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Abstract of Diploma Thesis

Business plan for real estate agency in Pardubice

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SUMMARY

This diploma thesis deals with the business plan issue. The aim of the diploma thesis is the analysis of the establishment of a real estate agency in Pardubice. The first part, theoretical, deals with the real estate market in the Czech Republic, definitions for entrepreneurs and entrepreneurship, what steps a newly-emerging entrepreneur has to follow in order to establish a limited liability company and, last but not least, the business plan. There are also mentioned analyses, which will then be applied in the practical part.

The practical part is focused directly on the real estate agency with limited financial resources. There are mentioned analyses such as PEST analysis and SWOT analysis. There is also a detailed marketing plan outlined by the company as well as a financial plan that will result in a financial profit or loss of a real estate agency. At the end of the thesis are summarized the results of the whole diploma thesis.

Keywords: Enterprise Establishing, Estate Agency, Business Plan, profit, budget, real estate market, entrepreneur, marketing plan, financial analysis

OBJECTIVES AND METHODOLOGY

OBJECTIVES

The main aim of the diploma thesis is to prepare a realistic business plan for the establishment of a new real estate agency, operating in Pardubice, in a legal form of private limited liability with Czech abbreviation s.r.o. The expected outcome of this diploma thesis is the answer to following research questions.

1. Does the enterprise have a real chance in the current situation to succeed and be profitable in the real estate market?
2. What predicted profit/loss will the company generate in the first and second year of business?

METHODOLOGY

The methodology of the diploma thesis presented in the first part is to investigate the literature background for a real estate agency. Mainly, define the basic terminology and legal forms of business. The second part is focused on penning an analysis related to the business plan. The analysis that is performed in the diploma thesis is SWOT analysis, PEST analysis, and Porter's model. The second part will also contain funding, budgets and marketing strategies.

From a marketing point of view, it is necessary to make a marketing mix where there will be determined price, differentiation of our products (services), market placement and especially promotion. The goal is to make sure that the name of the new real estate agency will spread awareness and begin to acquire customer confidence

Through all the investigations, it is necessary to carry out a SWOT analysis where the strengths and weaknesses of the company will be defined. The result is to minimize the impact of weaknesses in the future.

To compare individual competitors and their services or products, a comparative method (comparison of similarities) will be used to help evaluate and find opportunities that need to be further developed and exploited. This method can help us find a less costly solution or indicate a way to achieve higher efficiency and improve performance, to gain an advantage over the competition.

CONCLUSION

Entry into business is not easy and always involves a considerable risk failure. This risk can never be completely eliminated, but it can be reduced by creating a good business plan.

The aim of this diploma thesis was to develop a business plan that will serve as the background for establishing and managing a real business, pointing to strengths and also trying to uncover the greatest risks associated with given business.

In the theoretical part, was first addressed the issue of business with a focus to small and medium-sized enterprises. Next, the thesis is focused on the business plan, its

essentials, types, structure, but mainly on the content and created the background for the elaboration of the practical part.

The practical part was focused on a business plan for real estate office. First of all, was necessary to conduct an analysis of the external environment using PEST analysis and Porter's model of competitive forces, further analysis of company resources. It was also developed a marketing plan and considerable attention was also focused on the financial plan, where revenue forecasts have been prepared, core financial statements as well as profitability indicators.

At the beginning of this thesis were set up research questions:

1. Does the enterprise have a real chance in the current situation to succeed and be profitable in the real estate market?
2. What predicted profit/loss will the company generate in the first and second year of business?

As the answer to the first research question is that after conducting several analysis of the company is that even though, the real estate market is very competitive environment there is a place for one different real estate agency, that will respect ethical and moral standards, will offer all-inclusive services and will take lower commissions then the competition the company will be profitable and viable.

The second research question can be answered by the financial analysis in this diploma thesis. As the results from financial analysis proven that after the first year, second year and third year the company will be profitable in all scenarios (pessimistic, optimistic and realistic).

One thing, however, is that, despite the good results of the financial analysis, this is a highly competitive environment, as confirmed by Porter's model of competitive forces. Market enforcement is therefore relatively demanding for individual entities. Even the best analyses, cannot ensure success in business in the real world, there are many factors that cannot be adequately quantified. But with highly thought-out and elaborated business plan the probability of success significantly increases.

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