur, Y., 2010, page 23)

2.5.3.2.3 Customization

“The modern consumer believes in self-expression and individualism.” (Martin Luenendonk, 2020)

Customers of modern world want to differentiate from others and show their personality while purchasing products or services. Customization is a great way to add value to the product. In recent times it is very popular to utilize concepts such as mass customization or customer co-creation. Customers are willing to buy very expensive products if they feel unique while using them. (Martin Luenendonk, 2020)

Prime example of customization can be seen in computer games. Many players are willing to spend hundreds or even thousands of dollars to have a different colour of gun or to have a unique style character. Game developer companies have noticed this trend and they are making free-to-play games with possibility of customization for money. Such a business model has shown to be more profitable than just old school “one time purchase” product. Because customers are investing more and more money as time passes by.

2.5.3.2.4 „Getting the job done“

Very simple but effective way to add value is basically getting the job done for customer.

“Rolls-Royce understands this very well: its airline customers rely entirely on Rolls-Royce to manufacture and service their jet engines. This arrangement allows customers to focus on running their airlines. In return, the airlines pay Rolls-Royce a fee for every hour an engine runs.” (Osterwalder, A., Pigneur, Y., 2010, page 24)

2.5.3.2.5 Design

“Most clothing labels rake in a higher price tag because of the superior design they have. Prada charges top dollar for something as simple as a T-shirt because of the strength of its designs.” (Martin Luenendonk, 2020)

Some people are willing to spend tremendous amount of money to look stylish or different. This aspect is closely connected with Customization and Brand/Status aspects of adding value.

2.5.3.2.6 Brand/Status

Luxurious brand like Versace for example is a sign that owner is probably wealthy individual with high social status. If you put premium brand logo on a t-shirt it is an instant added value. People want to be perceived as wealthy and special. It shows dominance in social hierarchy. That is the reason while they make fakes in Indonesia, Bangladesh, China, and other countries.

2.5.3.2.7 Price

Offering a lower price for a product could be also value adding strategy. If the product has similar quality and value but lower price, it is instant added value. Great example of this strategy are Ryanair airlines. They offer low-cost travelling options while still get the job done. (Osterwalder, A., Pigneur, Y., 2010, page 24)

2.5.3.2.8 Cost reduction

Products and serviced that help customers to reduce any costs for them are great added value. In modern world the technology helps with cost reduction a lot. (Martin Luenendonk, 2020)

Good example of using technology to reduce costs can be home-office. Company may use online-conferences instead of paying the rent for office or conference-room. This was tested by many companies during COVID pandemics. Zoom or Microsoft Teams are great tool for that.

2.5.3.2.9 Risk reduction

This form of added value is benefiting from reducing risk for a customer while purchasing products or services. In some niches it could be more important than it might seem.

“Customers value reducing the risks they incur when purchasing products or services. For a used car buyer, a one-year service guarantee reduces the risk of post-purchase breakdowns and repairs. A service-level guarantee partially reduces the risk undertaken by a purchaser of outsourced IT services.” (Strategyzer)

2.5.3.2.10 Accessibility

Making in accessible products accessible is great way to add value. NetJets came up with an idea of owning just a small fraction of private jet and share it with other owners. For most of their customers it would be too expensive to own a private jet. So they find a solution. (Strategyzer)

Another example of this could be car renting. Customers can rent Ferrari, Lamborghini or other luxurious car for a day and experience how it feels to drive such a car. It would not be possible for them to afford buying the car.

2.5.3.2.11 Convenience/ Usability

Making things more usable is great problem-solving strategy. Example of this type of problem solving is iTunes. It increases usability of iPods, iPhones, iPads etc. because now the users can listen to any music or sound through one medium (Martin Luenendonk, 2020)

2.5.3.3 Channels

“The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition” (Osterwalder, A., Pigneur, Y., 2010, page 26)

Table 1: Channels

Channel types			Channel Phases				
Own	Direct	Sales force	1. Awareness	2. Evaluation	3. Purchase	4. Delivery	5. After sales
		Web sales					
Partner	Indirect	Own stores					
		Partner stores					
		Wholesaler					

(Own processing inspired by: Osterwalder, A., Pigneur, Y., 2010, page 27)

Channels are closely connected to how the company is reaching it’s customer segment. A lot of the companies have different way of getting customers and then successfully retaining them. Before 1990’s there wasn’t huge variety of channels being used. Most frequent solution was, that customer went directly into the store and interacted with salespeople. Today there are more possibilities and companies choose between physical channels and web/mobile channels. Distribution channels can be

direct, which means that the company sells its products directly to customers. It can be also indirect if there is a merchant or third party involved. (Martin Luenendonk, 2020)

2.5.3.4 Customer relationships

“The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments” (Osterwalder, A., Pigneur, Y., 2010, page 28)

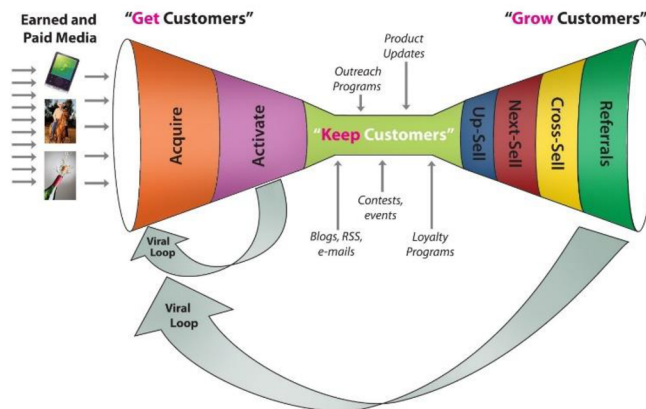
Relationships with customers with customers can highly impact their customer experience. It is a good idea to keep relationship with customers as good as possible.

2.5.3.4.1 Get-Keep-Grow funnel

Steve Blank and Bob Dorf have created customer relationship funnel that shows, how to acquire customers, keep them and grow relationship with them. This model gives us clear guide on building relationships with customers.

“Get, keep and grow are among the most important hypotheses for any startup. You will die without customers and these are most expensive parts of any company...” (Blank, S., Dorf, B., 2012)

Picture 2: Get-Keep-Grow funnel



(Steve Blank, 2020)

Categories of customer experience:

2.5.3.4.2 Personal assistance

This type of relationship is based on human interaction with customer. Customer can interact with company’s representative to get help with the process. This can be realized through face-to-face communication, call-centres, email etc. (Osterwalder, A., Pigneur, Y., 2010, page 29)

2.5.3.4.3 Dedicated personal assistance

This type of relationship is more individual. Company usually assigns some customer representative to a specific customer. The customer is interacting with the same person which builds familiarity and deepens the relationship between representative and customer. (Ashton McGill, 2018)

2.5.3.4.4 Self-service

This type of relationship doesn’t include any direct interaction with customer. It provides necessary tools for customers to help themselves. (Osterwalder, A., Pigneur, Y., 2010, page 29)

2.5.3.4.5 Automated services

This relationship is combination of automated processes and self-service.

2.5.3.4.6 Communities

In recent years companies started to create communities in which customers can share their knowledge together and help each other. Online communities can help company to understand their customer needs better. (Osterwalder, A., Pigneur, Y., 2010, page 29)

2.5.3.4.7 Co-creation

This type of relationship invites customers to actively participate in development. For example, company allows their customers to design new products. This type of cooperation is beneficial for business, because it helps to understand their customers better and it is good for customers as well, because they can design the product for their special needs. (Ashton McGill, 2018)

2.5.3.5 Revenue Streams

“The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)” (Osterwalder, A., Pigneur, Y., 2010, page 30)

Revenue streams are sources from which our company earns money. The type of revenue depends on the overall focus of the business. Generally, the businesses providing services have less diverse revenue streams than retail businesses. (Corporate Finance Institute)

According to the authors (Osterwalder, A., Pigneur, Y., 2010, page 30) there are two types of Revenue Streams:

- a) Transaction revenues – One time customer payments
- b) Recurring revenues – Continuous customer payments

There are also two types of pricing:

- a) Fixed pricing – Unchangeable pricing due to the lack of variability of product or service
- b) Dynamic pricing – This type of pricing can change the price depending on various factors.

According to the (Anastasia Belyh, 2020)

Various ways to generate Revenue Stream:

2.5.3.5.1 Asset sale

Most common type of Revenue Streams. It is profiting from selling ownership rights of the physical product. Books, music, cars, food etc. all fall under this category. (Osterwalder, A., Pigneur, Y., 2010, page 31)

2.5.3.5.2 Usage fee

This type of revenue is usual Revenue Stream of service providers. Customers pay for the use of service. Good example of this type of revenue stream is paying internet to a provider. (Anastasia Belyh, 2020)

2.5.3.5.3 Subscription fees

This Revenue Stream is present when selling a service repeatedly during longer period of time. Typical example of this type of revenue is gym membership. Every month are customers paying certain amount of money to access visiting a gym. (Osterwalder, A., Pigneur, Y., 2010, page 31)

2.5.3.5.4 Lending/Renting/Leasing

This form of Revenue Stream is present when company gives customer temporary access to using asset. Revenue comes from customers paying the fee to a company by granting them such an access. (Osterwalder, A., Pigneur, Y., 2010, page 31). This type of Revenue Stream could be successfully combine with previously mentioned accessibility type of value proposition. Since people either can't afford to buy particular asset or they don't find it feasible to own it. Typical example of this revenue is car renting company Hertz. They are making profit from renting all types of cars all over the world.

2.5.3.5.5 Licensing

"This Revenue Stream is generated by giving customers permission to use protected intellectual property in exchange for licensing fees." (Osterwalder, A., Pigneur, Y., 2010, page 31)

2.5.3.5.6 Brokerage fee

While company is taking a fee for providing communication and transaction between two or more parties, it is called Brokerage fee. (Anastasia Belyh, 2020)

2.5.3.5.7 Advertising

Businesses that earn money through advertising and promotion are usually charging advertising fee. This type of fee can be used not only by advertising companies but by website owners, influencers etc. (Anastasia Belyh, 2020)

2.5.3.6 Key Resources

"The Key Resources Building Block describes the most important assets required to make a business model work." (Osterwalder, A., Pigneur, Y., 2010, page 34)

2.5.3.6.1 Physical

The tangible resources that you can touch and feel like machines, equipment, and buildings are called Physical Resources. For a company that distributes beer could key resources be the lorry and reliable supply of petrol. (Denis Oakley, 2018)

2.5.3.6.2 Intellectual

Intellectual resources include knowledge, branding, patents, copywriting, partnerships, customer databases etc. They are very important aspect of a successful business, and it is not easy to build them. (Osterwalder, A., Pigneur, Y., 2010, page 35)

2.5.3.6.3 Human

This type of resource includes all the people company needs to function properly. Humans can use physical and other resources to create value proposition. Human resources can have either knowledge, or they are used as a physical work force. For example, in food delivery company, they need drivers of cars and motorcycles to deliver food to a customer. (Denis Oakley, 2018)

2.5.3.6.4 Financial

Financial resources are all the money company needs for functioning properly

2.5.3.7 Key Activities

“The Key Activities Building Block describes the most important things a company must do to make its business model work” (Osterwalder, A., Pigneur, Y., 2010, page 36)

It is very important to find out which activities are key for a start-up and which ones you should be done by yourself. (Denis Oakley, 2018)

2.5.3.7.1 Production

Production activities include making, designing and delivering a product to fulfil required needs and have certain qualities. Manufacturing firms spend most of their time on this type of activity

2.5.3.7.2 Problem solving

These activities are solving problems of customers. This type of activity is very common for service-oriented businesses. Consulting company is good example as a business that focuses a lot of the time on problem solving activities.

2.5.3.7.3 Platform/network

Businesses with a platform as a key resource usually focus a lot on this type of activity. For example, Microsoft spends time managing the interface between Windows and other software.

According to authors. (Osterwalder, A., Pigneur, Y., 2010, page 37)

2.5.3.8 Key Partners

Key Partners are important relationships that will help your business to succeed. Most companies are usually a link in much larger chain. For example, supplier sells to another supplier that sells that as a b2b to another company. That company sells it to a b2c customer etc. The supply chain can be big and Key Partners are very important aspect. Companies are Key Partners for their customers as well, because without them, they would not be able to fulfil their needs or produce certain output. Good example of this chain can be a car company. Car company has many key partners that deliver tires, brakes, electronic etc. Tire making company has a supplier that is delivering rubber for them and that is how it goes. Our entire economy is based around partnership. (Steven Imke 2020)

2.5.3.8.1 Types of Key Partnership:

- a) Strategic alliances – Non-competitive alliance between partners that both benefit from it.
- b) Co-opetition – Agreement between competing companies that want to reduce their risk.
- c) Joint-Ventures – Agreement that combines knowledge and technology of two companies.
- d) Buyer-Supplier Relationship – Most common partnership, ensures reliable supply chain.

According to The Business Model Analyst (Daniel Pereira, 2020)

2.5.3.8.2 Benefits of Key Partners:

Optimization and economy of scale

Common relationship between supplier and buyer is optimizing usage of resources and activities. It is not very feasible for most companies to do every activity by itself and own every resource. This type of relationship reduces costs.

Reduction of risk and uncertainty

Partnerships can reduce the amount of risk taken by a company. If the environment is very unpredictable companies are making strategic alliance. They can cooperate in one business sphere and compete in another one.

Acquisition of particular resources and activities

A lot of companies are increasing their capabilities by letting other companies perform some activities and take care of some resources for them.

According to authors (Osterwalder, A., Pigneur, Y., 2010)

2.5.3.9 Cost Structure

The Cost structure is the last building block of a business model. It describes how businesses spend their resources. They cover operational scalability and provide sustainable business grow together with Revenue Streams. Two very important facts about every company are how it makes money and how it spends money. Cost structure is involving all the costs the company needs for creating revenues. A lot of the start-ups fail, because they are not able to create successful business model where Cost Structure is generating enough revenues. They usually blame it as a necessary price for a grown which is usually not true. Cost Structure is key for scaling any business to big numbers. (Gennaro Cuofano)

There are two main strategies for a Cost Structure:

2.5.3.9.1 Cost-driven

Companies with this approach focus on minimizing costs everywhere where it is possible. This strategy is usually using low-cost Value Proposition. Most manufacturers from China are using this type of strategy.

2.5.3.9.2 Value-driven

This type of strategy is suitable for more luxurious brands. They are not concerned about keeping the costs low. Instead, they focus on providing special Value Proposition for customers. Their products and services are usually premium and customized for individual needs. Lamborghini is typical example of this strategy. They offer very expensive cars with unique Value Proposition.

2.5.3.9.3 Types of Cost Structures:

Fixed costs – These remain the same with any volume produced. They include salaries, rents, physical manufacturing facilities etc.

Variable costs – These change with volume of goods and services produced.

Economies of scale – Average cost per unit falls with higher output.

Economies of scope – Business have wider scope of operations. For example, same marketing activities can support multiple products.

According to authors (Osterwalder, A., Pigneur, Y., 2010, page 41)

2.5.4 Financial Plan

Financial plan describes how much of an initial investment the company needs and shows whether are the established goals of company real. It includes costs and revenues for three and more years, cash-flow and balance sheet. (Koráb, V., Mihalisko, M., 2005, page 30)

2.5.5 External Environment

This section describes influence of external factors on business. This part includes the economy, market analysis and key trends, competition analysis and competitive advantages of our business model.

2.5.6 Implementation Roadmap

This part explains what it takes to implement the business model and how it is going to be done.

2.5.7 Risk Analysis

It is very important for any entrepreneur to recognize the amount of risk he/she is taking. After the recognition phase, it is equally important to develop effective strategy for managing those risks. This is a sign for a potential investor that an entrepreneur is aware of a risk and has a clear strategy that will deal with them. (Koráb, V., Mihalisko, M., 2005, page 30)

The risk analysis could be derived from SWOT analysis of a business model.

2.5.8 Conclusion

Summary and conclusion of a business plan

2.5.9 Annexes

2.6 Marketing plan

This part includes theoretical explanation of marketing plan.

“A marketing plan is an operational document that outlines an advertising strategy that an organization will implement to generate leads and reach its target market.” (James Chen, 2022)

Marketing plan shows the value proposition of company to the potential customers. Value proposition of company states why clients should pick this company, products, and services. It promises unique value to the customer. Marketing plan considers target and optimizes marketing strategy for this target. Marketing plan is a part of a business plan. It develops clear strategy of reaching customers and spike their awareness enough to generate sales. (James Chen, 2022)

3 Types of analysis methods

This section provides theoretical explanation of used analytical methods. First described method is Porter's Five Force which talks about competition. Second method is SWOT which analyses internal and external factors of company. The last one is PESTLE.

3.1 Porter's Five Forces

Porter's Five Forces is analysis that helps to understand the competition within a certain industry. It was created by Prof Michael Eugene Porter in 1979. This analysis splits competition into five forces that give better understanding of the problem. The five forces include: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products or services, and existing industry rivalry. Together these forces determine the profit potential and overall attractiveness of certain industry. (Business to you, 2016)

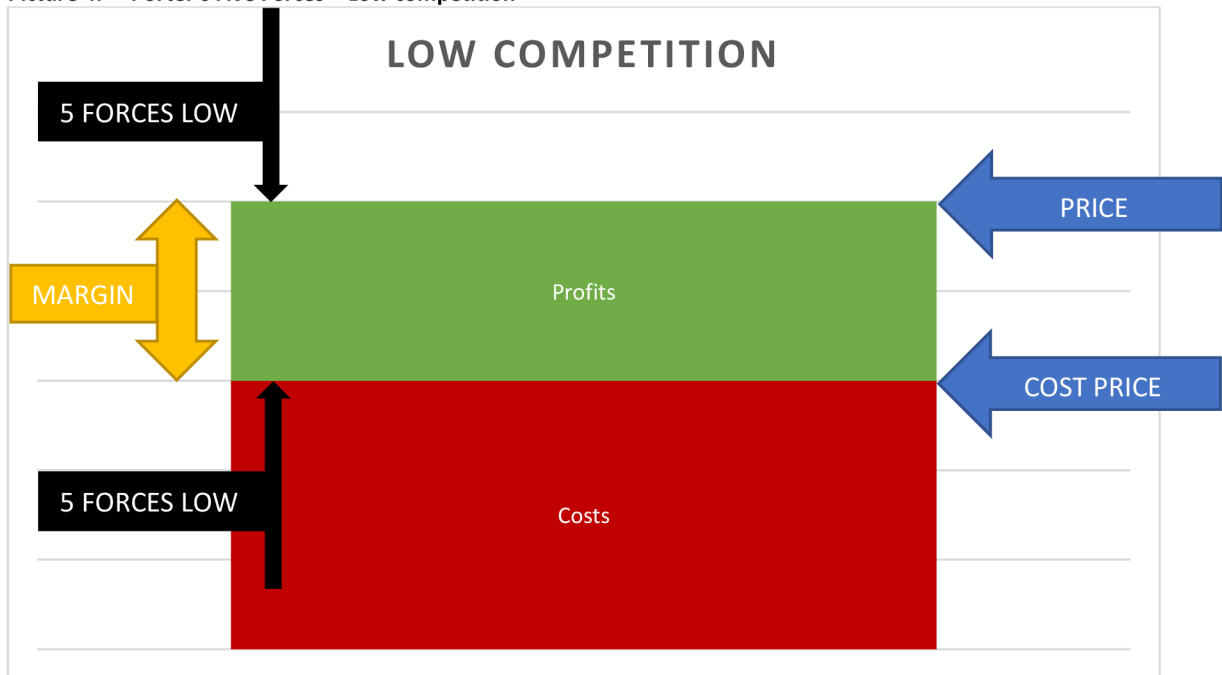
Picture 3: Porter's Five Forces



(Own processing inspired by: Business to you, 2016)

This picture is illustrating Porter's Five Forces.

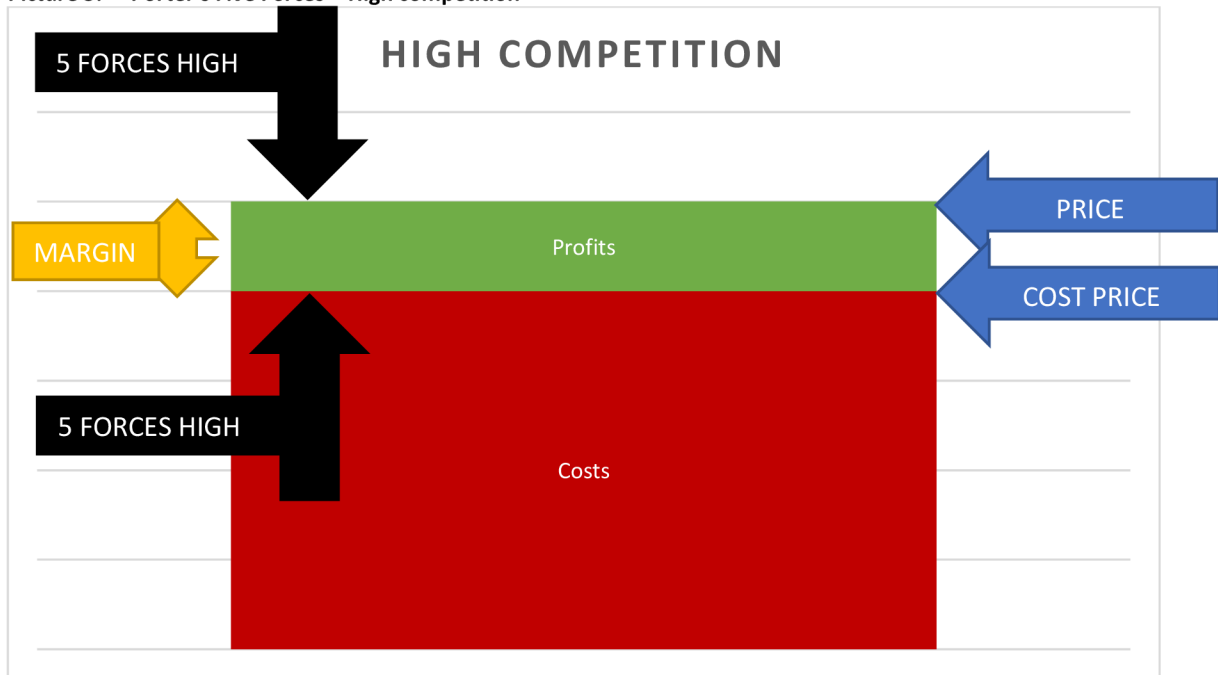
Picture 4: Porter's Five Forces – Low competition



(Own processing inspired by: Business to you, 2016)

This picture shows an example of five forces being weak. Low competition allows lower cost price, because company doesn't have to spend so much on advertisement and differentiation of product. It also allows higher price. Both result in higher profit margin.

Picture 5: Porter's Five Forces – High competition



(Own processing inspired by: Business to you, 2016)

This picture illustrates effect of five forces being strong. Higher competition forces company to spend more money into added value of product and marketing. Price also has to go down in order to stay competitive. These two effects cause lower profit margin of company.

3.1.1 Rivalry among existing competitors

Rivalry among existing competitors is influenced by number of competitors and their capabilities. When the rivalry is high, it usually results in increased costs for advertising and lowering prices which results in lower profit margins.

(Business to you, 2016)

3.1.2 Threat of new entrants

Every industry has a different barriers for entering a market. If the barriers are high, it is difficult to enter the market as a new competitor and there is a less threat for existing companies. When the barriers are low, it is easy to enter the market and the threat is high. Barriers for entering the market could be high capital investments, economics of scale, high customer loyalty, the need for experience and know-how, government policies, limited access to distribution channels etc. (Business to you, 2016)

Table 2: Examples of new entrants

Low threat	High threat
Telecommunication	Professional services
Petrochemical industry	Scientific services
Transportation	Food and beverages
Wholesale trading	Retail trade
Manufacturing	Technical services
Pharmaceuticals	Website & Web-services
Airline industry	Laundromats

(Own processing inspired by: Arindra Mishra, 2020)

Good example of low threat is a petrochemical refinery. It requires a lot of time, money and know-how to establish petrochemical refinery. So, there is a low threat of new entrants. Great example of high threat is a e-shop. It is relatively easy to start an e-shop. There are low investments needed so there is a high threat of new entrants.

(Arindra Mishra, 2020)

3.1.3 Bargaining power of suppliers

Bargaining power of suppliers analyses how much control a company's supplier has over increasing their prices and reducing quality of goods and services provided. The more possible suppliers there is, the less power they have. Competition forces them to lower price and increase quality. Companies are in better position while they have more available suppliers.

(Business to you, 2016)

Tools for managing the power of suppliers:

Backward integration – Backward integration is usable tool for replacing a supplier. For example, computer manufacturing company can acquire a department for graphic cards manufacturing. Now they don't have to rely on graphic card's supplier.

Trade deals – Trade deal is a possibility to negotiate a better price from supplier than is offered to competitors.

Investment – Investment into the stakes of supplier as an alternative option to backward integration. It gives company more power and control over the supplier instead of replacing them completely by backward integration.

(Arindra Mishra, 2020)

3.1.4 Bargaining power of customers

Customers have a lot of power when there are not many of them and when they have a lot of options to buy from. On the other hand when the demand is high and supply is low, the customers don't have that much power. (Business to you, 2016)

Tools for managing the power of buyers:

Expand the market size – expanding the market size as a useful tool for limiting the power of a buyer. The more buyers available less power they have.

Product differentiation – product differentiation will cause higher demand, because there is less of a supply on the market of this particular product. It decreases the power of customer.

Increase switching cost – when the switching cost is high, customers have difficulty to switch to another product.

(Arindra Mishra, 2020)

3.1.5 Threat of substitute products

Substitute products and services could cause customers to switch into alternative. For example, they can choose to travel by high-speed train instead of using airlines. Or they can drink energy drink instead of coffee. Energy drink brands are usually not perceived as direct competitors of coffee brands, but they both fulfil similar need so it should be taken into consideration.

3.2 SWOT Analysis

“The process of strategic analysis starts with a thorough understanding of your strengths and weaknesses. It then goes on to contrast this with the opportunities and threats that you face in the environment. This is the classic SWOT analysis (strengths, weaknesses, opportunities and threats). It seeks to identify an overlap between the business environment and a firm’s resources. In other words, a match between the firm’s strategic or core competencies, capabilities and resources and market opportunities.” (Hisrich, R. D., Peters, M. P., Shepherd, D. A., 2016, page 314)

SWOT analysis is a strategic planning technique which helps us to evaluate competitive position of a company. This analysis should give fact-based outlook on strengths and weaknesses of a company and potential opportunities/threats of an environment. Analysts describe SWOT as a square segmented into four parts.

Strengths – Strengths are internal factors which describes what is company’s competitive advantage and its value proposition. Company must decide how to use those strengths in order to attract new investors and beat the competition.

Weaknesses – Weaknesses are internal factors that are holding the business back. Company should focus on fixing it’s biggest weaknesses.

Opportunities – Opportunities are external factors that give a company some sort of competitive advantage.

Threats – Threats are external factors that can potentially harm the company.

According to author. (Will Kenton, 2021)

Table 3: SWOT

<p>Strengths</p> <p>What is company’s competitive advantage?</p> <p>What resources do we have?</p> <p>What products are performing best?</p>	<p>Weaknesses</p> <p>What can we improve?</p> <p>Which products are underperforming?</p> <p>Where do we lack resources?</p>
<p>Opportunities</p> <p>What technology can we use for improvement?</p> <p>Which market segments could we explore?</p> <p>Can we expand our core operations?</p>	<p>Threats</p> <p>Which regulations are threat for us?</p> <p>What do our competitors well?</p> <p>What trends are threatening the business?</p>

(Own processing inspired by: Will Kenton, 2021)

SWOT analysis can be used as a tool for a Risk Analysis part of a business plan. According to the authors, limiting factors and obstacles could be derived from SWOT analysis. (Osterwalder, A., Pigneur, Y., 2010, page 268)

3.3 PESTLE

“A PESTEL analysis is a widely used tool to help thinking about future developments in the wider environment. This in turn can be used to spot commercial opportunities that these developments generate.” (Burns, P., 2016, page 104)

According to (The University of Sydney) PESTEL has six important parts:

Political – These relate to government’s influence over the economy and industry. Various factors and policies like taxation or war conflict can influence the industry.

Economic – Economic factors like inflation, unemployment, interest rate etc. have a great impact on a business development. These factors might affect supply and demand.

Social – Social factor include religion, health, demographics, education, media etc. Culture of a people influence when they are going to have a high demand for a certain products and services.

Technological – Some industries are influenced by a technology a lot. Others not so much, but it is still an important factor. These include research and development, automation, patents, licensing, information technology etc.

Legal – Legal factors include employment laws, consumer protection, industry specific regulations, environmental regulations etc.

Environmental – These factors relate to physical environment and it’s changes. Factors like climate, geographical location, weather, global climate change fall under this category.

4 Analysis of a current state

This section provides analysis of a current state. Author uses Porter's Five Forces, SWOT and PESTLE analysis.

4.1 Porter's Five Forces

This part of bachelor thesis is focused on analysing competition in dating industry using Porter's Five Forces model.

4.1.1 Rivalry among existing competitors

There are few dating companies in Czech Republic.

Dynamic Education - DE

Dynamic Education is one of the biggest dating companies in Czech Republic. They use a lot of viral marketing and specialize on broad audience of men. It was started by coach Jakub and later grew up to a bigger company. They provide personal coaching in most regional cities of Czech Republic and they sell online courses. Dynamic Education is also quite popular on social media and they share the biggest part of dating market in Czech Republic. However, as they grew up in size and have majority in market, they started to lack in quality. They started to hire less experienced coaches to satisfy demand. There is potential for new entry into the market and taking part of their clients.

Streetgame

Streetgame is a dating company lead by Martin Vlček. It was the biggest company in Czech Republic before Dynamic Education outgrew them and took over the market. Streetgame mainly specializes on Cold approach and their target audience are young men that are shy to talk to women. Company doesn't provide full solution of this problem, so it is not considered as a main competitor.

Kings of Love

Kings of Love is a new project by Josef Horák. It focuses on quality over quantity. They try to provide full solution on dating, developing authentic charisma and social skills. Kings of Love is a young project but it is a serious competitor.

There are more competitors on the market but they are not significant and well known.

4.1.2 Threat of new entrants

Entering a dating niche isn't very difficult. There are no significant barriers. Starting capital investment is not big. Customer loyalty is average and even an individual can start his/her dating business from home. Only thing needed is know-how. Since there are no significant barriers, there is a high threat of new companies entering the market. It is necessary to build a good brand and customer loyalty to maintain a market share.

4.1.3 Bargaining power of suppliers

The company doesn't rely on any suppliers, so the threat is non-existing here.

4.1.4 Bargaining power of buyers

"Our customer, our lord." (Tomáš Baťa)

Customers are key component of any business. It is even more important aspect in coaching business that is centred around developing customers and their dating life. It is necessary to build a strong connection with customers and satisfy their needs. This will also prevent the threat of new entrants.

4.1.5 Threat of substitute products

It is very hard to substitute dating and relationship with something else. Unlike replacing coffee with an energy drink, this is not very feasible solution. Risk of substitute products is very low in this case.

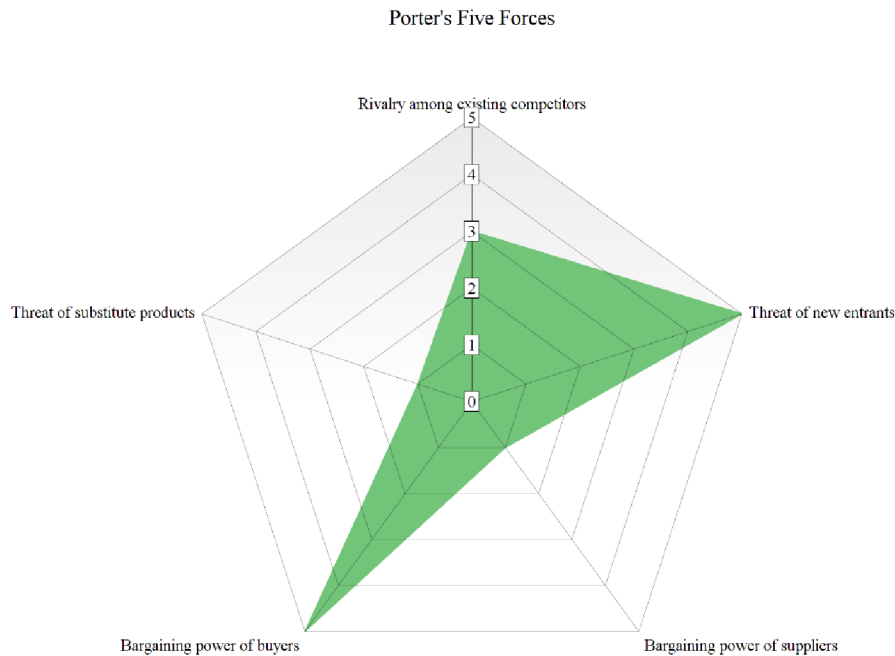
4.1.6 Summary of five forces

Table 4: Summary of Porter's Five Forces

Factor	Impact level (1-5)
Rivalry among existing competitors	Medium - 3
Threat of new entrants	Very high - 5
Bargaining power of suppliers	Very low - 1
Bargaining power of buyers	Very high - 5
Threat of substitute products	Very low - 1

(Own processing, 2022)

Picture 6: Porter's Five Forces



(Own processing, 2022)

4.2 SWOT

SWOT analysis is important part of entrepreneur's business plan. The company can improve its value proposition and can focus on fixing weaknesses. SWOT analysis is going to be important tool for making our risk analysis plan that is an important part of a business plan.

Strengths

- New and unique project
- High quality services
- Fixing problems for customers that are making their life harder
- Strong relationships with customers and friendly community
- Co-operation and co-creation with clients
- Skilled key-partners
- Big potential audience (relationships are important topic for a lot of people)
- Low costs and initial investments
- A lot of the services could be provided online so we are not tied-up to a specific place
- Usage of modern technologies and modern methodologies
- Some connections and contacts are already established

Weaknesses

- New on the market and lack of experience with leading a business
- Not a big and famous brand yet
- Lack of reviews
- Lack of experience with providing coaching programs

Opportunities

- Doing free workshops on various topics about relationships, trends, intimacy etc.
- Possibility of switching from CZ/SK market into EU market in future
- Competition in this branch on CZ/SK market is not providing a lot of good services, there is a opportunity to take their clients
- Making an online video product that will include interviews and lessons in co-operation with experts.
- Possible usage of guerrilla marketing and going viral to get a lot of attention and attract new audience.

Threats

- Cooperation with coaches – we will have a problem if our partnership doesn't go as expected
- Foreign content – There is not a lot of high-quality content on this topic in CZ/SK market but there is potential English-speaking competition.
- Economic crisis – If there will be any economical crisis of any kind, people might spend less money on self-improvement. They will save the money for more basic needs.

4.2.1 Conclusion of SWOT analysis

The company must be aware of its weak points and potential threats. Main weakness is being new and lacking experience. This might lead to making unnecessary mistakes that experienced entrepreneurs would avoid. That is why there is a need for a complex business plan that will give the company necessary guidance and organization. This business model is based around key partners. There is a potential threat that comes with it. If the connections with the key partners will struggle and some disagreements will arise, the company will have a problem to provide services. It is extremely important to keep good relationships with the key partners of the company. Good idea would be to have a big variety of those partners in order to have a possibility to replace one in the case of a need.

The company has a strong value proposition, and it is necessary to keep developing it. One of the biggest strengths of this project is community and co-creation of project. Customer relationships are something this is driving this project forward and it helps it to grow and develop. Company's services are very personalized which could be partially credited to the community and people's willingness to participate in this project. People have a sense of familiarity and that they belong somewhere which is a strong marketing strategy and big part of a value proposition itself. Everything is going to be built around this. There are potential opportunities to develop this community even further. Company wants to focus on Czech and Slovak market only for now, but there are potential opportunities to expand in the rest of the Europe. Great opportunity to attract a lot of audience is going viral. There is a possibility to talk about shocking topics, trends and even build some drama. Many companies have used this strategy to the great success nowadays.

4.3 PESTLE

4.3.1 Political

Current government was established after elections that took place in October 2021. Government is led by coalition SPOLU (ODS, KDU-ČSL and TOP 09) and coalition of Piráti and STAN. (Eurydice, 2022)

Political situation in Czech Republic doesn't really have a big influence on the company at this moment.

4.3.2 Economic

Czech Republic is a developed country that is orienting its economy on export. Most developed industries in Czech Republic include chemical industry, mechanical engineering, food industry and metallurgical industry. Car industry is a very important for a Czech Republic. Even while the world is affected by a COVID-19 pandemic, the Czech GDP still grew by a 3,6 % in 2021. The inflation rate is currently high. In 2021 there was a 3,8 % inflation rate which is highest number since economic crisis in 2008. In the beginning of 2022, there was a 10% increase in prices. Biggest impact on prices had real estate market and prices of energies and gas. Prices are now going even higher since Russian invasion on Ukraine. Unemployment rate is around 2%. (Eurydice, 2022)

Gasoline prices are very high after Russian invasion on Ukraine. On 17.3.2022 the Gasoline price is around 45 CZK for a liter. (Kurzycz, 2022)

War in Ukraine is catastrophic for a food production as well. Ukraine is the world's biggest producer of sunflower oil. According to JP Morgan Russia and Ukraine are big suppliers of wheat. Together they are producing almost 30% of world's wheat exports. (BBC, 2022)

4.3.3 Social

Relationships are actual topic for most people. It is very hard to measure whether the relationship is successful by any statistic, but when it comes to long term relationships the good indicator could be the divorce percentage statistics. In the 1950s the divorce rate was around 15%. Today it is around 50%. Which means that one out of two marriages end up in divorce. (Český statistický úřad, 2014)

People have more options today and more potential partners so it a lot of the relationships fail. A lot of the children grow up without full family. Many young boys have no father present in home. Even when the family doesn't go through the divorce and both parents live together, fathers usually don't spend enough time with their kids, because they have to work. Sometimes even the mothers tend to be stressed by their career and the can't provide full emotional support to their children. This leads into attachment disturbances which persist into adulthood.

Insecurely attached adults have problems in forming relationships. It is estimated that only around 50% of population has secure attachment style. 20% of population has anxious preoccupied attachment. These people tend to be too clingy and attached to their partner. This form of disturbance leads to scaring their partner away and being very insecure. People with anxious attachment are usually slaves of other's perception and they don't have self-respect. 25% of the population have avoidant attachment style. These people have struggles to becoming intimate and close to other people. They come of as cold, reserved and they repress a lot of emotions. They struggle to emotional open-up with their partner and they don't show enough of a care about a partner. 5% people are fearful, which is combination of both previously mentioned disturbances. (The Washington Post, 2018).

Many young people are lacking self-confidence and communication skills. This is especially problematic for young men, since they are from a social point of view the ones who should take a lead. Many young men are scared and nervous to express their romantic interest in a woman. And if they do, they usually lack self-presentation skills and confidence to make a good first impression. This is even amplified by a pressure from modern me-too culture that is creating even more pressure towards young men. A lot of the people are rather hiding behind the computer/phone, and they meet people through social media or Tinder. Because it saves them from a personal contact. This might develop into serious socio-cultural problem in upcoming years.

4.3.4 Technological

The company is using a lot of modern information and communication technology. Whole marketing model is based around usage of social media, computers, and smartphones. COVID-19 Pandemic has showed to the world that a lot of the meetings could be done through online platforms such as Zoom and MS Teams.

The company is using Ideal parents figure protocol developed by Dr. Dan Brown. Which is very modern and effective psycho-therapeutical method.

4.3.5 Legal

There are two feasible legal solutions for this business project. One is simply using trade license and appear as a "OSVČ". And another possibility is to create Limited Liability Company.

According to the trade license law (455/1999 Sb. Trade license law) it is necessary to obtain a trade-licence in order to do a business in Czech Republic. This licence could be obtained at any trade licence office in Czech Republic. The trade licence is enough for "OSVČ". Starting Limited Liability Company is

a bit more complicated, and it takes more initial investment. However, both of them have their pros and cons.

OSVČ – It is easy to start a business as an “OSVČ”. We need 1000 CZK and go to the relevant office to obtain a trade license. From a taxes point of view, It is less financially demanding for smaller projects with smaller turnovers each year. It is necessary to pay 15% income tax or use a flat-rate. (Průvodcepodnikáním.cz, 2019)

L.L.C. – As a Limited Liability Company entrepreneur needs more than just a trade license. He needs unique name, director with no criminal record and to prove these at relevant offices. There have to be created a company agreement verified by a notary. If everything is approved there will be compounded initial capital of company on it’s account and company will be registered in a Business Register. L.L.C. Has to pay 19% of income tax and there is a 15% additional withholding tax. This is more expensive solution for smaller entrepreneurs but for a companies with higher turnovers there is better possibility of tax optimalization which can make this option less expensive then “OSVČ”. (Průvodcepodnikáním.cz, 2019)

It is usually a good idea to have a consultation with a tax consultant, but in the case of this project entrepreneur decides to appear as an “OSVČ”.

There are not any other strict regulations from legal point of view on providing relationship advice services in Czech Republic.

4.3.6 Environmental

Environmental factors such as weather and climate change doesn’t have any significant influence on this project.

5 Proposal and contribution of suggested solution

In this part, the author will focus on creating functional business plan that is based around business model canvas. The structure of business plan is based on Osterwalder's model.

5.1 Executive summary of business plan

5.1.1 Name and contact information

Name of the company: Straight Line Dating – SLD

The name of the company represents its overall nature. Company presents simple and effective solution that gets results and cuts off all unnecessary stuff. The name is inspired by Jordan Belfort's straight line persuasion system that does similar thing for sales. The name also represents analytical approach of company which is suitable marketing strategy for typical client.

Email: halamka@straightlinedating.cz

Phone: +420 727 990 852

CEO: Dominik Halamka

Starting date: 1.9.2022

5.1.2 Products and services

Mastermind product – Mastermind is an online product that grants clients access to private Facebook group and private webpage with premium videos and articles. There are Zoom group calls with coaches with questions and answers. Mastermind doesn't include personalized coaching but it provides good value for cheaper price. There is usage fee of 1000 CZK per month.

Individual coaching – Individual coaching is a two months program that includes personalized coaching for each client. There are private coaching calls, real-life meetings, therapy sessions and real-life cold-approach coaching. Price for two months is 20000 CZK.

Workshops – Workshops are special one day seminars with one time-payment. Some of them are free and some of them are online.

5.1.3 Capital

Initial capital investment of entrepreneur: 250 000 CZK

Loan: 0 CZK

Entrepreneur will use his own resources to finance the business.

5.2 The Team

The team has currently two members that will take care of whole project. They have all the necessary skills. The team will grow with the time.

Picture 7: Team member 1



(Own processing, 2022)

Dominik

Dominik has more than 4 years of experience with cold-approach, communication techniques and analytical approach to dating. He has spend ten's of thousands for high level coaching from foreign dating coaches and learned their skills.

He also works as a real-estate agent and has experience with sales.

Picture 8: Team member 2



(Own processing, 2022)

Michal

Michal has more than 5 years of analytical approach to dating and even more years with psychotherapy, spirituality, fixing mindset and self-esteem.

He also works many years in management and has a lot of experience with leading, coordinating and educating people.

He attained workshops from top-level managers and public speakers. Now he wants to share this knowledge.

5.3 The Business Model

Table 5: Business model canvas

Key partners	Key activities	Unique value proposition	Customer relationships	Customer segments
Therapists Communication experts Influencers	Making online podcasts with experts, interesting people, or just normal people Organizing workshops Making individual coaching sessions Creating community	Providing unique solutions for finding dream partner, maintaining existing relationships and improving communication Very analytical approach suitable for our clients Friendly, honest, and humble approach	Maintain audience through content marketing (mainly podcasts and articles) Frequent zoom-calls and workshops Individual customer care and very close, personal relationship with them	Single people that are looking for relationships and feel lonely Individuals which are lacking confidence, emotional intelligence, and charm Couples that have problems with communication and maintaining their relationships
	Key resources Knowledge of relationships, human psychology, and communication Interesting people for cooperation Filming equipment and postproduction	Individualized solution for everyone	Channels YouTube podcasts Facebook group Zoom events Website Face-to-face meetings	
Cost structure Advertising costs Splitting profit with coaches and therapists Filming equipment costs		Revenue streams Individual coaching's Paid workshops Cooperation with therapists and coaches		

(Own processing inspired by: Osterwalder, A., Pigneur, Y., 2010)

5.3.1 Customer segments

The main target audience of this project are single people that want to find their dream partner. A lot of these people are shy, introverted or they lack communication skills.

Our typical client is young, single man between 20 and 30 years of age. He is usually working in IT, engineering and other spheres where is not that much interaction with opposite gender possible. Such a man might be smart, creative and successful in his career, but he hasn't developed enough communication skills and confidence with opposite gender. A lot of these qualities should be taught from father to son. The problem of 21st century is, that there is a lot of divorces and fathers doesn't spend enough time with their sons. Schools in Czech Republic doesn't teach such a skill neither.

The last type of a client is a person, in long-term relationship that seeks solving some communication problems with his/her partner.

Belgian psychotherapist and writer Esther Perel (2017) says that in any relationship there are two key aspects. One is the safety and closeness with the partner and another one is desire. Couples usually lack one of them and it results in breakup.

5.3.2 Unique value proposition

5.3.2.1 Performance

The company is going to use strategies for our unique value proposition. First one is going to be performance aspect. The company provides effective solution for clients that want to find their dream partner, healthy dating life and keep their relationship working and satisfying forever. It also gives them skills that help with this goal such as: learning communication skills, improving their confidence, fixing limiting believes, working on emotional intelligence and many others. We want to do the best job possible and bring better value than competition. Clients are going to be taught straight line communication system that brokes human interaction into few very analytical and understandable steps. This approach is suitable for typical client of company.

5.3.2.2 Customization

There is also going to be aspect of customization since individual coaching sessions are very personalized, and every client is treated differently. Happy client is the number one goal of this project and same approach to everyone is simply not effective. Every person is unique and needs completely different approach. Customization aspect is going to increase loyalty of customers and reduces the threat of new entry mentioned in Porter's analysis.

5.3.3 Channels

We are mostly going to use direct channels. The main channel is social media. This project is very content marketing oriented. We build our audience through writing articles and making podcasts about relationships and communication. Such a content builds sustainable fan-base that we want to keep and grow through correct usage of customer relationship aspect. Our podcasts are going to be uploaded on YouTube, Spotify, Facebook and Instagram. The articles are going to be written on Facebook and some shorter ones on Instagram as well. Most of the young people today are almost addicted to the social media, which makes is perfect for us to reach them. Entrepreneur has already have active group of people, where he shares his content.

Our secondary channel is website. It's going to be support tool for social sites.

5.3.4 Customer relationship

This project is all about building sustainable fan base and being client oriented. There is going to be produced a lot of free content and tight bonds with community are going to be build. There are going to be frequent zoom workshops and live streams. In the Facebook group, there is nonstop customer support and answering questions. Two biggest aspects are community and co-creation. They are both connected to one another. As a community grows it participates in co-creation of this project. And co-creation of this project helps us to give people more dedicated personal assistance and create better and more personal value. Because in our case the more personalized it is, the better quality it has.

5.3.4.1 *Communities*

Entrepreneur has an active Facebook group where people share their knowledge and help each other. This type of networking not only builds better relationships with clients, but it also helps to develop our products and services. People are discussing their dating and communication problems in those groups and give advice to each other. Company representatives are there present daily and connect with customers. This type of relationship builds familiarity and trust. Main channel for getting potential clients is community.

5.3.4.2 *Co-creation*

There is a huge aspect of co-creation. Since customers choose themselves what they want to focus on. They get advice from our team but there is a big customization aspect. As already mentioned, we are building community that is helping to participate in creation of this project. Clients get very personalized service as a return for their participation.

5.3.4.3 *Dedicated personal assistance*

For those who decide to go for an individual paid coaching it's going to be fully personalized customer care. This type of service is absolute core of our business. It builds long-term sustainable relationship between clients and company representative.

5.3.5 Revenue streams

5.3.5.1 *Usage fee*

Most important revenue stream are going to be paid workshops and coaching programs. Workshops will be paid in one-time payment. Coaching could be paid in one big payment or it can be paid in smaller payments each month. Mastermind group is going to be paid monthly.

5.3.6 Key Resources

5.3.6.1 *Intellectual*

Most important resource for this start-up is knowledge. Value proposition of this project is based around high level knowledge. This type of resource is linked with a usage of human resources as well. Because competent and educated people will bring more knowledge into the project. And more knowledge equals better value proposition. Good value proposition means satisfied customers and bigger revenue. It is necessary for whole team to constantly educate itself and improve the quality of services.

5.3.6.2 *Physical*

There is need for a small studio room and decent quality recording equipment. This equipment includes high quality microphones and camera. Software for editing videos will be needed as well.

5.3.6.3 *Financial resources*

Big advantage of this project is, that it is not demanding huge number of financial resources. There are no necessary loans and big investments. Only thing we must pay is starting equipment for recording and a little bit of investment into the advertisement.

5.3.7 Key Activities

5.3.7.1 *Content creation*

Our first and probably most important activity is content creation. We will do podcasts with interesting hosts on the topics of relationships and dating. We will invite people that will provide interesting advice for our fans and potential clients. We will also publish online articles on social media and our webpage. These articles will contain interesting advice from books and from interviews with therapists, psychologists and dating experts. All this content creation is supposed to build sustainable community. This community will then grow progressively, partially on its own because people will share their experiences and knowledge themselves. Most of this content is going to be completely free but it will generate potential leads that can be turned into revenues.

5.3.7.2 *Coaching programs*

Second important activity is equally important. It is about taking care of clients which decide to join coaching program. Every client will have few sessions with company representative to understand their unique situation and according to that, their individual coaching program will be designed for them. Entrepreneurs will take care of clients and they will give them personalized services. There will be non-stop customer support and adjusting the program according to client needs.

5.3.7.3 *Sales*

Sales are very important aspect of this business model. It is necessary to convert leads into profit. People will get an offer to book a free call/meeting with company representative to discuss their dating life. Representative will offer them solution and possibly convince them to join the paid program. First step is getting them into mastermind program that is cheap. The second step is to upsell them into individual coaching program.

5.3.8 Key Partners

Accredited attachment therapist – One of our key partners are going to be therapists who specialize on attachment disturbance repairman. Adults with insecure attachment have difficulties in forming a healthy relationship. (Brown, D., Elliot, D., 2016)

5.3.8.1 Communication expert

Another key partner is going to be communication expert/dating-coach. These people specialize in verbal and nonverbal communication and teach others how to be charismatic and how to become a interesting personality.

5.3.9 Cost structure

Our cost structure is value-driven. We focus on providing premium, customized services. We are not concerned about keeping our services low-cost but instead we focus on providing value. Our costs include investment into initial equipment. This is going to last few years and doesn't have to be changed every month or so. Other costs include paying the coaches for providing the services. We are going to split part of the revenue our clients will generate. So, costs for coaches are going to generate revenues. We do not plan to hire any employees and coaching is going to be outsourced. Only salaries that are going to be additional costs are for me and my business partner. The company will also spend some money for initial advertisement to get the community going.

5.3.10 Marketing plan

The marketing plan of project is derived from business model canvas. First step is knowing customers. Customer segmentation determines unique value proposition presented to these customers and it also defines channels that are optimal for targeting these customers with this value.

Picture 9: Marketing plan

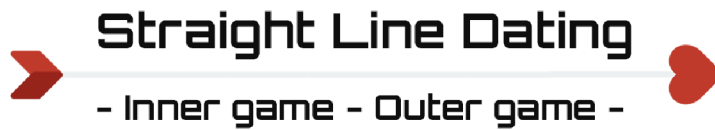


(Own processing, 2022)

Our typical client a young male with very analytical mind. This man is looking for romance and love. This client usually thinks in numbers and prefers logic over emotions. It is optimal to present value in clear, analytical, step by step process. A lot of these people work in technical spheres and use a lot of modern technology. Good way to reach them is through internet.

5.3.10.1 Branding

Picture 10: Logo



(Own processing, 2022)

This picture is full version of logo. Red colour and heart symbol represents love and relationships. Modern font symbolises analytical approach suitable for typical clients. Black and white are high contrast colours, which is good for search engine optimization and it also makes logo stand out.

Picture 11: Small logo



(Own processing, 2022)

This picture is small version of company's logo. It is going to be used on some social media where full version doesn't fit.

Picture 12: Brand colors



(Own processing, 2022)

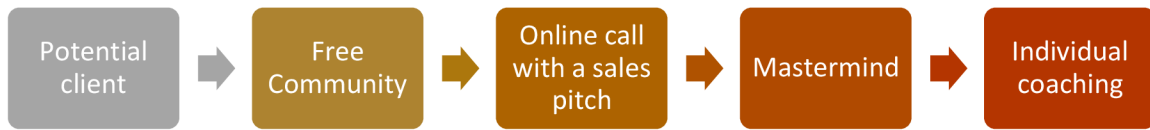
Branding of logo and overall colour selection involves combination of red, black, grey and white. Red colour symbolises love, romance, gentle, warmth, comfort, energy and excitement. Black colour symbolises power, authority, strength, intelligence. Grey colour symbolises practicality. Font is simple, clear and modern. It represents analytical approach. Branding of company symbolises its unique value proposition and customer segmentation.

5.3.10.2 Advertisement

Advertisement uses combination of channels and branding to reach potential clients. Great channel to reach our clients is social media and internet. Since the clients are highly analytical and logical group of people, it is necessary to convince them not only on emotional level but also on logical level. Advertisement is going to be done in clear, logical way that points out additional value of project. Company will use PPC ads on internet. The ads are going to trigger curiosity to make a person click. Then it will redirect people onto the page with clear and analytical answer and encouragement for joining free Facebook group or YouTube channel for more content like this. There is not going to be any sales pitch yet. The point is to create a community and fanbase. Then later on make sales pitch a convert community into leads and then clients.

5.3.10.3 Sales model

Picture 13: Sales model



(Own processing, 2022)

Company's sales model is based on Jordan Belfort's Straight Line Persuasion System. This model says customers willingness to buy is equal to his level of certainty about the product, company and salesman. He is willing to buy more as his level of certainty increases. The customers certainty is going up with his trust to the company. More value he consumes and more time he spends, more certain he will be.

First step is to find potential clients through different channels and just hook them enough to join free community and consume free content. This doesn't require high certainty and with time, they certainty will increase. Second step is to get them on a free workshop and free call with a sales pitch to make them join the mastermind program. Mastermind program is online program with premium online videos and premium online calls with questions and answers. Third step is to upsell them from mastermind to individual coaching program.

5.4 Financial Plan

5.4.1 Initial investments

Table 6: Initial investments

Initial investments	Quantity	Price per piece	Price
Microphone - static	2	3000	6000
Microphone - mobile	2	2000	4000
Camera	1	30000	30000
Domain	1	300	300
Overall			40300

(Own processing, 2022)

The project doesn't require high initial investments. Good quality filming equipment is needed for content creation. Biggest investment is good quality camera that will be used for filming videos and taking pictures. There is also need for set of microphones and registering our domain for future website. It is not needed to invest into any office because work can be done from home.

5.4.2 Pricing

Table 7: Pricing

Program	Price
Mastermind membership	1000 CZK / Month
Individual coaching program	One time payment of 20 000 CZK
Workshop	One time payment of 500 CZK

(Own processing, 2022)

Mastermind membership is paid every month. It is cheap and valuable online program. Individual coaching's are more expensive, but they provide more personalized value.

5.4.3 Revenues

Opening of paid coaching programs and mastermind is planned on 3.10.2022. The financial plan is going to be calculated from that date. Estimated revenues are divided into three categories: pessimistic, neutral and optimistic. Estimated revenues depend on number of clients entering the mastermind, individual coaching and workshops.

Table 8: Revenues 2022

Revenues 2022 (3.10 - 31.12)	Pessimistic	Neutral	Optimistic
Mastermind membership - Clients each month			
Memberships - Month	10	15	30
Memberships - Year	30	45	90
Monthly - CZK	10000	15000	30000
Whole year - CZK	30000	45000	90000
Individual programs			
New clients - Month	0	1	3
New clients - Year	0	3	9
Monthly - CZK	0	20000	60000
Whole year - CZK	0	60000	180000
One time workshops clients			
New clients - Month	5	15	30
New clients - Year	15	45	90

Monthly - CZK	2500	7500	15000
Whole year - CZK	7500	22500	45000
Revenues - Average Month	12500	42500	105000
Revenues - 2022	37500	127500	315000

(Own processing, 2022)

The first three months expect mainly just mastermind program clients. There are no individual coaching clients in pessimistic outcome till end of the year. There are few clients in neutral an optimistic outcomes. The key goal for this period is to get them into the mastermind and upsell them later into the individual coaching program.

Table 9: Revenues 2023

Revenues 2023	Pessimistic	Neutral	Optimistic
Mastermind membership - Clients each month			
Memberships - Month	20	50	100
Memberships - Year	240	600	1200
Monthly - CZK	20000	50000	100000
Whole year - CZK	240000	600000	1200000
Individual programs			
New clients - Month	1	3	5
New clients - Year	12	36	60
Monthly - CZK	20000	60000	100000
Whole year - CZK	240000	720000	1200000
One time workshops clients			
New clients - Month	5	15	40
New clients - Year	60	180	480
Monthly - CZK	2500	7500	20000
Whole year - CZK	30000	90000	240000
Revenues - Average Month	42500	117500	220000
Revenues - 2023	510000	1410000	2640000

(Own processing, 2022)

By the end of 2023, there is expected to have decent number of clients going through the individual coaching program. In neutral approach it is around 36 clients. All the products result in gross profit 1 410 000 CZK per year.

Table 10: Revenues 2024

Revenues 2024	Pessimistic	Neutral	Optimistic
Mastermind membership - Clients each month			
Memberships - Month	30	65	120
Memberships - Year	360	780	1440
Monthly - CZK	30000	65000	120000
Whole year - CZK	360000	780000	1440000
Individual programs			
New clients - Month	3	5	7
New clients - Year	36	60	84
Monthly - CZK	60000	100000	140000

Whole year - CZK	720000	1200000	1680000
One time workshops clients			
New clients - Month	10	30	60
New clients - Year	120	360	720
Monthly - CZK	5000	15000	30000
Whole year - CZK	60000	180000	360000
Revenues - Average Month	95000	180000	290000
Revenues - 2024	1140000	2160000	3480000

(Own processing, 2022)

5.4.4 Costs

Table 11: Costs

Costs	2022 - Per year (CZK)	2023 - Per year (CZK)	2024 - Per year (CZK)
Dominik's salary	0	250000	500000
Michal's salary	0	250000	500000
Webhosting	1800	7200	7200
Marketing	15000	30000	30000
Zoom	0	3500	3500
Costs	16800	540700	1040700

(Own processing, 2022)

Costs are calculated per year. First year, there is no salary for entrepreneurs. Second and third year the salary increases. Webhosting is paid each month. It costs 600 CZK per month and then 7200 CZK per year. First year has only 3 months of business period. From the start of the 2023, there are additional costs for Zoom. It is needed for organizing bigger online workshops. Marketing expenses go mainly into the online ads. This project is focused on content creation marketing strategy, which is centered around community, but online ads are good tool for boosting this process.

5.4.5 Summary

In the table below, there are revenues and costs put together. It counts with pessimistic, neutral and optimistic outcomes.

Table 12: Summary of revenues and costs

Year	2022	2023	2024
Revenues			
Pessimistic	37500	510000	1140000
Neutral	127500	1410000	2160000
Optimistic	315000	2640000	3480000
Costs	16800	540700	1040700
Balance			
Pesimistic	20700	-30700	99300
Neutral	110700	869300	1119300
Optimistic	298200	2099300	2439300

(Own processing, 2022)

Neutral and optimistic outcomes show profit numbers every year. Pessimistic outcome is slightly in negative numbers in 2023, but it turns around in 2024.

5.4.6 Bank account balance

Table below counts the balance of business account. Initial capital of project is 250000 CZK that entrepreneur used from his own resources. Initial investments are 40300 CZK.

Table 13: Bank account balance

Initial capital	250000		
Initial investments	40300		
	End of 2022	End of 2023	End of 2024
Account balance			
Pessimistic	230400	199700	299000
Neutral	320400	1189700	2309000
Optimistic	507900	2607200	5046500

(Own processing, 2022)

Initial capital of entrepreneur is high enough that even with a pessimistic approach, company doesn't end in negative numbers.

5.5 External Environment

Author will briefly describe external environment influencing this business. This part is quick summary of external environment data from all three analytical methods. Porter's Five Forces, SWOT and PESTLE.

Political, economical and social conditions for business in Czech Republic are good. Even through inflation rate is rising and people spent most of their money on necessary goods and services, creating a business is still possible option. People are social beings and dating/reproduction is on of the basic needs of humanity.

According to Porter's Five Forces in earlier chapter, the competition in dating sphere is medium but there is a high threat of new entrants. This threat is managed later in risk management part. Low market entry barrier could be used as an advantage. There is an opportunity for entering foreign market in future.

5.6 Implementation Roadmap

The implementation roadmap starts on 1.9.2022 and ends on 19.10.2022 with second free workshop with a sales pitch. It is initial starting period that is going to kickstart business and get first customers.

Table 14: Implementation roadmap

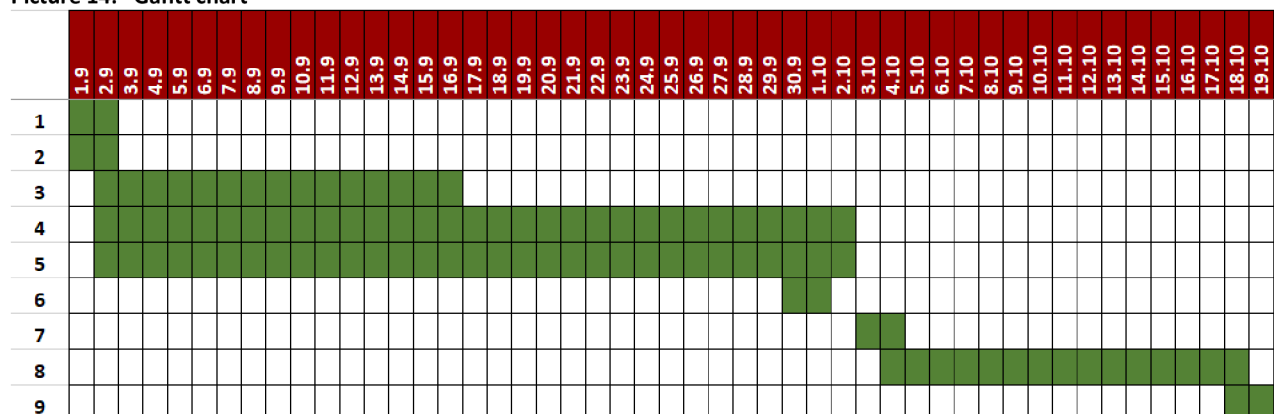
Task ID	Task Description	Duration	Start Date	End Date
1	Starting a business	1 day	01.09.2022	02.09.2022
2	Creating business bank account	1 day	01.09.2022	02.09.2022
3	Rebranding free Facebook group	14 days	02.09.2022	16.09.2022
4	Creating a YouTube channel and first videos	30 days	02.09.2022	02.10.2022
5	Preparing initial mastermind and coaching content	30 days	02.09.2022	02.10.2022
6	Doing a free workshop with a sales pitch at the end	1 day	30.09.2022	01.10.2022
7	Opening mastermind and coaching programs	1 day	03.10.2022	04.10.2022
8	Launching marketing campaign	14 days	04.10.2022	18.10.2022
9	Doing second free workshop with a sales pitch	1 day	18.10.2022	19.10.2022

(Own processing, 2022)

5.6.1 Gantt chart

Next picture is using Gantt chart for graphical illustration of implementation roadmap.

Picture 14: Gantt chart



(Own processing, 2022)

Starting a business – Entrepreneur already has a trade license so he can start a business. He will purchase necessary equipment needed for content creation.

Creating business bank account – New bank account will be created. This process is easy and in a lot of banks it's free. Bank account will be created in one day and initial capital will be transferred there. All of the transactions will be done through this new bank account.

Rebranding free Facebook group – Entrepreneur has already have active Facebook group with few hundred active members. This group posts about dating. The group has to be rebranded with new marketing and content. This process will take around 14 days.

Creating a YouTube channel and first videos – Entrepreneur will create a YouTube channel and starts to produce first videos. First views will come from shares in Facebook group. Purchased equipment will be used.

Preparing initial mastermind and coaching content – Mastermind content will be gradually updated with time, but it is necessary to be prepared for first clients. Individual coaching will be designed individually for each client but overall structure is going to be similar and common problems will be similar to most clients. So entrepreneur will prepare content for mastermind, coaching and workshops. This process will take around 30 days.

Doing a free workshop with a sales pitch at the end – After preparing content, there will be free online workshop via Zoom. At the end of the workshop, there will be a sales pitch that encourages people to join the mastermind program for more content.

Opening mastermind and coaching programs – Mastermind and coaching is going to be open from the start of October.

Launching marketing campaign – Entrepreneur will launch online marketing campaign using PPC ads to boost growth of community.

Doing second free workshop with a sales pitch – After the 14 days of online marketing, there will be a second round of workshop with a sales pitch. At the end of the second workshop, there should be some clients in mastermind and project should be successfully launched.

5.7 Risk Analysis

In this part of business plan author describes types of risk that entrepreneur might face.

5.7.1 Types of risks

Author uses two main aspects for measuring overall danger of risk. First aspect is probability of occurrence. Second aspect is damage it causes while occurring. When the probability of occurrence is high and possible damage is high then the risk is critical. Ideal scenario is low probability and low damage. Table bellow explains this logic in graphical way.

Table 15: Types of risks

		Damaged Caused		
		Low	Medium	High
Propability	High	Medium	High	Critical
	Medium	Low	Medium	High
	Low	Very low	Low	Medium

(Own processing, 2022)

Low demand for products and services – This risk can occur in every type of business. Low demand for products and services will cause low revenues. Business without profit is not a successful business in most cases. So entrepreneur must keep low probability of this risk occurring.

Probability of occurrence – Low

Author of thesis predicts probability of this risk low, because company offers unique value and compared to competition.

Damage Caused – High

It might be fatal for any start-up when they face problems with low demand for their products and services. Potential damage caused is very high.

Risk management solution: Offering high quality products and services, having great marketing and sales, building a brand, maintaining good reputation and keeping customers loyal

Overall danger: **Medium**

Risk of competition – Based on Porter’s Five Forces analysis, there is a low barrier for entering a dating market, so threat of new entrants is high. Increasing competition is one of the potential risks for entrepreneur. It is necessary to build loyalty to prevent customers going to competition.

Probability of occurrence – Medium

Damage Caused – Low

Author sees potential damage of this risk as relatively low.

Risk management solution: Building loyalty, building brand, offering better products and services than competition

Overall danger: **Low**

Lack of experience with business – Entrepreneur might do mistakes caused by lack of experience with business. This risk can be managed by having a good business plan and constantly educating yourself.

Probability of occurrence – Medium

Damage Caused – Low

Risk management solution: Educating in terms of business, having a good plan, taking advices and inspiration from more experienced entrepreneurs

Overall danger: **Low**

5.7.2 Summary of risk management

Author sees biggest potential risk for entrepreneur in low demand. This risk could be managed by offering high quality products and services. It can be also managed by great marketing and reputation of company. Other risks have to be managed as well but their danger is less significant.

Conclusion

The main goal of this bachelor thesis was creation of business plan for small start-up company that enters dating industry market.

Theoretical part gives explanation and structure for used methods and terms.

Porter's Five Forces discovered that competition in dating sphere is medium, but there is a high threat of new entrants. There is also high bargaining power of customers. SWOT analysis reveal strong value proposition of company and internal weakness of entrepreneur's lack of experience. PESTLE discovers that environment is suitable for entering a market. Risks and threats are managed later in risk management part of bachelor thesis.

Analytical data were used for creation of business plan. Key part of business plan in this bachelor thesis is business model canvas. Business model canvas designs core aspects of this start-up. It shows that typical client of company is young analytical man. Unique value proposition is designed to fulfil need of this typical customer. Marketing plan, branding and financial plan are based around unique value proposition of company. Overall presentation of company is simple, and straight to the point offering very logical step-by-step solution.

Financial plan is designed for three years. It contains three possible outcomes that show different results. Optimistic, neutral and pessimistic. Optimistic and neutral outcomes show great profits. Pessimistic outcome counts with option of making mistakes and taking bad decisions. Pessimistic outcome show slight profit in third year.

Overall conclusion is that business plan can be executed and entrepreneur has to manage risks and avoid mistakes for making a good profit.

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