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THE PROPOSAL FOR THE PROVISION OF COMPREHENSIVE SERVICES FOR A FAMILY BUSINESS OPERATING IN THE FIELD OF INTERIOR DESIGN AND EQUIPMENT

NÁVRH POSKYTOVÁNÍ KOMPLEXNÍCH SLUŽEB PRO RODINNÝ PODNIK PŮSOBÍCÍ V OBLASTI DESIGNU
A VYBAVENÍ INTERIÉRŮ

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Pursuant to Act no. 111/1998 Coll. concerning universities as amended and pursuant to the BUT Study Rules, by the Director of the Institute, you have been assigned a Bachelor's Thesis entitled:

The Proposal for the Provision of Comprehensive Services for a Family Business Operating in the Field of Interior Design and Equipment

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Introduction
Problem definition, goal of the thesis and methodology
Theoretical background
Problem analysis and current situation
Proposal suggestions, solutions and benefits
Conclusion
References
Attachments

Objectives which should be achieved:

The main goal of the bachelor's thesis is based on the evaluation of the market potential and internal environment of the family business, to design a concept leading to the offer of comprehensive services in order to increase sales. The goal will be achieved using selected analytical–research methods to identify key factors in the context of internal and external environments. To evaluate the identified factors, the COP will use the strategic framework, on the basis of which an appropriate concept will be proposed, which will lead to a change in the provision of comprehensive services, including the evaluation of financial demands and risks assessment.

Basic sources of information:

BLAŽKOVÁ, Martina. Marketingové řízení a plánování pro malé a střední firmy. Praha: Grada, 2007. ISBN 978-80-247-1535-3.

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ABSTRACT

This bachelor's thesis deals with a proposal of a concept of providing comprehensive services for a family business operating in the field of interior design and equipment. The theoretical part includes a literature review regarding problematic of strategic planning and its connection with production business strategy including specifics of a small family business management and B2B market orientation. In the analytical part, chosen analytical-research methods are applied with the goal of identification of key factors in the context of the company environment, current state assessment, and identification of external factors via COP framework. The last part contains the final concept proposal of providing comprehensive services leading to the increase of revenues.

ABSTRAKT

Tato bakalářská práce se zabývá návrhem konceptu nabídky komplexních služeb pro malý rodinný podnik působící v oblasti designu a vybavení interiérů. Teoretická část obsahuje literární rešerši zabývající se problematikou strategického plánování a jeho propojení na produktovou business strategii včetně specifik řízení rodinných malých podniků a orientace služeb na B2B trh. V analytické části práce jsou aplikovány vybrané analyticko-výzkumné metody za účelem identifikace klíčových faktorů v rámci kontextu prostředí s následným vyhodnocení stavu a identifikace vnějších faktorů pomocí COP rámce. Návrhová část obsahuje konečný návrh konceptu nabídky poskytování komplexních služeb vedoucí ke zvýšení tržeb společnosti.

KEY WORDS

strategic development, family business, comprehensive services, COP strategic framework, service blueprint

KLÍČOVÁ SLOVA

strategický rozvoj, malý a střední podnik, rodinná firma, komplexní služby, COP, service blueprint

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Brno, 15 May 2021

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Ondřej Šesták

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INTRODUCTION

After a financial crisis in 2009 the process of building new developer housing projects in Prague slowed down and the number of active projects decreased by the year 2010. This mid-year decrease has been slowly gaining back to its previous position. The continuous year-to-year growth in the number of active building projects started with the previous decade and continues until today which brings increasing number of business opportunities to all range of markets connected to construction industry.

Casamoderna s.r.o. is one of the companies considering options of taking advantage of the trend to strengthen its position on the market by changing the concept of own portfolio of provided products and services for business customers. A change of the provision of the concept of portfolio can influence the current business model which is specifically for a small family business a big strategic decision with many consequences. The intent to strengthen the position on business-to-business market with a complex portfolio provides a potential of increasing revenues but also brings many obstacles and threats to overcome and manage. The management of Casamoderna s.r.o. is aware of the importance to the preparation for such strategic decision and seeks new points of view for their decision-making process.

The posed bachelor's thesis is to propose a concept of providing comprehensive services on B2B market leading to the increase of revenues of Casamoderna s.r.o. which is built upon outputs from performed evaluation of internal factors of the company as well as of the market potential. Evaluation of the current state of the company as well as of the market potential is based on desk research and research interviews with 5 employees of the company including top management. The proposed concept of provision comprehensive services is delivered in form of actions that when implemented change current business model and improve the position of the company on B2B market.

The proposal includes recommendations for implementation. However, implementation plan is not within the scope of posed thesis. It is up to the company management to decide about implementation of the proposed concept and specific plan. Further, financial evaluation and benefits of the proposed concept are introduced and identified risks depicted with recommended corrective measures and persons responsible for monitoring and applying the measures.

PROBLEM DEFINITION, GOAL OF THE THESIS AND METHODOLOGY

Problem definition

Management of the company Casamoderna s.r.o. is searching of ways to strengthen their position on the B2B market with interior design proposals and realization. They are willing to implement solution that would slightly current business model if it ensures an increase of revenues and as well is still based on provision of comprehensives services from an interior design concept until its realization for business customers under one company – Casamoderna s.r.o. Implementing solution of such parameters might benefit not only Casamoderna s.r.o. as itself in terms of continuously increasing revenues but also to its two related family companies that have been supplying Casamoderna s.r.o. This cooperation enables the company to extend its portfolio of products and services by made to measure wooden furniture and equipment workshop as well as a wide range of floor coverings from a wholesaler family company. A successful transition of Casamoderna s.r.o. in such manner can help with even closer integrated cooperation in the future of the three family companies in terms of financial, human, and technological potential.

Goal of the thesis

The main goal of the bachelor's thesis is to design a concept leading to the offer of comprehensive services on B2B market with the aim to increase revenues. The goal will be achieved using selected analytical-research methods to identify key factors in the context of internal and external environments. The current state of the internal environment is evaluated by examination of the alignment between strategy of the company, organizational structure, system and style of management, working conditions of staff, skills foundation and shared values in the selected company. The current business model of the company is explained for further identification of changes in comparison to the proposed concept followed by identification of key factors in the context of external environment within B2B market as well as evaluation of macrotrends that might influence reaching the goal of increasing revenues. Outputs from the performed research are summarized and developed into a concept for provision of comprehensive services that would fulfil stated goals.

Methodology

This bachelor's thesis consists of three main parts. First part is processed as literature research and includes explanation of general terms and concepts in the area of business development, strategic management, small business, family business, services and B2B market as well as explanation of tools and approaches that are further used in order to fulfill stated goals.

In the second part a broader introduction of the selected company as well as a brief introduction of its closely related family companies is presented. For the evaluation of the internal environment **McKinsey 7S framework** is used as a tool processing relevant information gathered by desk research and especially from research interviews of company management and employees resulting in an overview of the alignment between the 7 factors. Further, **Business Model Canvas** is used for capturing current business model. The attractiveness of the B2B market is examined by performing a desk research as well as research interviews and is processed via **Porter's 5 Forces model**. Further, macro trends categorized under **SLEPTE framework** are identified. Finally, all outputs gathered via individual sections of this chapter and relevant for the development of the proposed concept are processed using **COP framework**.

On the basis of outputs from the second part, a concept of the provision of comprehensive services on business-to-business market is introduced in terms of **idea, vision and goals of the proposal**. The changes of current business model connected with the proposed concept is represented using **Business Model Canvas**. Further, the created and proposed concept of provision of comprehensive services is described via **7P framework** and with the use of **Service Blueprint** followed by financial evaluation of the proposed changes and recommendations for implementation with explanation of benefits of applying the proposed changes. Finally, identified risks are assessed in terms of probability of occurrence and significance. Each risk is described, and preventive measures proposed to diminish the risk priority calculated as multiplication of the probability of occurrence and significance factors. Persons responsible for monitoring the risks and applying the proposed measures are listed as well.

1 THEORETICAL BACKGROUND

In this chapter, the chosen analytical and research tools that will be used for analysing the current situation of internal and external environment of the company, tool for the synthesis of the performed analysis methods of gathering information as well as tools for creation of the solution for the company.

1.1 The meanings and definition of business development

“**Business development** is the process of creation long term value for a business through the **development of relationships with stakeholders, markets and customers** which are important for a company to grow and fulfil its long term business” (Bumberová, 2021).

There are two main approaches in the area of business development: the theory of life cycle and strategic management. The first, the theory of life cycle, represents an organization in a scheme from its creation to its termination. The number and types of identified stages varies based on the individual approach of authors. However, passing from one stage to another is usually connected to overcoming a certain crisis. Business development within this approach is, therefore, focused on identifying a current or upcoming crisis and finding a way to overcome it (Bumberová, 2021).

The second approach, strategic management, is in the contrast to the theory of life cycle is rather focused on proactive reaction to change than reactive respond to a pain from growth (Bumberová, 2021). The situation that leads the management of Casamoderna s.r.o. to consider changing their business model is apparently driven by the proactive search of new opportunities rather than reaction to existing problems. Therefore, the approach of business development chosen for this thesis is strategic management.

1.2 Strategic management

The role of a strategic management in a company is to formulate strategy and control its execution which requires planning, setting goals with regards to available resources as well as evaluation of the environment in which the company operates (Červený et al. 2014, p. 11). Principles of a strategic management are as old as humanity and human

cooperation as itself but in according to (Fotr et al. 2012, pp. 22-23) today's conception of a strategic management we distinguish 5 main approaches:

- **Process approach** represented by Henri Fayol focuses on processes in planning, organising, choosing work staff and their further management and control.
- **Psychological-social approach** is based on behavioural theory from Elton Mayo where the important part of management are principles of motivation and stimulation.
- **System approach** also comes from ideas of Henri Fayol and emphasizes the analysis of individual processes within an integrated environment as well as the system as a whole.
- **Quantitative approach** applies mathematical models and algorithms for decision-making in management.
- **Empirical approach** on the other hand uses individual cases from managerial practice to generalize findings from successful that correlate with theoretical knowledge in management and other disciplines.

This thesis is based on a combination of process, system and empirical approach.

Strategic management is seen in three phases: **strategy formulation**, **strategy implementation** and **strategy evaluation**. Under the influence of globalization and other factors there is a pressure for more flexibility in strategic management, especially in confrontation of long-term goals with priorities of short-term activities and factors that are out of range to influence and not even to predict (Fotr et al. 2012, p. 27).

Strategic management is distinguished by the level of execution. Strategic level represents the top executive followed by a tactical and an operational level, respectively. Generally said, the higher the level is the more of planning, organizing and control, and the less of leading activities, are required. Strategic decision and its application should follow the structure from top to the bottom (Červený et al. 2014, p. 12).

1.2.1 Process of strategic management

Process of strategic management is represented by many authors using various schemes, however, as stated by Robert Zich (2012, p. 14), understanding it as a step-by-step action plan to be applied is problematic. In reality, it is rather a frantic rotation that might, by its centrifugal force, deflect the current direction towards more or less genial idea or vision.

The process of strategic management approached by Zich (2012, p. 14) and represented by Figure 1: The process of strategic management, is a cycle starting with the ideation of the future state which definitely involves vision and mission statements as well as a consideration of external factors, and is further developed through strategic analysis, exploration and evaluation of variants, formulation of strategy and implementation of strategy. The cycle is seemingly closed by the comparison of difference between expected and achieved state, however, ideally, is not applied as never-ending run in a circle but a spiral-shaped movement towards a given direction (Zich, 2021).

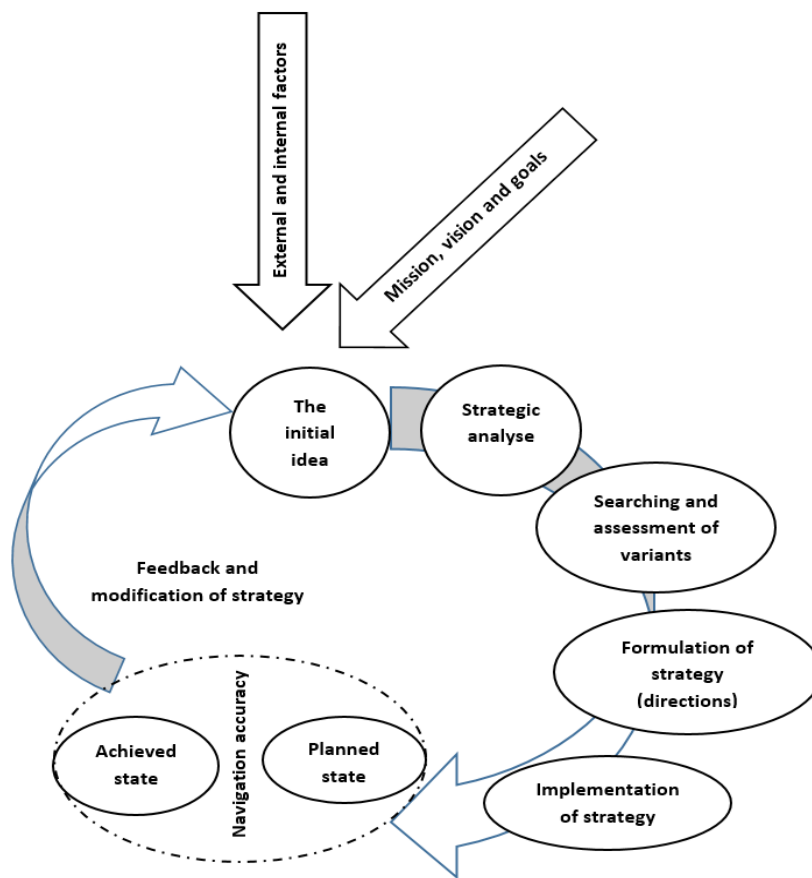


Figure 1: The process of strategic management

(Source: Zich, 2012, p. 14)

1.2.2 Alignment between corporate and business strategy

Corporate strategy frames the behaviour and intentions of a company as whole which creates a space for defining the area of business for each strategic business unit and their mutual cooperation, that is in other words, business strategy (Zich, 2012, p. 15). The change in the portfolio structure influences a business strategy for a strategic business unit.

1.3 Characteristics of small business management

Definition of a small and medium-sized enterprises is stated by the European Commission in EU recommendation 2003/361. A company is considered small only if employs less than 50 people and either reach an annual turnover under 10 million EUR and/or annual balance sheet total does not exceed 10 million EUR (SME definition, 2021).

SMEs are not just small version of large enterprises but differ from them in several fundamental ways. The personality and behavioural characteristics strongly influence the owner-managed company decision-making. Also, small companies compared to the large ones are social entities that spin around personal relationships as well as approach risk and uncertainty in a way that sometimes being viewed as irrational (Burns, 2001, p. 9).

Furthermore, as stated by **Burns** (2001, p. 9-10), small companies are typical with the following 3 characteristics:

1. Being **short of cash** and inability to **raise capital** in a way that large companies can which constrains the strategies they can adopt and dictates that business decisions must have quick pay-off and therefore, be short-term.
2. SMEs typically operate in a single market, or a **limited number of markets**, and most likely providing a **limited range of products or services** which leads to a difficulty to **diversify business risk**.
3. The effect of the **economies of scale** does not play in a favour of small firms. For example, hiring a new person is a decision with low risks associated in large companies but in small ones, due to the mentioned money shortage, such decision has a strategic nature.

1.3.1 Family business

There are many methods to set a line between a family and non-family business. For the purpose of the identification of Casamoderna, three evaluation methods will be used, stated in (Koráb et al. 2008, p. 20): 1) **Broad definition** where family has a strategic influence on further company development; 2) **Mid-broad definition** where founder and/or his children manage and have a control coming from an ownership over the company; 3) **Narrow definition** where more than one family generation is involved,

family directly manages and owns the company and more than one family member have a significant managerial role.

In case of a **family management** in a company there are various types and characteristics that play an important role. Two following two types are described in (Koráb et al., 2008, p. 31-33):

- **Siblings management** implies on the top of the “normal” challenges associated with managing a company also challenges arising from sibling rivalry and conflicts affected by early stages of their lives that lasts even after the death of their parents.
- **“Clan” management** refers to a less frequently occurring family business management consisting of loosely related people such as cousins or aunts and uncles.

When it comes to general advantages of that family businesses tend or have potential to possess over non-family ones (Leach, 1999, p. 5-11) mentions high commitment, flexibility in time, work and money (more time and work put in and less money withdrawn out when necessary), potential family know-how, long-range thinking (in horizon of generation), stable culture evolved, flexibility in decision-making, reliability and pride.

On the other hand, (Leach, 1999, p. 11-14) also mentions potential disadvantages related to doing a business in a family, such as rigidity, succession dilemma and managing transitions, emotional issues, learning new skills.

1.4 Characteristics of services

Service as itself has various definitions. Kotler and Keller (2013, p. 394) define it as “Any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product.”

As stated in the book from Kotler and Keller (2013, pp. 394-395) business offers can be split into 5 categories based on the importance level of the service included:

- **Pure tangible goods without any accompanying services** – such as toothpaste or salt,
- **Tangible goods with accompanying services** – such as phone or car,
- **Hybrid** – such as eating in the restaurant where products and services play same important role,
- **Dominant service with accompanying goods and services** – such as travelling by plane with additional goods and services like beverage,
- **Pure service** – such as babysitting or massage.

Services in general possess 5 fundamental differences in contrast to physical goods:

- **Service intangibility** refers to the impossibility to capture it by any sense before the actual purchase. In other words, a customer cannot see, feel, taste, hear, or smell a service before the service is actually applied (Kotler and Armstrong, 2018, p. 258).
- **Service inseparability** stands for the fact that service is typical with a provider-customer interaction. Physical goods are produced, then stored, later sold and finally consumed but in case of services, customer plays in important role in the service delivery. And that is why a service cannot be separated from its provider (Kotler and Armstrong, 2018, p. 259).
- “**Service variability** means that the quality of services depends on who provides them as well as when, where, and how they are provided“ (Kotler and Armstrong, 2018, p. 259). For example, when visiting a restaurant, a personal overall evaluation of the services provided might be connected with location, time of the day, and stuff as well as to any other attributes.
- **Service perishability** emphasized the fact that services as opposed to physical goods in general, cannot be stored or in any other way saved for later use. That might bring some issues to a company in a situation of fluctuating demand (Kotler and Armstrong, 2018, p. 259).
- **Absence of service ownership** relates to the intangibility and perishability and is the cause of the fact that customer owns only the right to get served not the service as itself (Vašítková, 2014, p. 20).

1.4.1 B2B market-oriented services and characteristics of B2B customers

B2B (business-to-business) is a market of organizations that purchase products and services that are needed for the creation of products and services to be sold or rented to others. For such market, there some characteristics important to mention in contrast with consumer market. B2B market is typical with **less but bigger customers**. It does not necessarily mean only bigger in terms of budget but for example, volume or know-how compared to a consumer market. Also, suppliers tend to keep **tight relationships** with business customers and manage to sell rather **directly** then via a mediator. Customers are typical with a **professional approach**, qualified **purchasing managers**, clear **purchasing requirements** and rational **decision-making process** involving several persons (Kotler and Keller, 2013, pp. 222-223).

The decision-making unit in a buying organization is called **buying center**, however is not fixed and formally identified unit within the organization. The buying center consists of all individuals and units that are part of the decision-making process:

- **Users** of the product or service. Mostly, they are initiators of the buying proposal.
- **Influencers** are technical employees who help to define specifications and provide information for evaluating alternatives.
- **Buyers** posses the authority to select suppliers and negotiate the terms of purchases. In case of routine buying buyers are might be also deciders.
- **Deciders** have the power to select or approve the final suppliers.
- **Gatekeepers** control the flow of information and often have the authority to prevent salesperson from meeting with users or deciders.

Kotler and Armstrong (2018, p. 191) enlist three main types of buying situations. **Straight rebuy** refers to a purchasing routine when a customers reorders something without any modifications. **Modified rebuy** stands for situation of purchasing a product or service with some modifications such as product specifications, price, terms or even suppliers. The third type, **new task**, represents a situation when a buyer purchases a given product or service for the first time.

1.5 Description of selected analytical-research methods used in the internal and external context of diagnostic process

In this chapter, all analytical tools used in this thesis are introduced and explained. For the evaluation of internal environment, a McKinsey 7S framework and Business Model Canvas to describe the current business model. Microenvironment of the company is evaluated via Porters's 5 Forces and for identification of important factors from the macroenvironment is SLEPT framework used. Outputs of the performed analyses is summarized by COP framework.

1.5.1 Internal analysis using McKinsey 7S Framework

A concept, developed from a research that has shown a successful company is influenced by 7 internal interdependent factors that are to be developed evenly, was introduced by a consultancy firm McKinsey known under the name 7S framework (Smejkal and Rais, 2010, p. 41). The factors are visualized in Figure 2: 7S Framework.

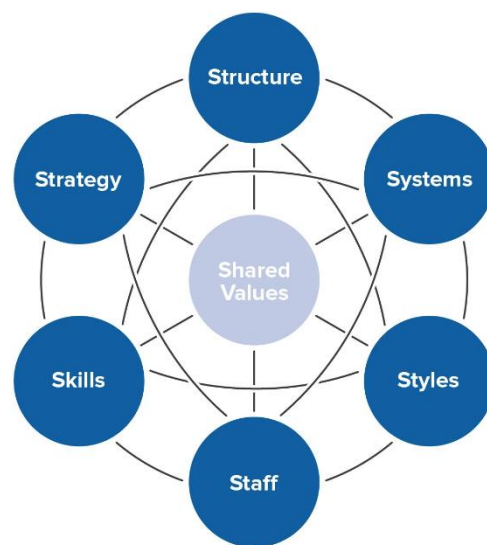


Figure 2: 7S Framework
(Sources: Mindtools, 2021)

1. **Strategy** of a company can be approached in many ways. As stated in (Zich, 2012, p. 12), the important is whether the given approach to strategy works no matter if it clearly corresponds to an existing model.

Current strategy management clearly defines terms vision and a mission (Fotr et al. 2020, p. 33). While **vision statement** describes the targeted future state of a

given company (Zich, 2012, p. 14) that is time framed (Fotr et al. 2020, p. 33), **mission statement** represents the set of values or behaviour styles that are used and ingrained in the company to reach the defined vision (Zich, 2012, p. 14). In other words, clearly defines why the company exists (Fotr et al., 2020, p. 34).

As Martina Blažková stated in her book (2007, pp. 136-137) there are 3 generic strategies aimed on gaining a competitive advantage also known as Porter's strategies:

- **Cost leadership** – aims to keep production and distribution costs lower than competition to be able to offer lower prices and, therefore, gain higher market share.
- **Differentiation strategy** – aims to differentiate products and/or services from competition on the market to attain leadership in, for example, quality, service level, style or technology. This strategy requires higher prices connected to higher production costs and relies on variety of needs on the market as well as the willingness of customers to appreciate the differentiation and pay for added values instead of choosing the cheapest product on the market.
- **Focus strategy** – aims on one or more narrow market segments (niche market) not on domination of the whole market. Within the segment the aim is either focused on costs or differentiation. This strategy requires deep understanding of customer needs.

2. Structure represents the division of tasks, competencies and responsibilities between workers within an organization. There are many types of organisational structures with various levels of complexity. The following is a list of the basic ones as listed in (Smejkal and Rais, 2010, pp. 45-47):

- **Hierarchical structure** – clearly stated relationships of direct superiority.
- **Functional structure** – based on linear structure with specialization-based managing functions.
- **Line and Staff** – a combination of one manager in charge with an expert staff.

- **Divisional structure** – separation of divisions based on types of activities, geography or type of customer.
 - **Matrix structure** – a combination of functional and divisional structures.
3. **Systems of management** stand for all formal and informal information procedures within the organization. Every organization apply some processes ranging from manual to automated. Higher levels of management are connected with lower rate of automation (Smejkal and Rais, 2010, p. 49).
 4. **Style of management** as mentioned in (Smejkal and Rais, 2010, p. 50) is typically categorized as:
 - **Autocratic** – manager decides alone without participation of others.
 - **Democratic** – subordinates employees contribute more to the decision-making of management. The communication is two-sided.
 - **Laissez-faire** – employees get freedom to decide about their work with very limited intervention from management.
 5. **Staff** is the major initiator of company's success as well as can be the major operational risk. The art of dealing with staff appropriately is one of key managerial skills. Therefore, it is crucial for managers to know motivational background and preferences of direct subordinate employees and to be able to build a sense of solidarity and loyalty in the corporate culture (Smejkal and Rais, 2010, pp. 50-51).
 6. **Skills** represent a pressure from managers on the increase of economical, legal and informational literacy of staff. But more generally, the key factor is the ability to quickly adapt to new situations. Some authors recommend to also rely on subconsciousness, intuition or believe in own success as addition to pragmatic and scientific perspective (Smejkal and Rais, 2010, p. 54).
 7. **Shared values** or culture is closely connected to Staff and is usually understood as a set of shared values and opinions that positively influence unformal behaviour within the company. Culture is an intangible product resulting from thinking and acting of people (Smejkal and Rais, 2010, p. 53).

1.5.2 The Business Model Canvas

The Business Model Canvas is a tool originally created by Alex Osterwalder, business theorist, author, and co-founder of strategyzer.com. “A business model describes the rationale of how an organization creates, delivers, and captures value” (Osterwalder and Pigneur, 2010, p. 14). In the posed bachelor’s thesis it is used to both describe current business model of Casamoderna s.r.o. as well as comparison of a business model influenced by proposed changes. The Business Model Canvas consists of 9 blocks within one framework:

1. Customer Segments

The first block is defined „different groups of people of organizations an enterprise aims to reach and serve” (Osterwalder and Pigneur, 2010, p. 20).

2. Value Propositions

The second block in the Canvas „describes the bundle of products and services that create value for a specific Customer Segment“ (Osterwalder and Pigneur, 2010, p. 22).

3. Channels

This building block serves for describing “how a company communicates with and reaches its Customer Segments to deliver a Value Proposition” (Osterwalder and Pigneur, 2010, p. 26).

4. Customer relationships

This block is to “describe the types of relationships a company establishes with specific Customer Segments” (Osterwalder and Pigneur, 2010, p. 28).

5. Revenue Streams

The fifth building bock “represents the cash a company generates from each Customer Segment” (Osterwalder and Pigneur, 2010, p. 30).

6. Key Resources

The block called Key Resources is to show “the most important assets required for the business model to work” (Osterwalder and Pigneur, 2010, p. 34).

7. Key Activities

The seventh block “describes the most important things a company must do to make to business model work” (Osterwalder and Pigneur, 2010, p. 36).

8. Key Partnerships

This block is about the “network of suppliers and partners” (Osterwalder and Pigneur, 2010, p. 38) regarding the proper functioning of the business model.

9. Cost Structure

The final block “describes all costs incurred to operate a business model (Osterwalder and Pigneur, 2010, p. 40).

1.5.3 Market analysis using Porter’s 5 Forces

This model developed by Michael Porter represents factors that influence industry profitability and influences companies. The 5 factors are visualized in Figure 3: Porter’s 5 Forces model. Industry is defined as a group of companies that supply a certain market. Borders of an industry are to be set by two parameters: 1) possible substitutes of products

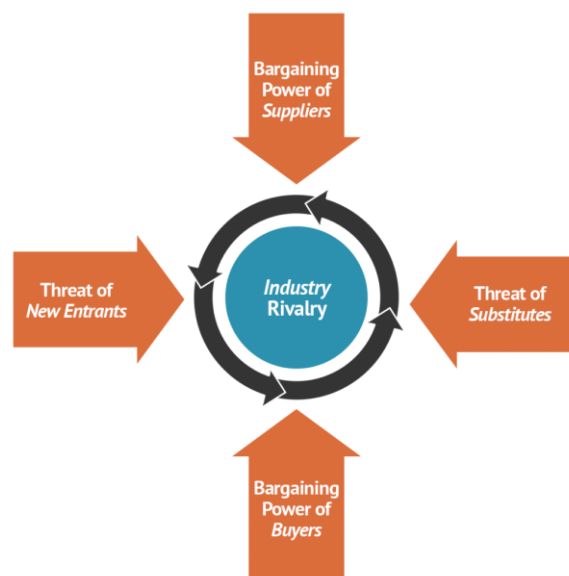


Figure 3: Porter's 5 Forces model
(Source: Targetinternet, 2021)

and services on demand side and 2) the easy of a shift of products and services to new market segments (Blažková, 2007, pp. 57-58).

The threat of **new competitors entering the market** is primarily defined by the probability and easy of entering. To identify that Blažková (2007, p. 58) mentions to

examine barriers of entering the market with costs associated or access to distribution channels. In case of too many new competitors, the increased production capacity would cause supply exceeding demand that would force prices down.

Substitutes represent the threat of the existence of alternative products or services replacing the current supply. A company can face this threat by price reduction as affect of improved control over costs, increase of product value, offer additional services, forecast of customers needs or development of new differentiated products and services (Blažková, 2007, pp. 58-59).

Bargaining power of buyers is represented by the structure and concentration of buyers on the market. The power is great if there are just few but significant buyers, buyers purchase in large volumes, product is standard, and there are low costs of buyers to change their supplier (Blažková, 2007, p. 59).

Bargaining power of suppliers means the size of suppliers and their potential to dictate condition of supplies. The great power in this sphere is on the other hand typical with small number of suppliers, high importance of the products or services for buyers, high costs connected with change of supplier or find a substitute and independence of suppliers on buyers in terms of minimum sales amount (Blažková, 2007, p. 59).

Current competitor rivalry can be influenced by size and number of competitors as well as degree of differentiation between products and services and level of barrier to enter or leave the market. Another aspect of rivalry intensity is when there are many small or same-sized competitors or when the products are difficult to differentiate. A possible solution to high rivalry can be following the strategy of low costs, differentiating products or finding a niche market an well-functioning marketing informational system with all available information about customers, competitors, suppliers and other factors (Blažková, 2007, p. 59).

1.5.4 Macroenvironment trends identified using SLEPTE framework

SLEPTE is an abbreviation of 6 macro areas: Social, Legal, Political, Economic, Political and Ecological. The approach of this framework identifies key external trends and impacts (Mallya, 2007, p. 42).

Identification of external factors that might influence the environment around a given organization is important for deciding how the organization would react to them (Blažková, 2007, p. 53).

1.6 Analysis and evaluation of factors using COP framework

There are many tools for synthesis of performed analysis of both internal and external environment. SWOT is a very common framework however, Robert Zich (2012, pp. 83-84) introduces an approach using three perspectives – Challenge, Opportunity and Problem. The initial letters of these three words create the name of this tool – COP framework.

The approach of this method is not to label identified factors in a black-and-white perspective as either vital or dangerous but rather to characterize the approach a given company decides to take towards the factors. **Challenge** represents a strategic decision to develop in a certain direction. **Opportunity** stands for the approach of disposable use of the given situation. **Problem** perspective focuses on diminishing the negative consequences and searching for approaches to solve potential threats, (Zich, 2012, pp. 83-84).

COP as a framework can be approached in at least three ways: 1) identification of both internal and external factors with the point of view of Challenge, Opportunity and Problem and its further processing in regards to an existing idea, 2) a framework for generation of 3 scenarios based on 3 different approaches to the realization of an already existing idea and, 3) identification of both internal and external factors with the perspective of Challenge, Opportunity and Problem used for continuous narrowing the scale of possible solutions until one final idea is developed (Zich, 2021).

In this bachelor's thesis, the first option from the above described approaches is applied in terms of identification of both internal and external factor with the view of Challenge Opportunity and Problem.

1.7 Goals in 3-dimensional approach

The approach to goal definition builds on an assumption that every goal of every organization can be displayed in three dimensions: Economical, External, and Internal (Zich, 2012, p. 28).

Economical dimension of a goal can be declared in any economical expression such as increase of profits, a specific market share or for example % margin. The second dimension – external – is built of fact that the economical declaration is to be achieved within an environment of a certain level of competition which shall be taken in account. Finally, internal dimension is to ensure appropriate development of the internal environment of a given organisation that would provide necessary resources to fulfil all other goals (Zich, 2012, p. 28).

It can be said that every successful organization is able to fulfil goals from all of the three dimensions. However, it is not possible to satisfy all stakeholders at 100% level so maintaining a certain equilibrium is a necessity. That does not mean every dimension is of same importance. Reaching a certain goal in one area usually comes at cost in another area. A success-able organization is able to find appropriate balance between them (Zich, 2012, p. 28)

1.8 Creation of a comprehensive service provision concept using 7P framework

7P framework, sometimes referred to as extended marketing mix, represents a set of tools a marketing manager creates properties and features of services with for customers. Individual elements of the framework can be combined in various order and intensities but serve to one purpose: satisfy customers needs while bringing a profit the an organization. The name 7P stands for 7 elements all with the initial letter P: Product, Price, Place, Promotion, Processes, People and Physical environment (Vašítková, 2014, p. 21).

Product is understood as everything that an organization provides to satisfy customers needs (Vašítková, 2014, p. 22).

Price, specifically in the case of services, becomes an important quality indicator (Vašítková, 2014, p. 22). In other words, price is one of the critical factors base on which customers decide about purchase.

Place represents distribution and ease of customer accessing the service. It connected with locality, movement of physical elements of the service as well as possible mediators (Vašítková, 2014, p. 22).

Promotion stands for the marketing communication which is the most visible part of the marketing mix. The usage of appropriate communication tools enables an organization to communicate with its environment quickly, transparently, and clearly (Vašítková, 2014, p. 126).

Process means interaction between customers and service provider during the service is provided (Vašítková, 2014, p. 23). This element of the designed concept is covered by Service Blueprint, tool described in chapter 1.9 Processes of providing services by Service Blueprint.

People – representatives of the service providers – have an impact on the quality of service provided. This element concerns factors such as requirements, education and motivation of employees as well as rules regarding the behaviour of customers because they are also part of the service provision process and, therefore, impact the quality of provided service as well (Vašítková, 2014, pp. 22-23).

Physical environment is a proof of service properties due to the fact that service is intangible, and customers cannot evaluate it before the actual consumption (Vašítková, 2014, p. 23). For example, the look of a hairdresser saloon might serve as an indicator for expected quality of a new haircut, however, the actual evaluation can happen after the haircut is completed.

1.9 Processes of providing services by Service Blueprint

Service Blueprint is a tool that objectively describes the customer experience and service system in a form of a picture or map. Particularly useful for designing a service, Service Blueprint visualizes process of service delivery, points of customer contacts, and visible elements of the service (Zeithaml, et al. 2018, p. 238).

The structure of blueprint is not defined as fixed but is rather flexible with respect to the complexity of described process. According to (Zeithaml, et al. 2018, pp. 239-240) there are four key elements to it:

- **Customer actions** – choices, steps, decisions, activities and interactions performed by customer,
- **Employee actions (onstage/visible)** – actions taken by employees that are visible to the customer,
- **Employee actions (backstage/invisible)** – actions taken by employees that support the onstage/visible actions but are not visible to the customer,
- **Support processes** – internal services, steps and interactions supporting the employees in the “front line”.

Typically, above the introduced four elements the **physical evidence** is placed. Each of these four areas is separated by a horizontal line. The line dividing customer actions and visible employee actions is called **line of interaction** and represents the line between the customer and the organisation. The line between visible and invisible employee actions is called **line of visibility** and separates areas of actions that are visible to customers from those which are not. The line between invisible employee actions and support processes is called **line of internal interaction** and separate activities of customer-contact employee from other support activities and people (Zeithaml, et al. 2018, pp. 239-240).

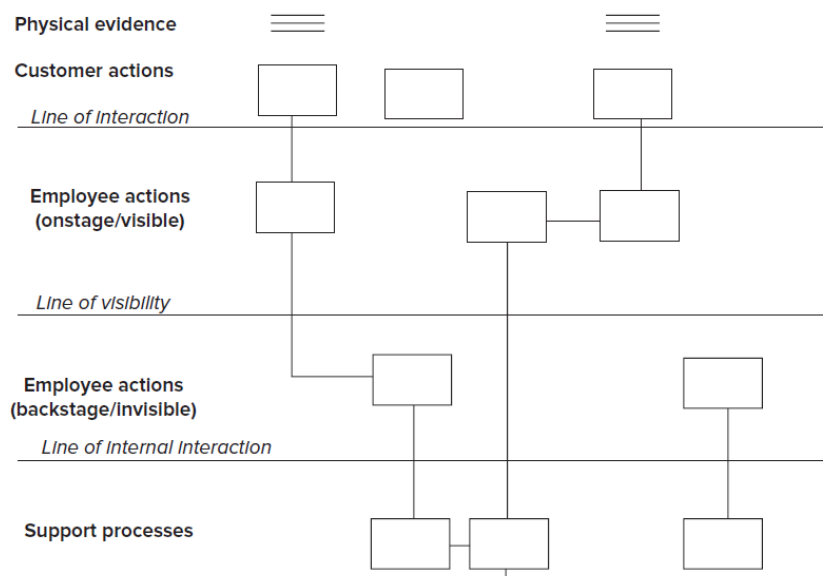


Figure 4: Example of a Service Blueprint
(Source: Zeithaml, et al. 2018, p. 239)

Figure 4: Example of a Service Blueprint shows Service Blueprint components as explained above.

1.10 Financial evaluation of project proposal

The concept of provision complex services on B2B market aims to increase revenues of the company. Financial evaluation of this proposal represents a control mechanism to proof fulfilling this requirement. As explained in (Fotr and Souček, 2005, p. 63) financial evaluation of a project provides general information for deciding whether of to accept or decline a given project.

A critical indicator for the company management to decide about implementing a proposed concept is Break Even Point (BEP). According to (Fotr and Souček, 2005, pp. 156-157) the BEP represents a critical limit value of a certain risk factor regarding a chosen economic criterion. This criterion might be for example profit. In that case the Break Even Point reaches the value 0 profit, in other words, when revenues cover all costs.

BEP in relation to produced volume is calculated as:

$$BEP = \frac{F}{s-v}, \text{ where:}$$

Formula 1: Break Even Point calculation

(Source: Fotr and Souček, 2005, p. 156)

BEP = Break Even Point of production volume,

F is Fixed costs,

s is Selling price,

v is Variable costs per unit.

The lower the fixed costs are and the higher the difference between selling price and variable cost per unit is, the more favourable the position of the Break Even Point is towards decreasing demand (Fotr and Souček, 2005, pp. 156-157).

1.11 Risk assessment and management

Risk is on one hand connected with the hope of achieving excellent economic result and on the other hand connected with danger of business fail leading to loss and other consequences. To determine the size of risks connected with changes within the proposed

concept it is necessary to state factors that influence the risk of it and specify those factors that contribute to that risk the most (Fotr and Souček, 2005, p. 135).

The inability to make reliable estimates of risk factors has many reasons such as lack of information, insufficient knowledge of processes that generate risk factors, usage of inappropriate sources, usage of inappropriate methods of future risk development estimation and random nature of processes leading to risk factors. This uncertainty connected with risk factor development estimation can be decreased but not completely eliminated (Fotr and Souček, 2005, p. 136).

The results of individual steps of analysis are to be concentrated in risk register. Such register includes information important for managing identified risks such as:

- estimation of probability and impacts of the occurrence,
- quantitative evaluation of the risk factors significance,
- characteristics of preventions leading to decrease of the risk, and
- subject or person responsible for monitoring individual risk factors (Fotr and Souček, 2005, pp. 192-193).

2 ANALYSIS OF CURRENT SITUATION

This chapter consists of the general introduction of the company and its family related companies and presents outputs from performed research in the form of a given framework. All outputs are summarized in the chapter 2.6 Summary of analytical outputs and identification of internal and external factors via COP framework.

2.1 History of the family business

Casamoderna s.r.o. was founded in 2013 by two brothers Jiří Šesták and Stanislav Šesták and their business partner from Podlahy Šesták s.r.o. (company introduced in 2.1.2) Kamil Kalaš as a third company in the family. The initial impulse to start the company was the inability to satisfy the existing demand for provision of full equipment into residential as well as commercial premises (Casamoderna.cz, 2021). The logo of the company is displayed in Picture 1: Logo of Casamoderna s.r.o.



Picture 1: Logo of Casamoderna s.r.o.
(Source: Casamoderna, 2021)

Within the 8 years of the existence, the company has developed its portfolio in various areas. Today, the 5-member sales team behind the company is able to provide full equipment to a plain apartment from floor covering to decorations. “This extreme flexibility makes it on one hand very refreshing to work on always new and different projects but on the other hand creates many challenges in communication, planning and execution that would not be necessary if the scope was narrower” (Stanislav Šesták, 2021).

2.1.1 Dílna Šesták s.r.o.

The company started in 1991 as a furniture workshop of three brothers – Jiří Šesták, Stanislav Šesták and Jan Šesták – originally called JSJ Šesták Interiéry. Today, the

company operates under the name Dílna Šesták and is co-owned not only by the mentioned three brothers but also by one son of each of them – Marek Šesták, David Šesták and Michal Šesták (Dilnasestak.cz, 2021).

After 30 years of being in business, the company has built its reputation in the field of custom made to measure furniture production. One of the most valuable assets and factor of success is the number of contacts and good relationships with architects. The above-mentioned increasing demand for full service in terms of interior design and equipment has been a consequence of the warm approach to customers and managing strong relationships with architects and other partners. Working with these contacts, Casamoderna s.r.o. started its operations and until today, Dílna Šesták s.r.o. has been supplying Casamoderna s.r.o. with custom made to measure furniture and vice-versa Casamoderna s.r.o. is one of the promotion channels of Dílna Šesták s.r.o. The ease of cooperation between these two companies is given by the position of Stanislav Šesták, who is in Dílna Šesták s.r.o. working as sales manager (Stanislav Šesták, 2021).

2.1.2 Podlahy Šesták s.r.o.

Podlahy Šesták s.r.o. is a wholesaler of flooring and floor accessories established in 2005. There are the same three owners as of Casamoderna s.r.o. – Jiří, Stanislav and Kamil. The company Podlahy Šesták s.r.o. has created a brand Floor Forever® through which distributes flooring and floor accessories to floor shops in the Czech Republic.

Podlahy Šesták s.r.o. is also an important supplier for Casamoderna s.r.o. in the area of flooring. Thanks to the identical ownership structure in both mentioned companies there has been a smooth and both-side beneficial cooperation so far (Jiří Šesták, 2021).

2.2 Internal analysis using 7S framework

2.2.1 Strategy

The current version of the vision statement of Casamoderna s.r.o., defined by July 2020, is stated in the form of a direction: “Casamoderna wants to help people to find unified and imaginative solution to their housing” (Stanislav Šesták, 2021).

The Mission of the company is in the same document officially stated in 3 points:

1. We offer comprehensive services from interior design concept to realization.
2. We provide inspiration, help and leading.

3. We build strong relationships with partners and suppliers.

However, words of official statements might not be always reflected by the reality of actions taken. Casamoderna has developed into provision of comprehensive services of design interior and equipment into premises of both residential and commercial use. The full portfolio consists of:

- Consultation and leading in selection from catalogue portfolio,
- Catalogue product portfolio (full list can be found in attachment 6),
- Professional consultation and guidance in the area of kitchen,
- Professional consultation and guidance in the area of flooring,
- Full interior design concept from academic art designers (part-time employed Marek Šesták and David Šesták from Dílna Šesták s.r.o.),
- Made to measure wooden furniture (externally from Dílna Šesták s.r.o.),
- Flooring and floor accessories (externally from Podlahy Šesták s.r.o.).
- Assembly of all items (Stanislav Šesták, 2021).

The key element of the current business strategy is an Interior showroom, fully owned by the company, located on the square in Dolní Břežany near Prague where potential customers can come (in case epidemiological restrictions allow it), observe exposed items and use individual help of trained staff.

This whole wide range of products and services which is provided within both business and consumer markets is promoted separately, never as one complex service. “Very often it happens that customer comes for one thing and does not know we can offer much more“ (Stanislav Šesták, 2021).

“Separation of our customer base on business and consumer based on who pays our invoices has no sense in this industry. We can work on a similar project but in one case we are invited to the project by end-user and in other case we can figure as a supplier for architect or construction company, for example” (Stanislav Šesták, 2021).

From the above-mentioned observations Casamoderna s.r.o. is differentiating from competition by the large portfolio and added services, however compared to the stores such as Ikea or Möbelix, the quality and price level is much higher. Therefore, the assessed strategy in terms of Porter’s generic strategies is differentiation strategy.

2.2.2 Structure

Even though there are three equal-shared owners, only Jiří and Stanislav are involved into the company management while Kamil is keeping track on a regular basis to be able to help when needed. Jiří is responsible for marketing and financial management of the company including communication with external accountant. Stanislav is responsible for sales and operations part of the company. The formal organizational structure is of hierarchical type as represented in Figure 6: Organizational structure of Casamoderna s.r.o. However, untypically divided between two parts. The marketing department under Jiří is in a daily contact with people from sales department which is under management of Stanislav. The reason of division of this structure is purely responsibility-based. There are no significant communication or decision-making issues between Jiří and Stanislav. When there is serious decision to be made all three owners have equal vote (Stanislav Šesták, 2021).

In order to provide the wide range of products and services there are various external partners. Marek and David co-owners of Dílna Šesták s.r.o. are providing interior design

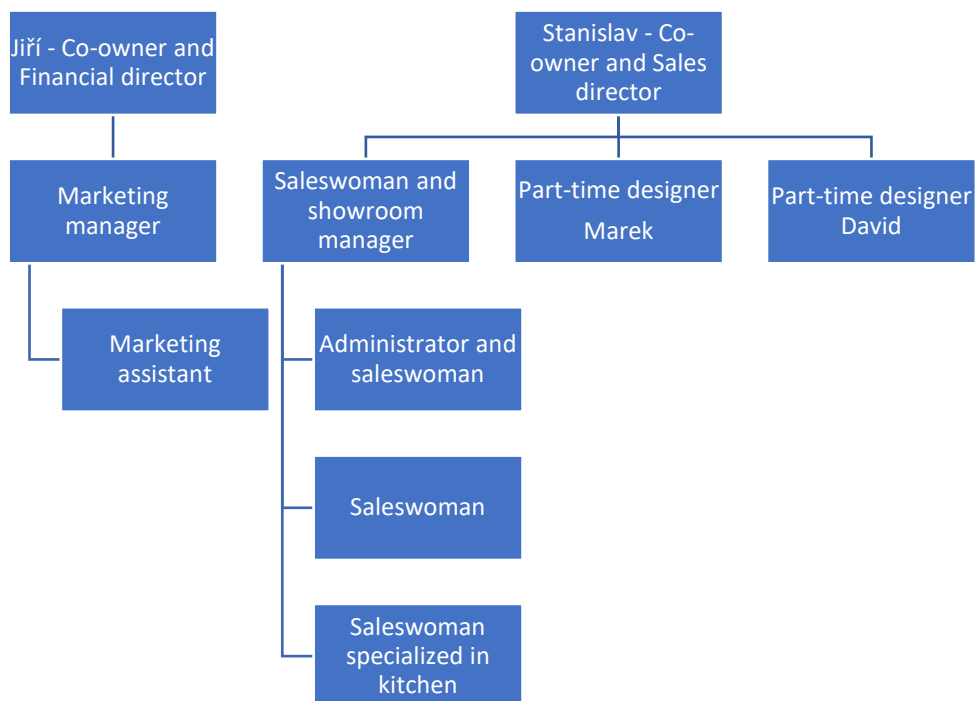


Figure 5: Organizational structure of Casamoderna s.r.o.

(Source: Stanislav Šesták, 2021)

services for projects high-end quality of both residential and commercial premises. The assembly of items delivered by Dílna Šesták s.r.o. or Podlahy Šesták s.r.o. are managed by those companies. The assembly of other delivered items is outsourced to third-party companies.

2.2.3 Systems of management

The high variability of building/reconstruction projects Casamoderna s.r.o. is invited to work on makes it harder to automate many types of activities. The often pain within systems is connected with low automation in sharing information. Currently, Stanislav as well as every saleswoman is responsible for managing the given project from the beginning until the end. When, for example, Stanislav needs an assistance of a kitchen specialist, he conducts a meeting of the customer with the specialists but stays present in the meeting to continue leading the project after the meeting is finished (Stanislav Šesták, 2021).

There are ongoing activities towards implementing a CRM system where every relevant employee would find needed information regarding a given client, however, at the moment no such system is in use (Jiří Šesták, 2021).

2.2.4 Style of management

Even though, Stanislav is the top manager of the sales section, he is mostly busy with sales activities regarding and communication with family-related suppliers. Stanislav is one of two sales managers in Dílna Šesták s.r.o. and during the time of managing sales for both companies he created his own database of contacts (architects, designers and construction companies for example). This database is a different database of contacts saleswomen employed in Casamoderna s.r.o. work with (Stanislav Šesták, 2021).

The operational character of managing a sales team is transferred to showroom manager. In other words, when there is an important decision to be made, Stanislav is the one who listens to opinions of everyone involved, makes his own opinion and decides. However, except weekly “check-in” meeting Stanislav is not in contact with sales team daily operations (Novotná, 2021).

The managerial style of the Showroom manager is as well of a democratic approach. However, leadership and soft skills of the manager as well as a constant work on

improvements, improving relationships and clarify communication between saleswomen are met with certain limitations (Jiří Šesták, 2021).

2.2.5 Staff

In the past half a year, due to all epidemiological restrictions that changed the flow of daily work and disabled to meet physically, the clarity of communication was challenged.

The major agenda of saleswomen can be managed independently to others. Showroom manager is responsible for serving potential customers who enter the premises. During those periods of intense epidemiological restrictions Stanislav and saleswomen were meeting potential customers online (Novotná, 2021).

There is always at least one other saleswoman available to help with serving visitors and in times of empty showroom she is managing administration for example purchasing from suppliers and managing shipping to customers (Novotná, 2021)

Another saleswoman, besides managing own customers, is responsible for refreshing contacts with architects and other partners who are often sources of new business opportunities (Novotná, 2021).

“The saleswomen specialized in kitchen is responsible for managing own customers as well as to consult the topic of kitchen with customers under another saleswomen when needed” (Novotná, 2021).

Marek and David, the academic art designers, are specialized in projects of the highest quality and design expectations which are also projects of the highest budgets both for Casomoderna s.r.o. as well as Dílna Šesták s.r.o. (Marek Šesták, 2021)

2.2.6 Skills

The most important skill that makes the whole business work is the optimal combination of listening, asking questions, reading customers and knowing what and how to communicate in order to deliver to meet the expectations. Stanislav is the most skilled person in Casomoderna s.r.o. in this area and that is why he leads the biggest projects that involve cooperation with various partners and often is B2B. However, there are no trainings and practices for sales team that would systematically improve their skillset. Another important skill is the ability to create and deliver a design concept on time and based on agreed parameters (Novotná, 2021).

2.2.7 Shared values

Values that unite the team of Casamoderna s.r.o. together are the believe in flexibility that comes from complexity and individual approach to every customer. The individuality of each person as a customer with different needs and different solutions to receive are in the eyes of the employees differentiating this company from other design interior studios.

2.2.8 Partial assessment of alignment between the 7 key factors

This chapter consists of numerical evaluation 1-3 based of the assessed alignment between the 7 factors on the 3level scale:

- 1 – Aligned (green)
- 2 – Partly aligned (yellow)
- 3 – Absolutely not aligned (red)

Table 1: Mutual comparison of 7S factors alignment

(Source: Own work according to Mindtools, 2021)

	Strategy	Structure	Systems	Style	Staff	Skills
Structure	1					
Systems	3	1				
Style	1	1	1			
Staff	1	1	3	1		
Skills	2	1	1	1	2	
Values	1	1	1	1	1	1

Table 2: Characteristics of identified factors

(Source: Own work)

Area	Identified internal factors
Systems/Strategy	A system that would track revenue sources to help evaluate all ongoing activities is lacking. Decision-making based on common sense might be potential thread in such variability of business operations.
Skills/Strategy	There are key skills possessed by Stanislav alone that in case of his unexpected unavailability might become a thread for daily operations.
Staff/Systems	Systems of managing information and communication flow within the company are not sufficient regarding the strategy which creates a potential source of issues leading to decrease in quality of service.
Skills/Staff	Since professional personal approach to customers is one of key skills for whole company, there is lack of training sessions that would ensure continuous development of the skill throughout the sales team.

2.3 Current business model of Casamoderna s.r.o.

2.3.1 Customer Segments

There are at least two ways how to approach segmenting current customers of Casamoderna s.r.o. One is by the characteristics of each group the company issues invoices to and the second is by the nature of project in terms of price/quality ratio. Due to expressed irrelevancy of segmenting in terms of consumer and business markets (described in chapter 2.2.1 Strategy) the second approach is more functional.

There are two segments of customers from the price/quality ratio point of view: middle-end and high-end. First segment, middle-end, is a group of customers whose needs are fulfilled by the product range from catalogue. These products are usually produced in limited batches with emphasis on high quality and design. This segment represents the core business of the company Casamoderna s.r.o., utilizing 4 saleswomen and marketing department (Stanislav Šesták, 2021).

The second segment, high-end, represents a range of customers that prefer products of a higher quality compared to the first segment and high design value. Orders of design concepts for this segment in terms of area size start from the size of one room and ends up by a whole residential or commercial space. Design concept proposed to these customers are of high customization, often using the capacities of Dílna Šesták, s.r.o. These customers are typically fully served by Stanislav and design concept is prepared and presented by Marek and David (Stanislav Šesták, 2021).

2.3.2 Value Propositions

Midde/high-end: Individual help to find an adequate solution of residential interior design within a given budget. Products that are not massively produced and are of a high both technical and design value (Stanislav Šesták, 2021).

High-end: Complete interior design concept of both residential and commercial premises from academic art designers, produced in family workshop specialized on made to measure furniture. Unique piece of custom characteristics within a philosophically consistent concept of interior design (Marek Šesták, 2021). The complete list services provided by Marek and David within the process of creation of interior design concept is enclosed in Attachment 1: Specification of service – design interior concept.

2.3.3 Channels

The communication and distribution to the two segments of Casamoderna s.r.o. slightly varies. The middle-end segment of the company typically finds Casamoderna s.r.o. on the internet via Facebook, Instagram or search engine based on searching products or interior studio in a specific location. If interested, people from this segment visits the website of Casamoderna, gets to know more about product portfolio and learns about the possibility to either arrange a meeting or just spontaneously visit the Showroom in Dolní Břežany (Šestáková 2021).

As soon as contacting the staff of the company either directly via displayed contact information or via general contact form a direct communication channel is established and sustained for the whole time of the process.

Customers from the high-end segment are in the vast majority of cases in the first contact with Stanislav. The first contact happens either by Stanislav actively sustain direct contact with partners such as architects and developer and building companies or is contacted by them with a business opportunity. In the case of this segment, the strongest factor in finding new customers is based on the number of contacts and relationships. The most important factor in turning the opportunity into business is the selling ability as described in chapter 2.2.6 Skills (Stanislav Šesták, 2021).

2.3.4 Customer relationships

The approach to end-customers is the very same for both segments. Customers are always addressed in a formal language with a kind and friendly tone. Salespeople give recommendations by expressing own opinions and personal experience with the aim to help customers to choose right. All design solution proposals are always to be as transparent and explanatory as possible without any hidden cost nor quality related tricks (Novotná, 2021).

2.3.5 Revenue Streams

In the wide range of the portfolio (the full range of products of Casamoderna in enclosed in the Attachment 2: Catalogue product portfolio of Casamoderna s.r.o.), revenue streams come from various subjects (end-user and mediators) for various products and services.

Because of the high level of variability and no internal system for tracking revenue streams that would enable data analysis the most significant stream is not identified

quantitatively. The highest revenues are made by Stanislav and his orders to both residential and commercial premises within both middle-end and high-end segments (Jiří Šesták, 2021).

When it comes to interior design concepts and its realization both of these parts are priced separately due to fact the realization of proposed concept is done by Casamoderna s.r.o. in about 10% of cases (Stanislav Šesták, 2021).

2.3.6 Key Resources

There are assets and resources that play a significant role in the functioning of the current business model. One of the already mentioned is the showroom with exposed equipment and a meeting room to provide high customer service. This alone is however useless without well trained staff that is able to listen to customers needs and provide a professional consultation and guidance.

Another key resource is intangible – software. Within the middle-end customer segment in the area of kitchens a design/calculation programme is used.

An asset in the position of unfair advantage can be described as reputation and various contacts and good relationships within the industry.

2.3.7 Key Activities

Activities that make this business model work are connected to sales activities in manner as described in chapter 2.2.6 Skills, chapter 2.2.7 Shared values and chapter 2.3.3 Channels. Other activities ensuring the proper functioning are marketing activities such as managing own website and Facebook and Instagram accounts. Last mentioned key activity consists of active managements of contacts with architects and other partners as described in chapter 2.2.5 Staff.

2.3.8 Key Partnerships

Key partners for Casamodera s.r.o. are other family companies Podlahy Šesták s.r.o. and Dílna Šesták s.r.o. as well as various architects, designers and construction companies that are sustainable but irregular source of new projects to work on.

2.3.9 Cost Structure

A significant part of the cost structure is fixed costs. Those are primarily costs related to showroom maintenance including mortgage loan repayment and wages of employed staff,

marketing budget and administration. The wage of salespeople are partly variable – dependent on the revenue from their orders, however in average it can be counted as 35 000 CZK, applied also for the marketing manager. Variable costs are dependent on specific cases, often involving shipping and assembly (Jiří Šesták, 2021).

2.3.10 Business Model Canvas summary

Casamoderna s.r.o. is clearly stretched across two large customer segments – Middle-end and High-end. On one hand, this large scale provides a differentiation on the market via high flexibility with finding an appropriate solution for customers, on the other hand, the communication both inside the company and outside to potential customers is inconsistent and potential source of misunderstandings.

One of the important aspects of the sales team in the company is a clear, though, not often trained, approach towards customers from both consumer and business sphere. Large database of contacts and good relationships within the industry is another factor improving position of Casamoderna s.r.o. in the market.

2.4 Definition of B2B market and attractiveness analysis via Porter's 5 Forces model

Market definition

As already expressed in chapter 2.3.1 Customer Segments, the strict categorization of B2B market is not meaningful in this environment due to fact that an interior studio might invoice to business even when working on residential project for end-user. However, a market segment defined as the type of premises might serve as a sufficient starting point. Focusing on designing and supplying into commercial premises is mostly penetrating market defined as B2B since it is most likely to be businesses owning commercial premises and ordering such services.

Project in commercial premises such as offices, hotel receptions, restaurants, cafés, brick and mortar shops or coworking spaces are usually of budget large enough to provide a designer enough freedom to prepare a full high-end concept and not only a partial contribution into an already existing and not-to-be changed interior (Marek Šesták, 2021).

2.4.1 Current competitor rivalry

It is very difficult to have a stable inflow of new commercial projects. Currently, there are many new architect and design studios in Prague and nearby. High competition is pushing interior studios to either push prices down or differentiate significantly by quality, reputation, brand awareness and outstanding portfolio. A critical factor is always trust and that is enhanced via recommendations and good contacts (Stanislav Šesták, 2021).

2.4.2 Substitutes

Hiring a designer or a whole studio is to the quality the highest option from other possibilities on the market ending with large-scale produced equipment on the other side of the scale. The most common reason for not choosing a designer to create a concept for whole premises is budget (Marek Šesták, 2021).

2.4.3 Bargaining power of buyers

The high concentration of architects and designers gives buyers high power for negotiating. Great sales and negotiation skills of architects and designers significantly influences the chances of fruition under favourable conditions regarding deadline and prices (Stanislav Šesták, 2021).

2.4.4 Bargaining power of suppliers

Bargaining power of suppliers is depending on many factors. Due to fact that Casamoderna is able to provide the full service from design to realization there is enough space for bargaining with suppliers which creates an advantage over simple design studios. Another advantage is the showroom where customers can see some potential examples (Stanislav Šesták, 2021).

2.4.5 New competitors entering the market

There are no high barriers to enter the market, however, in order to survive in long-term a good reputation and recognition is required. That takes many years to build. Moreover, a conceptual design is a large study field involving history or arts, technological knowledge, architectural norms, psychological aspects and much more including monitoring current trends in design and interior technology. More educated designers in this field should be capable of more unique concepts (Stanislav Šesták).

2.4.6 Partial assessment of market attractiveness at the B2B market

Table 3: Identified factors on B2B market

(Source: Own work according to Zich, 2012, pp. 83-84)

Identified factor on B2B market	Impact on Casamoderna s.r.o.
High competition in Prague and nearby	Problem
Contact-driven industry	Challenge
High pressure on reputation	Challenge
Sales and negotiation skills requirement	Challenge
High bargaining power of buyers	Problem
Difficult to calculate future costs (and own pricing)	Problem
Relationships with suppliers	Challenge
Low market entry barrier	Problem, Opportunity
Large field of education	Challenge

2.5 External analysis based on SLEPTE framework

Social

Anti-epidemic measures disabled visits of showrooms and pushed the whole process of design interior into online form. These measures also caused less tourists in Prague that caused loss for many hotels and restaurants.

Legal

The process from design concept to realization is influenced by the necessary bureaucracy in which according to the World Bank's ranking Czech Republic holds 157th position in the world regarding the ease of dealing with construction permits (Rankings, 2021). As a consequence of the legal complications many projects get on hold and designers tend to work on 5 or more projects at the same time in order to ensure cashflow (Marek Šesták, 2021).

Economic

In Prague, there is a constant increase in the average offered price of available flats. In March 2021, the value has reached 189% of the yearly average price in 2014. Along with growing prices of flats there is a long-term growth of the active developer projects as well as newly finished developer flats. Since 2010 there has been a steady growth reaching 137 active developer housing projects and 14 450 new flats to be created (Deloitte, 2021).

Technological

New technology such as Augmented reality brings new ways of displaying proposed design concepts (Lvivity, 2021). The growing availability of such technology makes it more popular in interior design studios with higher level of standardized products used (Marek Šesták, 2021).

Political and Ecological factors not identified.

2.6 Summary of analytical outputs and identification of internal and external factors via COP framework

The enclosed table summarized all important identified factors that have an impact performance and success of Casamoderna s.r.o.

Table 4: Summary of internal identified factors

(Source: Own work according to Zich, 2012, pp. 83-84)

Internal factors identified	COP impact on the company
No internal system for tracking revenue sources.	Problem
Key position of Stanislav regarding own database of contacts without any information-sharing system.	Problem
Targeting on two different segments makes the whole brand of Casamoderna unclear.	Problem
No systematic development of sales and negotiation skills in the team.	Problem, Opportunity
Large scope of provided activities creating high variability in operations without an internal system of sharing information about customers.	Problem, Challenge
Clear approach towards customers.	Challenge
Good relationships with important contacts in the industry.	Challenge
Key partnerships of Dílna Šesták s.r.o. and Casamoderna s.r.o.	Opportunity, Challenge
Lack of data collection for more appropriate price calculation.	Problem
Large variability making it harder to calculate real costs.	Problem

Table 5: Summary of identified external factors

(Source: Own work according to Zich, 2012, pp. 83-84)

External factors identified	COP impact on the company
High competition in Prague and nearby.	Problem
Contact-driven industry.	Challenge
High pressure on reputation.	Challenge
Sales and negotiation skills requirement.	Challenge
High bargaining power of buyers.	Problem
Difficult to calculate future costs (and own pricing).	Problem
Advantage of stable supplier network.	Challenge
Low market entry barrier but large field of differentiation based on education.	Problem, Opportunity
Anti-epidemic measures transferring the communication into online form.	Problem, Opportunity
AR technology rising on popularity.	Opportunity, Challenge
Increasing number of construction projects in Prague and nearby.	Opportunity

The company assessment discovered more problems than the scope of this thesis is able to cover. The evaluation of the factors from COP perspective considers the impact of the factor in terms of long-term/disposal benefits of the effects as well as potential consequences in terms of threats. All factors were taken in consideration when designing the proposal. Not all problems can be solved with this concept, however, it contributes to the development of competitive advantage and diminishes some of the threats.

3 PROPOSAL SUGGESTIONS, SOLUTIONS AND BENEFITS

This chapter introduces a concept of comprehensive services on B2B market leading to increase in revenues that is based on the outputs of performed analyses. In the first part, the idea, vision and goals of the proposal are introduced. The chapter 3.2 Changes of business model represented by Business Model Canvas describes the changes as stated in the title. The following chapter is to describe the provision of comprehensive service via 7P framework involving a description of processes within the proposed concept with the use of Service Blueprint. Chapter 3.4 Financial evaluation of the proposed concept includes calculation of BEP of production to find out how many others shall be realized with the use of the new concept in order to increase sales. Next chapter 3.5 Recommended implementation and benefits of proposed changes lists recommendations how the objectives of the concept can be implemented and how can Casamoderna s.r.o. benefit from them. In the last chapter of this part, 3.6 Risk assessment, identified risks are examined in terms of probability of occurrence and significance and preventive measures with persons responsible for monitoring and applying the measures are listed.

3.1 Idea, vision and goals of the proposal

The goal of this proposal is to increase revenues of Casamoderna s.r.o. by proposing a concept of comprehensive services that would strengthen the position on B2B market. As realized with the use of interviews there is a close link between the business and customer market and more conceptual approach to it is by type of premises – commercial and residential. Commercial premises are in vast majority of cases owned by businesses and, therefore, are categorized as B2B while residential premises are really the category of intersection of business and consumer categories.

The concept is presented as 4 proposals for implementation:

- **Creation of a brand of two designers Marek and David**
- **Creation of a website, Facebook page and Instagram account of this brand**
- **Finishing the ongoing implementation process of CRM system**
- **Implementing a categorization system into an accounting software for tracking revenue streams**

3.1.1 Idea

One of the most significant problems regarding targeting on two customer segments is the way how to clearly and effectively communicate all the products and services provided by Casamoderna s.r.o. The main idea of the proposed concept is a change in the current communication that would lead to a better understanding of provided products and services – especially in case of high-end commercial segment – and would potentially increase revenues in this area.

Since the brand of Casamoderna is connected to its core business activity – selling separate items and equipment to customers mostly in the segment of residential premises, it shall be differentiated in the communication of the company. It is always Stanislav who is a sales manager of the orders within the high-end commercial segment and the 3 most common ways towards first contact with customers happens:

- By the proactivity communication from the side of Casamoderna s.r.o.
- Customers find Casamoderna s.r.o. on the internet (Website, Facebook or Instagram) and asks about the comprehensive design service for commercial premises.
- Customers find Dílna Šesták s.r.o. on the internet (Website, Facebook or Instagram) and learns about Marek and David as designers who offer design interior concept with the possibility of full realization.

In all three scenarios Stanislav is always the person who takes care of the customer and manages direct communication while Marek with David are always the designers of the concept.

The idea that would lead towards clearer communication to the high-end commercial segment is by creating a brand of Marek and David as designers. Their story, connection with all the family companies as well as full portfolio of created works can be presented on a separate website. The brand itself does not have to be trademarked, the idea is simply in increasing awareness while clarifying the complex structure of family businesses.

Creation of such new brand would allow changing current communication strategy in Casamoderna s.r.o. to get clarified for the customer segment, yet widely identified as middle-end. The same contribution might be as well for Dílna Šesták s.r.o., however, that is not within the scope of the posed thesis.

3.1.2 Vision

The vision of the introduced idea is to build a well-known brand of Marek and David as designers from Šesták family providing services of design, officially under the company Casamoderna s.r.o. Well-known brand within the area of Prague and nearby area is a tool of Casamoderna s.r.o. to increase the number of customers to provide comprehensive services into commercial premises. That in fact, would lead to an increase of sales from this area and improved the position of the family business on the B2B market.

3.1.3 3D Goals

The posed bachelor's thesis is to provide a concept for provision of comprehensive services on B2B market that would lead to increase of revenues. This sentence involves 3 limitations that could be understood as goals:

- Provision of comprehensive services,
- Increase of revenues,
- Strengthening position on B2B market.

Each of these goals can be identified as one of the three dimensions within the approach of 3D Goals. The space between the three areas is filled with proposed actions leading to fulfilling those goals. Visual representations of the 3D goals is in Figure 7: 3D Goals of the proposed concept.

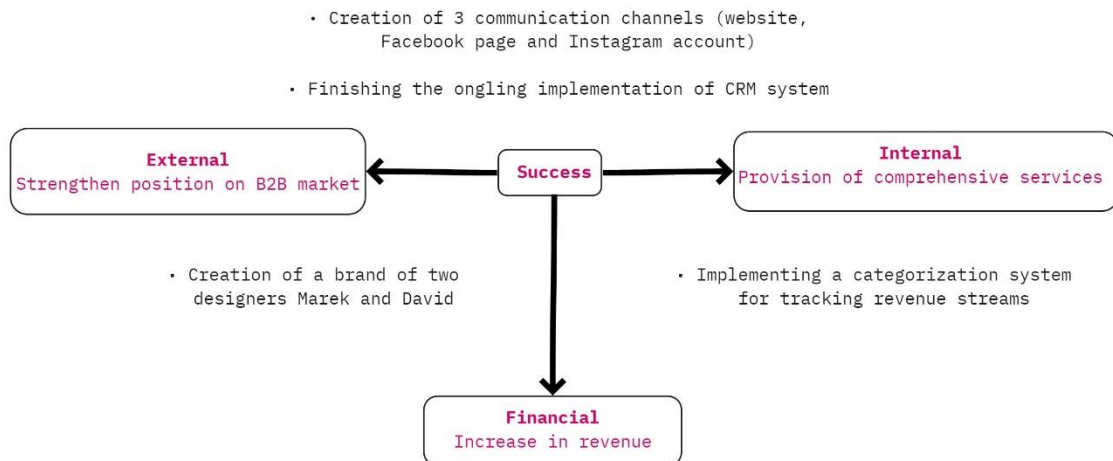


Figure 6: 3D Goals of the proposed concept

(Source: Own work according to Zich, 2012, pp. 28-29)

The goal of increasing revenues at Casamoderna s.r.o. will be reached by:

- Creating the new brand that would attract new customers and better explained provided services – interior design concept by Marek and David with further realization by Casamoderna s.r.o.
- Implementing a system in tracking orders so the revenue streams would be possible to identify and evaluate the data to create an information base for further decisions leading towards increasing revenues.

The goal of strengthening the position on B2B market will be reached by:

- Creation of a landing page website, Facebook page and Instagram account for Marek and David.
- Finishing an ongoing process of implementing a CRM system which would allow sharing important information regarding customers quickly, transparently and effectively.
- Creation of the new brand of designers Marek and David.

The goal of providing comprehensive services will be reach by:

- Implementing a system of tracking revenue streams via categorization in an accounting software.
- Creation of the website and other communication channels mentioned.
- Finishing an ongoing process of implementing the CRM system solution mentioned.

3.2 Changes of business model represented by Business Model Canvas

The proposed concept of providing comprehensive services changes current business model and the direct changes are displayable within 3 Business Model Canvas blocks:

Channels

Creation of 3 communication channels increase the amount of current communication channels. Now, it would be in the competence of marketing manager as well as Marek and David to take maintain and develop new website, Facebook page and Instagram account.

Customer relationships

The 3 new channels are to be used for communication to the high-end customer segment of the company. Depending on the chosen strategy of communication the customer the

type of relationship might change. In any case, the communicated content is to be different from the content communicated via Casamoderna brand channels.

Cost Structure

Operating the changed business model is connected with some additional costs. That slightly changes the costs structure.

3.3 Comprehensive service provision on B2B market via 7P framework

The service provision service communicated via channels of newly created brand of designers Marek and David is focusing on high-end commercial premises segment. The strategy to approach the market in terms of Porter's 3 generic strategy is differentiation. The differentiation strategy builds on the aspect of personal characters of both cousins and the story and connections between various family companies which are non-copyable aspects of the brand. Another element of the differentiation is professionalism guaranteed by graduating at UMPRUM in Prague.

3.3.1 Product

The product of comprehensive services as itself is unchanged – an original interior design concept by Marek and David (however, still invoiced via Casamoderan s.r.o. as until now) with the efforts to get the order of realization of the concept by Casamoderna s.r.o. (Dílňa Šesták s.ro. and Podlahy Šesták s.r.o. being potential sub-suppliers)

3.3.2 Price

The pricing is not to be changed within the proposed concept. The calculation of Break Even Point in the chapter 3.4 Financial evaluation of the proposed concept is based on average from already realized commercial projects.

Currently, there is no indicative pricelist of both interior design proposal and realization. The calculation of the price is always individual based on estimated number of time investment needed and materials used in case of realization (Marek Šesták, 2021).

In general, margin on commercial interior design concept is 15%, margin of realization varies mostly ranged 15-30%. When it comes to selling price, since there is no indicative pricelist prices varies based on estimated costs. The most common price of commercial interior design concept is 70 000 CZK and realization about 1 000 000 CZK. However, it happens in about 10% of cases that with the design concept also realization is done.

3.3.3 Place

The distribution system is unchanged by this proposal. In time periods when anti-epidemic measures allow meetings in a showroom, it shall be used to maximize the value provided to customers. The ease of customer reaching the right person within the company is increased by separate communication channel clarifying the portfolio of comprehensive services for commercial premises.

3.3.4 Promotion

The concept of a new communication consists of three online communication channels:

- Website
- Facebook page
- Instagram account

Website of designers Marek and David is proposed as a simple one-page site with a purpose to introduce Marek and David as professionals. The page shall include:

- Their story and links with all three family companies,
- Their portfolio of projects made emphasizing experience with commercial premises,
- The offer of comprehensive services with the added value of realization within the complex of family companies,
- Contact information and contact form.

Facebook page is to be created for the purpose of reaching targeted audience within Prague and nearby, and by sharing pictures and videos from “behind the scenes” as well as of final concepts and realizations to systematically build an awareness.

Instagram account serves to a similar purpose as the Facebook page, however, is targeted on a slightly different audience using a communication appropriate for this social site. Instagram is more photo/video-content-friendly which might be reflected in the content strategy.

3.3.5 People

The people from Casamoderna s.r.o. involved in the proposed concept are as follows.

Stanislav: first-line salesman. Responsible for initial meeting with the potential customer and either leading the whole order process or transferring the customer to other salesman or designers in case of sole design concept order.

Marek and David: designers creating interior design proposals for customers.

Marketing manager: Responsible for creating and maintenance of the 3 communication channels created for Marek and David. The process of creating content is upon agreement between the manager and designers.

Saleswoman specialized in kitchen: on optional consultant invited to a meeting with customer by Stanislav in the case of need.

3.3.6 Processes

The processes of the proposed concept of comprehensive services is represented via Service blueprint in Figure 7: Service Blueprint of proposed concept of provision of comprehensive services for Casamoderna s.r.o.

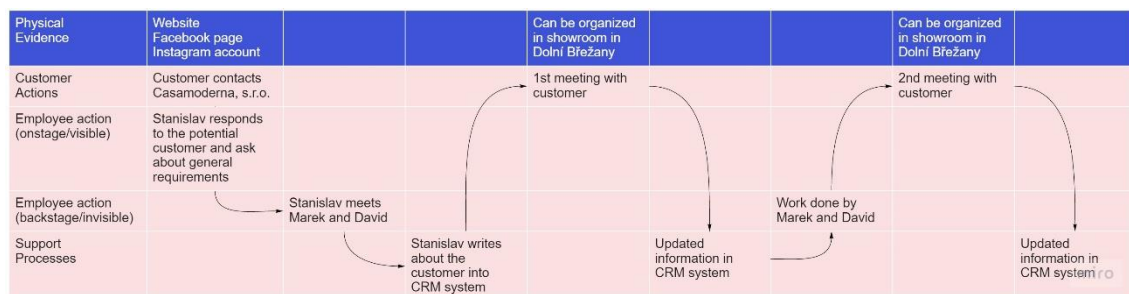


Figure 7: Service Blueprint of proposed concept of provision of comprehensive services for Casamoderna s.r.o.

(Source: own work according to Zeithaml, Bitner and Gremler, 2018, p. 239)

Stanislav meets Marek and David – the meeting (even in the form of videocall) is arranged for the purpose to 1) get the two designers know about a new potential client, 2) let Stanislav know about time capacity of Marek and David and their preferences/requirements regarding the potential order before meeting the potential customer, 3) agree on possible terms of meeting the customer.

3.3.7 Physical environment

One of benefits of creation of new brand of the two designers and 3 online communication channels is the potential change of the perceived proof of service quality. Ideally in a long-term, customers would not search Casamoderna s.r.o. for provision of high-end design concept for commercial premises but instead would search directly well-known designers. Casamoderna as a brand would then be a sign of complex provision of middle-end design services for consumers.

3.4 Financial evaluation of the proposed concept

The indicative calculation of the project is based on a typical case explained interviews with Stanislav and Marek. A typical small order is an interior design concept of commercial premises. Such order consists of items and services as described in the Attachment 1: Specification of service – design interior concept.

The average selling prices of a design concept of a commercial premises, average price and probability of realization and margins from both are already described in chapter 3.3.2 Price.

The initial cost of creating website, Facebook page and Instagram account including graphical content is estimated to 40 hours of a marketing manager in Casamoderna s.r.o. That regarding the wage of the marketing manager as described in chapter 2.3.9 Cost structure is 8 750 CZK.

The cost of maintenance of the website, Facebook page and Instagram account is estimated to 5 000 CZK per each.

Using the calculation of Break Even Point of production (described in chapter 1.10 Financial evaluation of project proposal) can be calculated how many orders to realize in one month in order to equilibrate calculated revenues with estimated costs of the proposed concept. The full calculation is enclosed in the Attachment 3: Calculations used in chapter 3.4 Financial evaluation of the proposed concept).

The BEP of production $\approx 0,59$ orders to be realized in 1 month in average to make the project profitable. That is 1 order in approximately 51 calendar days ≈ 37 working days.

3.5 Recommended implementation and benefits of proposed changes

Finishing an ongoing process of implementing a CRM system is important part because the concept of provision of comprehensive services relies on clear, quick and transparent sharing of information within the sales team about customers, their requirements and specifications in business order and current status of the work. As soon as the software is implemented, other recommendations of posed bachelor's thesis can be implemented.

The company can also benefit from functional CRM system by creating one full database of partners, architects, designers, suppliers, and important stakeholders of Casamoderna s.r.o. That would prevent from the threat of losing many important contacts only Stanislav has access to in case of his unexpected inability to work.

Implementation of revenue tracking system is based on the functionality of the used accounting software. The idea of the tracking system is very simple – every issued invoice shall contain a numeric code that signifies the type of the order. Once in a period of time (for example month) all issued invoices are exported as dataset in a spreadsheet and based on these numeric categories a pivot table gives exact revenues coming from each of the category.

List of proposed of categories to in the accounting software:

- 001 – items without concept into residential premises
- 002 – items without concept into commercial premises
- 003 – design concept of residential premises without realization
- 004 – design concept of commercial premises without realization
- 005 – design concept of residential premises including realization
- 006 – design concept of commercial premises including realization

The company would benefit from this simple solution by gathering data that can help with future decisions. Overview about revenue streams is one of the most important financial indicators.

Implementation of new brand creation is fully in the competence of the company management or might be a subject of future cooperation between the company management and author of posed bachelor's thesis. The concept of the proposed new brand is described only to the extent of the concept of comprehensive services. The building block is differentiation strategy with the use of personalities of Marek and David as well as the story of theirs and the group of family companies. Part of the proposal is the implementation of new communication channels.

Benefits from this action proposed are very significant for the company. A systematic brand development of new generation in the company is an investment into the future.

Currently, when Stanislav is indispensable as in his key position between Casamoderna s.r.o., Podlahy Šesták s.r.o. and Dílna Šesták s.r.o.

Implementation of new communication channels creation consists of three actions:

- Creation of the website of the two designers Marek and David,
- Creation of a Facebook page of the two designers,
- Creation of an Instagram account of the two designers.

The three new communication channels are to be maintained and developed in order to catch more attention and interest of potential customers. This requires an appropriate communication strategy that is in align with an identity of the brand proposed to be created. Website, Facebook page and Instagram account are tools that have a potential not only to generate attention but also to communicate to split the currently unified communication to two customer segments. The newly created brand would focus on the high-end customer segment while Casamoderna brand would focus only on middle-end instead of both segments. This solution is to improve the clarity of communicating and understanding the complexity of products and services Casamoderna s.r.o. provides to its customers.

3.6 Risk assessment

The following Table 7 presents identified risks with their prioritisation calculated as assessed probability of occurrence and significance level on the scale from 0 to 10, 0 being the lowest probability of occurrence and low significance level while 10 being the highest probability of occurrence and highest level of significance. Further, for each risk there is a proposed corrective measure and person responsible for both monitoring the risk as well as applying adequate corrective measures.

Table 6: Risk database table

(Source: Own work according to Fotr and Souček, 2005, pp. 192-193)

Identified risk	Probability of occurrence	Significance level	Priority
Conflicts in the family influencing business.	2	9	18
Bad managerial approach leading to failed customer service.	5	7	35
Lack of orders due to insufficient recognition on the market.	4	10	40
Work disability of Stanislav causing loss of many important contacts.	7	10	70

Conflicts in the family influencing business

There is no history of conflicts in the family that would threaten any of the family businesses. However, high complexity of products and services provided with general low level of systematic communication and work with data might create situations of high pressure when a potential conflict might occur. Both Jiří and Stanislav, co-owners of Casamoderna s.r.o. are responsible for maintaining their relationship to prevent potential conflicts by meeting on a regular basis to talk about work to prevent from talking about work during common vacations or family visits.

Bad managerial approach leading to failed customer service

This risk can be diminished with regular training of sales skills within the sales team. Stanislav has great selling skills, however, does not share his experience often to the rest of the team. Not only the regular meeting sessions of informal experience-sharing and training would lead to the higher quality of customer service in terms of own standards as described in the chapter 2.2.6 Skills but would also serve as a teambuilding activity that can strengthen the sales team. Person responsible for this risk monitoring as well as management of corrective measures is Jana Novotná, Saleswoman and showroom manager.

Lack of orders due to insufficient recognition on the market

In case the proposed concept is implemented, there are 4 ways of receiving orders:

- Customer finds Casamoderna s.r.o. via current communication channels or is transferred from other family company,
- Saleswomen negotiate an order from the company contact database,
- Stanislav negotiates an order from his own contact database,
- Communication channels of Marek and David attract customers.

Implementing the proposal decreases the risk of this threat decreases the probability of this risk in long-term. A systematic way of improving the recognition on the market is by both improving service level in terms of corrective measure of the previous identified risk as well as by building a brand of Marek and David as designers. Monitoring this risk as well as managing the three communication channels of the two designer is a responsibility of the marketing manager, however, the control of these measures is upon Marek and David.

Work disability of Stanislav causing loss of many important contacts

The risk of the highest probability of occurrence and highest significance level is the loss of Stanislav's contact database due to unexpected work disability. The prevention to this risk is successful implementation of the CRM system that would connect the company and Stanislav's databases. The person responsible for monitoring the risk as well as managing this measurement is Stanislav.

CONCLUSION

The goal of the posed bachelor's thesis is to propose a concept of provision of comprehensive services on B2B market for Casamoderna s.r.o. that would lead to increase of sales. The strategic intent behind this goal is to strengthen the position of the company on B2B market and ensure a stable inflow of new orders.

The current state of the company was assessed by desk research as well as with the use of research interviews of 5 employees of the company: Stanislav Šesták (co-owner and sales director), Jiří Šesták (co-owner and finance director), Jana Novotná (saleswoman and showroom manager), Kristýna Šestáková (Marketing manager) and Marek Šesták (part-time designer).

The assessment of the current state of the company identified more both internal and external factors that a scope of the posed bachelor's thesis allows to work with. The most critical factors identified as potential risk are processed in the chapter 3.6 Risk assessment. Identified factors regarding internal areas such as the company's strategy, approach towards customers, background of interaction and cooperation with other family companies, current systems and practices, financial situation and practices of searching for new customers and identified factors regarding areas such as external areas such as customer segments, competition rivalry, bargaining power of customers and suppliers, barriers of entry to the market, potential substitution and social, legal, economic and technological macrotrends were processed to serve as an informational input for designing the concept of provision of comprehensive services.

The proposed concept consists of 4 recommended actions:

- Creation of a new brand of the designers Marek Šesták and David Šesták,
- Creation of 3 communication channels of the created brand,
- Finishing the ongoing implementation process of CRM system,
- Implementation of a system tracking revenue streams in accounting software.

The four recommended actions support the concept of separating the communication to the two identified customer segments of Casamoderna s.r.o. which creates a slight change in a current business model as described in chapter 3.2 Changes of business model

represented by Business Model Canvas. That at the end creates a potential of continuous increase of revenues from provision of comprehensive services on B2B market as calculated in chapter 3.4 Financial evaluation of the proposed concept.

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LIST OF USED ABBREVIATIONS

B2B	Business-to-business
BEP	Break Even Point

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ATTACHMENTS

Attachment 1: Specification of service – design interior concept

The service of providing interior design concept itself consists specifically of:

- Introduction meeting to clarify customers' requirements,
- Measuring of the premises if needed (if parameters not delivered),
- Idea concept of the interior design of given premises,
- Proposal of disposition and floor plans in variants,
- Indicative visualization in 3D,
- Selection of the concept/variants and finalization of disposition,
- Views in the concept, floor plan and cuts,
- Material and colour variants,
- Static visualization (optional video/animation from 2000CZK),
- Selection of catalogue furniture, products, materials, surfaces, lightings and other elements,
- Drawings of custom designed elements,
- Documents for production of custom designed elements,
- Meetings to agree on partial changes (significant changes charged separately after agreement)
- Changes in the created concept, documentation specification, preparation for realization,
- Author's supervision over the realization and assembly,
- Communication with suppliers and coordination of professions.

Attachment 2: Catalogue product portfolio of Casamoderna s.r.o.

- Furniture
 - Sofas
 - Conference tables
 - Armchairs
 - Side tables
 - Relaxation loungers
 - Console and work tables
 - Stools and benches
 - Bedside tables
 - TV tables
 - Dining chairs both with and without armrests
 - Bookcases and shelves
 - Bar stools
 - Modular living walls
 - Work chairs
 - Chests of drawers
 - Outdoor chairs
 - Wardrobes and dressing rooms
 - Dining tables
 - Beds and mattresses
 - Bar and bistro tables
- Kitchens
- Wallpapers
- Lighting
- Interior accessories
 - Wall pictures
 - Mirrors
 - Hangers
 - Carpets
 - Wall decorations
- Children and teenager room equipment set
- Bio fireplace

Attachment 3: Calculations used in chapter 3.4 Financial evaluation of the proposed concept

$$\text{BEP} = \frac{15\,000}{170\,000 - 144\,500} \text{ where:}$$

- Fixed costs are estimated at 5 000 per each communication channel (3 x 5000),
- Selling price is calculated as:

$$\text{Selling price of a desing concept} + \frac{\text{Selling price of a realization}}{10} =$$

$$70\,000 + \frac{1\,000\,000}{10} = 170\,000$$

70 000 CZK + 100 000 CZK (calculation of BEP takes in account the 10% chance of expanding the order for interior design concept to realization of itself according to chapter 3.3.2 Price),

- Variable costs are calculated as:

$$(\text{Selling price of a design concept} - \text{margin}) + \frac{(\text{Selling price of a realization} - \text{margin})}{10} =$$

$$(70\,000 - 10\,500) + \frac{(1\,000\,000 - 150\,000)}{10} = 59\,500 + \frac{850\,000}{10} = 144\,500$$

Attachment 4: Questions for Stanislav, co-owner and sales director of Casamoderna s.r.o.

1. How would you describe the strategy of Casamoderna s.r.o.?
2. What is the organizational structure of the company?
3. What is the management style of yours and of Jana?
4. What is the role of each salesperson?
5. How does the cooperation with Marek and David work?
6. What is the type of orders you as a company do?
7. How do you price your services and products?
8. What are typical margin of these orders?
9. How do you share information about customers internally?
10. What is the competition in this field?
11. How are you different from your competition?
12. How do you find new customers and get new business orders?
13. What are the activities leading to new orders?
14. How do you work with customers?
15. How do you work internally to fulfil customers' needs?

Attachment 5: Questions for Jiří, co-owner and Finance director of Casamoderna s.r.o.

1. How would you describe the business model of Casamoderna, s.r.o.?
2. How would you describe the current strategy of the company?
3. What is the management of the company?
4. How does the decision-making in the company happens?
5. What are the biggest problems you see in the company?
6. How is the company doing financially?
7. What are the revenue streams?
8. What are the financial plans of the company?
9. Could you describe me your current accounting software and processes regarding its use?
10. What is the process of issuing invoices?
11. Is there a possibility to export data from the accounting software?

Attachment 6: Questions for Jana Novotná, Saleswoman and showroom manager of Casamoderna s.r.o.

1. What are the shared values in the company?
2. What is the managerial style of yours and of Stanislav?
3. What is the approach of salesperson in the company towards customers?
4. What skills does a salesperson need to have?
5. Do you train these skills with your team systematically?
6. How does the customer service look like?
7. Who are your typical customers?
8. What is the role of each person in the team?
9. How does the daily work look like?
10. How do you calculate selling price?
11. How does the cooperation with suppliers look like?
12. How do you understand Casamoderna brand?

Attachment 7: Questions for Marek Šesták, co-owner of Dílna Šestsák s.r.o. and part-time designer of Casamoderna s.r.o.

1. What is your and David's role in Casamoderna s.r.o.?
2. How would you describe the market the company operates in?
3. What is the competition in this field?
4. Could you describe me some competitors of Casamoderna s.r.o.?
5. How can you stand out from the competition?
6. What kinds of orders do you work on?
7. Who are the typical customers?
8. How do you make the pricing of your services?
9. How long does it take to create an interior design proposal?
10. What is the process of a typical order?
11. Do you work on more orders at the same time?

Attachment 8: Questions for Kristýna, Marketing manager of Casamoderna s.r.o.

1. What are the shared values in the company?
2. How do you understand Casamoderna brand?
3. What is your role in the team?
4. How is the brand communicated?
5. What are all communication channels?
6. What is the typical customer path?
7. What are other variants of this customer path?
8. How are Stanislav and Jana as managers?
9. Do you manage company social sites alone?
10. Do you make all graphics to website and social sites alone?