

**Czech University of Life Sciences
Prague Faculty of Economics and
Management Department Trade
and Finance**



Bachelor Thesis

**Proposal of a Business Plan for a Cosmetic
Studio**

Bc. Diana Sokolenko

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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BACHELOR THESIS ASSIGNMENT

Diana Sokolenko

Economics Policy and Administration
Business Administration

Thesis title

Proposal of a Business Plan for a Cosmetic Studio

Objectives of thesis

The aim of the thesis is to propose a business plan for a new cosmetic studio, to assess the necessary investments, operating and overhead expenses and the expected revenues, regarding the location and competition.

Methodology

The object of the research is the store of Korean cosmetics "Secretkeyof Beauty".

The subject of the research is the process of developing a business plan for opening a Korean cosmetics store «K-secret».

The purpose of the final qualification work is to develop a «K-secret» organization business plan and evaluate its economic efficiency.

Tasks of the final qualification work to:

- explore the theoretical aspects of business planning;
- develop a business plan of the enterprise, in accordance with the established criteria;
- identify and describe the main idea for creating a business plan;
- analyze the market and identify potential competitors;
- develop a marketing strategy for the organization;
- evaluate the economic and financial effectiveness of the business plan;
- analyze and evaluate project risks.

The theoretical and methodological basis of the study is the work of domestic and foreign scientists on the problem of compiling and implementing business plans.

The proposed extent of the thesis

40 pages

Keywords

business plan, operating expenses, overhead expenses, cosmetic services, revenues, competition

Recommended information sources

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The Bachelor Thesis Supervisor

Ing. Olga Regnerová, Ph.D.

Supervising department

Department of Trade and Finance

Electronic approval: 1. 4. 2020

prof. Ing. Luboš Smutka, Ph.D.

Head of department

Electronic approval: 1. 4. 2020

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 30. 11. 2020

Declaration

I declare that I have worked on my bachelor thesis titled "Proposal of a Business Plan for a Cosmetic Studio" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 30.11.2020

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Proposal of a Business Plan for a Cosmetic Studio

Abstract

The purpose of the final qualification work is to develop a «K-secret» organization business plan and evaluate its economic efficiency.

Tasks of the final qualification work to:

- explore the theoretical aspects of business planning;
- develop a business plan of the enterprise, in accordance with the established criteria;
- identify and describe the main idea for creating a business plan;
- analyze the market and identify potential competitors;
- develop a marketing strategy for the organization;
- evaluate the economic and financial effectiveness of the business plan;
- analyze and evaluate project risks.

Research methods: systemic, functional and marketing approaches; analytical, statistical, graphical methods.

The practical significance of the study is that the results can be implemented to create a Korean cosmetics store in Belgorod.

The structure of the final qualification work: the final qualification work consists of introduction, two chapters, conclusion and list of references.

Key words: business plan, operating expenses, overhead expenses, cosmetic services, revenues, competition

Návrh podnikatelského plánu pro kosmetické studio

Abstrakt

Účelem závěrečné kvalifikační práce je vypracovat obchodní plán organizace «K-secret» a vyhodnotit její ekonomickou efektivitu.

Úkoly závěrečné kvalifikační práce:

- prozkoumat teoretické aspekty podnikového plánování;
- vypracovat podnikatelský plán podniku v souladu se stanovenými kritérii;
- identifikovat a popsat hlavní myšlenku pro vytvoření obchodního plánu;
- analyzovat trh a identifikovat potenciální konkurenty;
- vytvořit marketingovou strategii pro organizaci;
- vyhodnotit ekonomickou a finanční účinnost obchodního plánu;
- analyzovat a vyhodnotit rizika projektu.

Metody výzkumu: systémové, funkční a marketingové přístupy; analytické, statistické, grafické metody.

Praktický význam studie spočívá v tom, že výsledky lze implementovat do vytvoření korejského obchodu s kosmetikou v Belgorodu.

Struktura závěrečné kvalifikační práce: závěrečná kvalifikační práce sestává z úvodu, dvou kapitol, závěru a seznamu referencí.

Klíčová slova: podnikatelský plán, provozní náklady, režijní náklady, kosmetické služby, výnosy, konkurence

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Introduction

The relevance of this topic is due to the fact that skin care for women has become a kind of ritual since ancient Egypt. With the passage of time and the change in culture in each country, this rite began to have its own characteristics, depending on race, skin type and those types of plants that are relevant in this territory. Some cultures managed to invent the "elixir of youth", suitable for absolutely everyone, however, due to the habituation of the skin, these products have the properties of losing the effect.

To date, not a single girl can imagine her day without using cosmetics. And the main criterion for selection is the quality of products. In the modern cosmetics market, there are many different products for the face, body, hair, etc. However, their quality is poor. The goods produced at the mass market are not of high quality, but can be addictive to the skin due to the specially added and composition of funds and constant use. Korean cosmetics is a quality product that is gradually entering the Russian market. In large cities (Moscow, St. Petersburg, Yekaterinburg, etc.), as well as in areas close to Korea, these products have been sold for several years and quickly won the hearts of customers. In Belgorod, the first store opened a year and a half ago. Gradually, people began to learn about the beneficial properties of these cosmetics, and it found its buyer in this region. Despite the high cost of such products, it is in demand due to its miraculous properties. By miracle properties are meant natural components that have a strong positive effect on the skin and cells. These include the Hallasan volcanic clay, soybeans extract, fruit acids, snail mucus, etc. Nevertheless, we can say for sure that despite the specific ingredients, all products of the Korean cosmetics industry are absolutely safe.

A huge plus will be a large assortment of products that allows you to choose the perfect care that will be effective in use and will be a wonderful makeup for any girl.

At the moment, the market needs to carry out clear and effective planning of its activities, continuous monitoring of information on the state of the country's economy, target markets, search and analysis of information on the activities of direct competitors of its organization, as well as an objective assessment of its own capabilities and development prospects will help the entrepreneur achieve stability and success in developing your own company.

One of the most important tasks, as well as the main problem, is to attract investment in developing enterprises, both domestic and foreign. To do this, it is necessary to argue and justify the design of projects (proposals) requiring investment. For these and some other purposes, a business plan is applied.

Thus, the business plan is not only an internal document of the company, but also is the basis for the development of future business, and can also be used to attract investors. Before risking some capital, investors must be sure of the thoroughness of the project and aware of its effectiveness.

The object of the research is the store of Korean cosmetics "K-secret".

The subject of the research is the process of developing a business plan for opening a Korean cosmetics store «K-secret».

The theoretical and methodological basis of the study is the work of domestic and foreign scientists on the problem of compiling and implementing business plans.

In the works of B.A. Barinov [6], A.A. Belal [8], V.V. Burov [10], V.L. Gorbunov [14], T.N. Dzhakubova [17], P.I. Orlova [29] considered in detail issues related to the features of a business plan. Detailed descriptions of the main sections of the business plan, their substantive and theoretical justification are offered.

The empirical base of the study was regulatory documents, informative resources of the Internet on the issues being studied, and the results of the author's study.

Theoretical part

Aspects of business planning

1.1 Goals and objectives of business planning

The main goal of business planning is to plan the company's business for the near and distant periods according to market needs and the ability to obtain the necessary resources.

Business planning helps the entrepreneur to solve the following critical tasks to:

- establish specific areas of company activity, identify target markets and find a company's place in these markets;
- formulate long-term and short-term goals of the company, strategy and tactics of their achievement. Identify individuals who will be responsible for the implementation of the strategy;
- determine the composition and select indicators of goods and services that will be offered by the company to consumers. To analyze the production and trading costs of their formation and implementation;
- find, in accordance with the available personnel of the company, the conditions of motivation for their work, presented to the requests to achieve the established goals;
- identify the composition of the company's marketing activities for market research, advertising, sales promotion, pricing, distribution channels, etc.;
- evaluate the financial position of the company and the adequacy of available financial and material resources to the possibilities of achieving established goals;
- provide for difficulties, "pitfalls" that may interfere with the practical implementation of the business plan [16, p. 432].

The most important task of business planning is to provide a real picture of the development prospects of the company, i.e. answer the most important question for a businessman: is it worth investing money in this business, will it bring income, which as a result will pay back all the costs and forces of the funds.

Business planning provides goals and objectives that need to be addressed to the company, both in the near future and in the future.

The value of business planning is determined by the fact that it:

- makes it possible to establish the viability of the project in a competitive environment;
- includes a guideline on how the project (enterprise) is required to develop;
- serves as a significant tool for acquiring financial support from external investors.

Today, a business plan is becoming an increasingly important document for an entrepreneur. No company can formulate the goals of its existence or acquire financing without a well-developed business plan.

Investors expect to know a business plan certifying that they have done a good job on the idea and that the entrepreneur carefully considered and planned all the actions that need to be taken to implement the idea and turn it into a successful program.

A detailed and well-thought-out business plan is probably the best tool to help achieve long-term goals.

Business planning helps to:

- make significant business decisions;
- familiarize yourself with the financial side of your business;
- acquire significant information about your industry and marketing;
- predict and avoid obstacles that are often found in such a business;
- establish specific tasks, the implementation of which will certify the progress made;
- expand in the latest and promising industries;
- be more vigilant when seeking funding.

There are eight different reasons that determine the nature of business planning, depending on who it is predetermined for.

Therefore, they all pursue various goals [5, p. 256]:

- Business plan for yourself. This is a kind of self-control: what is needed to open a business? Is the idea realistic enough?
- Business plan for a loan. To obtain a loan from a bank, until recently, a Russian entrepreneur could only show a two-page feasibility study (Feasibility Study), which, however, was not decisive for a bank or other financial institution to make a decision on obtaining a loan. The decisive ones were personal contacts, recommendations, as well as bankers' awareness of the real state of affairs of the borrower (entrepreneurs took loans from banks whose clients they were). Recently, Russian banks have more and more demanded from businessmen a business plan for an enterprise to make a final decision on granting (or not issuing) a loan.
- Business plan for attracting funds from outside investors. Investors can be: venture capital funds, private investors, or public equity issues. If you raise funds through the public issuance of your company's shares, a business plan that includes information about the company, marketing, sales, production and financial prospects will help you successfully sell the company to investors. Then, as the Russian stock market develops and stabilizes, business plans will gain more and more meaning for the implementation of public issuance of securities. Russian practice has few precedents for the creation and open distribution of business plans as an auxiliary tool for public issuance.
- Business plan for a joint venture or strategic alliance with a foreign partner. Foreign companies, having experienced the euphoria of the first years of perestroika, nowadays are more cautious in assessing a potential partner in a common enterprise. A competent business plan gives confidence to a foreign partner in the seriousness of your business.

- Business plan for concluding a major contract.
- Business plan to attract new employees. In our years, it is not easy to drag professionals from other companies, even promising them more significant earnings. The description of the future activities of the company gives the potential employee information about the prospects and permanence of the proposed work.
- Business plan for merging with another company. It will help to find out the profitability of the transaction: the positive and negative aspects of the overall activity.
- Business plan for business reorganization and optimization of operations.

As a result of how small companies grow, it becomes necessary to organize a strategic (or tactical, depending on the situation) development concept. A business plan, in the development of which your business partners and key employees take part, will help you formulate this concept and, more significantly, will allow you to formulate this concept, will allow your partners to more clearly understand the goals and specific tasks that stand in the way of implementing this concept [20, p. 416].

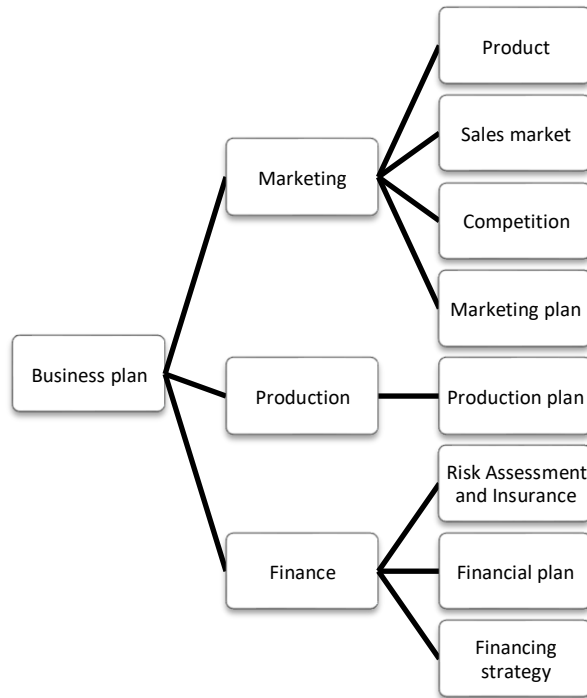
1.2 The structure of the business plan

The structure of a business plan is a written description of a project, the amount and timing of its implementation. Such a plan characterizes the feasibility of its existence. The composition of a business plan largely depends on what area the project is in, as well as on what dimensions it has. So, if it is planned to manufacture a new type of product, then it is necessary to develop the most detailed business plan that will describe all the advantages of the new product, as well as the process of its manufacture. If we are talking about opening a retail facility, then the business plan can be simple and include only sections with a brief description and with a calculation of the payback period. The structure and content of a business plan plays an important role in the beginning of an organization [3, p. 480].

So, we can consider such a concept as a detailed structure of the sections of a business plan. It includes a number of elements, each of which has its own importance and is shown in Picture 1

General block diagram of the business plan of the enterprise

Picture 1-General block diagram of the business plan of the enterprise



Source: own processing

Section 1. Summary.

This section is advertising in nature, and it also helps to identify interest in the one to whom the business plan will be addressed. This section should be properly designed, since it gives the investors the first impression of the business plan [29, p. 153-161].

In this section, it is necessary to set out the entire business plan in short form, while disclosing the essence of the project. The basis for writing is the information contained in all sections. In general, the structure of the resume may be as follows:

- description;
- resource endowment;
- how it will be implemented;
- what is the uniqueness of the project;
- amount of investment;
- profit forecast;
- how loans will be returned to investors;
- project effectiveness.

Section 2. Purpose of the project.

This section describes the purpose of the project, as well as a description of the goods or services that will be provided to the market during the implementation of the project. The real benefit of

customers from receiving this product or service is indicated. A description of the benefits of a new product, product or service, the uniqueness of the project. This section also describes the patents that are available, as well as the copyright.

Section 3. Product Description.

This section plays an important role in any case and should contain detailed information about what consumer characteristics and advantages the product has, as well as the main advantages that the company has over competitors. This section may contain applications in the form of a natural product sample, as well as photographs, documentation with a description of the technical side, and so on. If the product of labor is several units, then this section describes each of them. This section has the following structure:

- description and name of the product;
- its scope and main purpose;
- description of characteristics;
- competitive advantages;
- copyright, if any;
- quality certificate, warranty;
- environmental friendliness of the product;
- operation and service.

Section 4. Market analysis in this area.

This section provides the results of marketing research, as well as an analysis of the position of competitors in this industry. Such information will be really useful for investors [25, p. 44-50].

It is important to correctly present the main idea of a new project and emphasize its originality in the current state of affairs. It is also necessary to describe a deep understanding of the state of the organization. At this stage, you need to evaluate the latest innovations in the entire industry, and also list the main competitors, indicating their advantages and disadvantages.

Section 5. Marketing Plan.

This section provides market analysis, development of a market behavior strategy, explains how much consumers will buy products, and also indicate possible ways to influence demand. The main methods of selling a product or service, the determination of planned prices are also noted.

The information that will be contained in this section should convince a potential consumer to purchase this product for themselves. In this case, buyers have their own characteristics, for example, according to their place in the supply chain, as well as their status - they can be legal entities or individuals.

Consumer characteristics of a business plan are described, and among them it is important to pay attention to appearance, its attractiveness, price and purpose, strength, safety in use, and so on. The analysis of consumers, competitors, a description of the benefits of the goods. An analysis of

the market for products or services is carried out, the logistics concept for the delivery of goods is described, and the person who is involved in the supply chain management is also indicated [33, p. 120-122].

In addition, this section indicates the strategy by which consumers and advertising campaigns will be involved, it can also be providing samples for free and much more. It also indicates the price and projected sales. The calculation of the profitability and payback period of the project. Many of the details of a marketing strategy turn out to be very complex, and also affect areas such as marketing placement and much more.

Section 6. Production Plan.

If you open a manufacturing company from scratch, then this section will be important for the business plan. In this case, all the processes associated with the production of goods are collected. It also examines the whole situation with the premises, as well as their equipment and proper location. At a manufacturing enterprise, production facilities, warehouses and workshops are described, as well as the ways in which the goods are moved within the enterprise.

If the main goal of the project is to create a production enterprise, then it is necessary to provide a full description of the production process, as well as an indication of the production system, the implementation of production control, and so on. There are a number of activities that will be entrusted to subcontractors, and it will also be necessary to provide information about them, as well as indicate the reasons why a particular contractor was chosen. And the operations that are planned to be carried out on our own, we need to draw up a flow chart for them, as well as have a list of equipment and raw materials.

The section describes production costs, calculates the cost of production, draws up an estimate of the costs, and determines the variable and fixed costs. The section has approximately the following structure:

- data on the structure of production of the enterprise;
- the technology that was used;
- the need for the availability of production facilities;
- need for staff;
- satisfaction of requirements in terms of environmental friendliness;
- production facilities;
- equipment and its characteristics;
- need for raw materials;
- selection of subcontractors;
- estimate of production costs;
- cost analysis.

Section 7. Organizational plan.

This section discusses some organizational issues, as well as provides regulatory documents and a schedule for implementation.

Section 8. Financial planning.

It must be implemented through consideration and preparation of the main financial documents - they include a plan of income and expenses, terms of the project, cash flow plan and so on. In this section, investment is made, for example, for the purchase of equipment or for construction work, as well as for the creation of working capital.

Also, planning of sources is carried out, from where the project financing will be taken, a scheme for returning credit funds is being thought out.

The financial planning section is completed by analyzing the effectiveness of the project, and the project analysis technique is used for these purposes. The section has approximately the following structure:

- profit report;
- structure of tax payments;
- report on the movement of funds;
- need for investment;
- loan servicing costs;
- project effectiveness and its description.

Section 9. Risk Analysis.

It is no secret that absolutely every project contains risks and faces certain difficulties in its path. These difficulties pose a threat to the implementation of the project; therefore, these difficulties must be foreseen and strategies developed to overcome them. It is also very important to take into account the degree of risk and consider the main problems [12, p. 248].

The main points that are associated with the risk of the project should be described quite simply and objectively, and the fact that the main threat may come from the main competitors should be taken into account. It is important not to make your own mistakes in the field of marketing, as well as in production policy. You should not make mistakes during the selection of personnel for a leadership position.

Alternative business management programs should be available, and it is very important to foresee the main difficulties in the business plan so that lenders understand how you are going to act in a given situation. Risk can be assessed objectively by conducting a qualitative analysis, which involves identifying risk factors and areas. This work is carried out by experts on the basis of experience in this area. Quantitative analysis can also be carried out, which plays an important role in assessing all risks. By means of a quantitative analysis, it is possible to estimate the volume of estimated losses by certain types of risk, and you should also remember that in this analysis many methods are used:

- method of analogies (in this case, data on the implementation of similar projects are used);
- the statistical method (here we study the statistics that are available);

- expert method (in this case, expert opinions are collected);
- modeling (here you can identify the impact on the situation from the outside).

There are also specially developed methods for identifying risks. As a result of the risk analysis, it is possible to provide basic guarantees for the return of funds to potential lenders or investors. Among these guarantees, the following can be distinguished:

- guarantees of federal or local authorities;
- insurance;
- bank guarantees and pledged assets;
- rights and obligations;
- product warranty.

Section 10. Appendices.

This section contains all the necessary applications, as well as the main documents that do not participate in the process.

The main documents are [13, p. 328]:

- copies of numerous contracts;
- documents that have become sources of master data;
- price lists and so on.

Thus, the structure and content of the business plan are the main components on which much depends on the project implementation process.

It should be noted that many products are currently being used in practice that simplify the preparation of a business plan. There are special programs through which you can draw up a planner and calculate the main indicators of project profitability and effectiveness. Special programs are also used that are designed solely to develop marketing strategies, as well as to describe production processes.

With the right approach to the compilation of the main sections of this document, you can attract attention from investors and at the same time receive funds to finance the idea. However, in order to make the business plan as competent and attractive as possible in many aspects, it is necessary to pay attention to many elements. It is very important to clearly adhere to the structure and describe all actions in terms of effectiveness.

Practical part

Development of a business plan for the organization and opening of the store

2.1 Summary of the business plan

This project is a three-year plan to create a Korean cosmetics store.

Every woman wants to look young and attractive as long as possible. But, unfortunately, the aging process of the face is inevitable. Every year, the skin of the face becomes less elastic and gradually loses elasticity. The same applies to wrinkles and other manifestations of age-related changes: a multi-stage Korean care system allows one after another to erase problems from the face. That is why in some programs of Korean care the amount of funds that must be applied for one ritual reaches seven. This is not just a routine to preserve beauty, but a real ode to excellence and youth, which is useful for all girls to learn. This can be guided by the decision to open your own business and provide girls and women with a wide range of the best and most effective personal care products and give the opportunity to iron out as best as possible by opening a Korean cosmetics store for them.

The main advantages of the Korean cosmetics store include its relevance, a large number of suppliers, since at the moment there are mass-market products designed for average consumer income, and luxury from expensive manufacturers, the cost of which is appropriate.

The main goal of the business plan is to plan the creation of a Korean cosmetics store.

To achieve this goal, you must complete the following tasks:

- to evaluate the market in which the store is planned to operate;
- to install a product that customers can receive;
- to determine the methods of marketing the enterprise;
- to analyze the need for resources necessary to start work;
- to draw up a budget for the Korean cosmetics store for the first month and year of operation.

The consistent implementation of these tasks will provide conditions for the start of the store, as well as for profit from its activities.

Project financing: obtaining a commercial loan in the amount of 1,500,000 rubles at 11% per annum for 3 years.

2.2 Description of the organization, products

Based on the theoretical part, section No. 3 “Product Description” in the paragraph describes the organization and production of the business plan of the Korean cosmetics store.

Today, the Belgorod market is full of various goods and services and it is very difficult to find a suitable market niche on it. But there are less obvious niches that turn out to be free, but no less

profitable. One of these niches is the Korean cosmetics market. Every year, more and more cosmetic brands from Korea appear on the Russian market, and all of them are incredibly popular.

We are proposing the creation of a Korean cosmetics store “K-secret”. The opening and start of operations is planned from 01.04.2020. The store will be located in Belgorod, avenue B. Khmelnitsky, d 137 T, TRK "MegaGRINN."

The main target audience of the Korean cosmetics store is female. The main consumers of the products are middle-income women. But also buyers with a high level of income, for whom everything is important: the prestige of the store, the external surroundings, the design of the boutique, the ability to deliver products to your home.

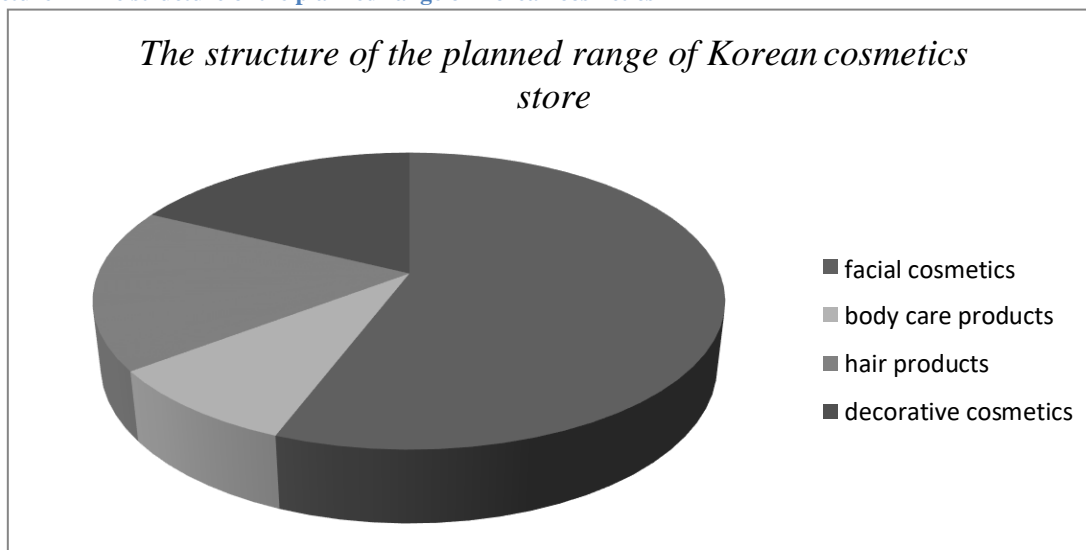
The relevance of opening the Korean cosmetics store right now is due to the fact that today everyone prefers natural cosmetics, namely Koreans produce products from almost 90% of natural ingredients, which perfectly affects the appearance of girls and women at any age, and ultimately leads to satiety and the desire to buy products, depending on the individual needs of the appropriate quality and properties.

As for the product itself, Korean cosmetics is famous not only for its unusual ingredients (tree resin extract, algae, fruit acids, snail mucin, collagen and vitamins, natural oils, volcanic ash, yeast enzymes, snake and bee venom, etc.) but with multi-step care. Each multi-stage care product has its own texture, concentration of active components and has a different effect on the skin. Each product in its own way prepares the skin for the subsequent application and enhances the result.

Therefore, in our assortment there will be all the necessary means of different brands and different price categories. Each client can buy an affordable tool.

Products are divided into several categories, which are presented in Picture 2

Picture 2- The structure of the planned range of Korean cosmetics



Source: own processing

The majority of the assortment will be occupied by the category “face care cosmetics”, since the beauty and condition of the skin of any girl depends on it, both now and in the future. The categories of “hair products” and “decorative cosmetics” are at the same level as the size of the assortment of Korean cosmetics. And there will be very few body care products, since the demand for them is less than for the rest of the assortment.

The product range of this department will include:

- middle price segment Budget representatives of Korean cosmetics are popular brands that have received the most positive customer reviews. In terms of quality and efficiency, they often bypass premium brands from Europe. (TONYMOLY, SKINFOOD, INNISFREE, HOLIKAHOLIKA, LADOR);
- high price segment. High price category Korean trade marks are the choice of experts and users interested in quick results and safety of the composition. Brands feature innovative innovations, high quality products, and a variety of products. (THEFASESHOP, THESAEM, MIZON, MISSHA, CIRACLE);
- premium class. The premium segment is not only luxurious packaging and effective compositions, but also unique effective formulas with incredibly rare components (A-TRUE, DR.G).

The price range of each segment is reflected in table 1 and in picture 3

«K-secret» store assortment by price segments

Table 1- «K-secret» store assortment by price segments

| Category | Price range |
|----------------------|----------------------|
| Middle price segment | 200-850 rub. |
| High price segment | 850-1500 rub. |
| Premium | 1500 rub. and higher |

Source: own processing

Picture 3- Value for money for the "K-secret" store



Source: own processing

As can be seen in picture 3, the majority of the assortment is occupied by the category of the middle price segment, since this is a more budget option and there will be more demand for it than for other categories.

When developing a business plan for a Korean cosmetics store, one must be taken into account that seasonality affects demand. With the change of season, the skin needs change accordingly: in winter - intensive nutrition, in summer - light hydration.

2.3 Market Analysis and Competition

Section number 4 “Market analysis in this area” allows you to draw up this paragraph.

Today, the Russian cosmetic market is one of the largest and most promising in Europe. Its development is driven by all the same trends that are characteristic of Western countries, one of which is a fashion for everything natural and environmentally friendly. So, in 2013-2014. Russian consumers have begun to show a keen interest in natural cosmetics. From the segment of eco-cosmetics in Russia, the products of such Western brands as Yves Rocher, L'Occitane, Lush, The Body Shop, which contain a wide range of natural raw materials, are the most popular. One of such trends in recent years has become cosmetics from South Korea. Having appeared on the Russian market in 2009-2010, in a few years it has gone from small Internet sites with a pre-order system to a full presence on the shelves of large perfumery and cosmetic networks. The volume of imports of South Korean skin care products is increasing every year and is read in the tens of millions of dollars. The reason for this success lies in the naturalness of these funds. Almost all products manufactured by Koreans contain up to 90% of natural ingredients, and are far from luxury Western products.

Korean cosmetics are not widely distributed on the Belgorod market; only a few know about it. Today, Korean cosmetic is represented by 4 owners of small outlets in large shopping centers of the city. Therefore, we identified direct and indirect competitors and displayed in table 2 and 3

Direct competitors of the Korean cosmetics store «K-secret»

Table 2- Value for money for the "K-secret" store

| competitors | opening date | number of stores | location | range | market share |
|--------------|--------------|------------------|---|--|--------------|
| AsianSecrets | 19.04.18 | 2 | Shopping and entertainment center "MegaGrinn", Shopping center "Market" | Mass market Tony Moly HolikaHolika Mizon Missha The Saem Lador Scinic | 30% |

| | | | | | |
|-----------|----------|---|---|---|-----|
| K-Shop | 30.08.17 | 3 | "MegaGrinn", Shopping and entertainment center "CityMall", Shopping Center Department Store | Mass market Tony Moly HolikaHolika Mizon Missha The Saem | 30% |
| Koko-Shop | 24.07.17 | 1 | "MegaGrinn" | Mass market Tony Moly HolikaHolika Mizon The Saem | 15% |
| Aimi-shop | 2014 | 2 | Shopping center "Slavyanskiy", shopping center "Solnechny" | Japanese and Korean cosmetics | 10% |

Source: own processing

Indirect competitors to Korean «K-secret» cosmetics store

Table 3- Indirect competitors to Korean «K-secret» cosmetics store

| Title | Directivity | Range | Market share |
|--|-------------------|--|--------------|
| Faceofbeauty http://www.faceofbeauty.ru/ | Online store | Face and body care BB / SS cream Makeup | 10% |
| asiankosmetik http://vk.com/asiankosmetik | Online store (VK) | Face and body care BB / SS cream Hair care | 5% |

Source: own processing

In order to fully characterize the main aspects of the activities of competing organizations, the method of expert evaluations was used. The experts were clients of AsianSecrets, Koko-Shop, K-Shop, Aimi-shop organizations. 5 characteristics were identified to evaluate the strengths and weaknesses of organizations, ranked on a 5 point scale in table 4:

- 1) level of service ("1" - lack of necessary service; "2" - poor service; "3" - average service; "4"- good tinning; "5" - excellent customer service);
- 2) availability of discount cards ("1" - absence of discount cards; "2" - availability of discount cards; "3" - availability of discount cards with a low percentage of discount; "4" - availability of discount cards with an average percentage of discount; "5" - availability discount cards with a high percentage of discounts;
- 3) popularity ("1" is an absolutely unknown department of Korean cosmetics; "2" is a poorly known; "3" is a well-known department of Korean cosmetics; "4" is a popular

- department; “5” is a well-known and popular department of Korean cosmetics);
- 4) accessibility (“1” - it is very difficult to find a department; “2” - it is difficult to find a department; “3” - medium difficult to find a department; “4” - an accessible place; “5” - an easily accessible place of a department);
 - 5) assortment (“0” - there is no assortment; “1” - a weak assortment; “3” - an average assortment of goods; “4” - a good assortment of goods; “5” - an excellent assortment of Korean cosmetics).

Characteristics of competing companies

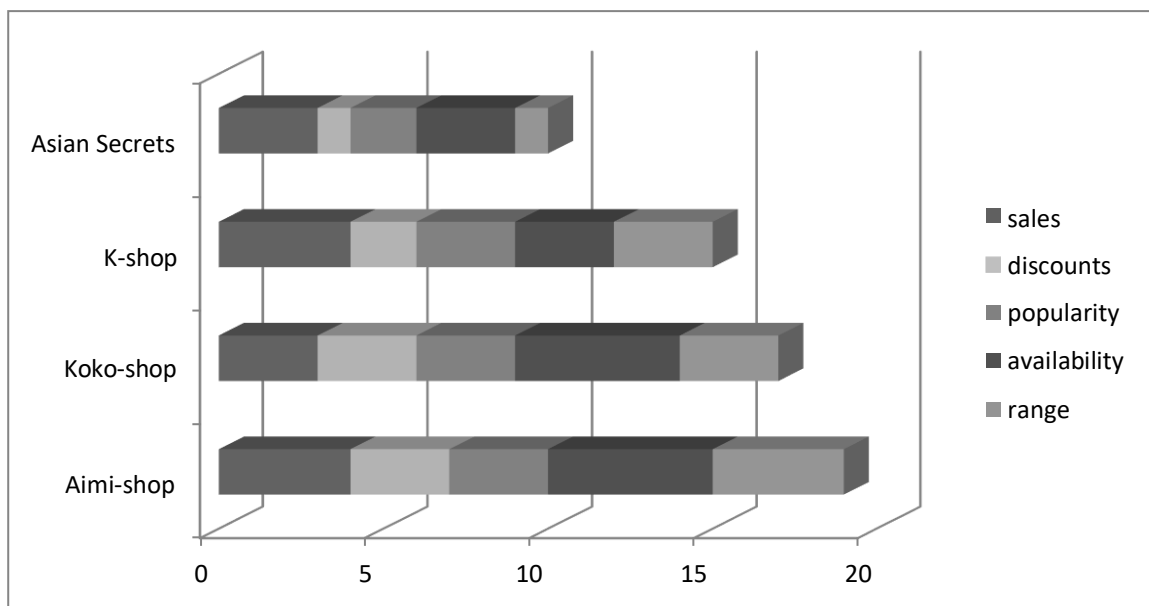
Table 4- Characteristics of competing companies

| № | name of organizations | characteristic | | | | | total: |
|---|-----------------------|----------------|---|---|---|---|--------|
| | | 1 | 2 | 3 | 4 | 5 | |
| 1 | AsianSecrets | 4 | 3 | 3 | 5 | 4 | 19 |
| 2 | K-Shop | 3 | 3 | 3 | 5 | 3 | 17 |
| 3 | Koko-Shop | 4 | 2 | 3 | 3 | 3 | 15 |
| 4 | Aimi-shop | 3 | 1 | 2 | 3 | 1 | 10 |

Source: own processing

Comparative characteristics of competing organization

Picture 4- Comparative characteristics of competing organizations



Source: own processing

Picture 4 shows the comparative characteristics of competing companies in the city of Belgorod. Based on this diagram, we see that AsianSecrets is the leader by all criteria, especially in terms of service level, assortment and department availability.

Customer service is the most important and decisive competitive advantage in the modern retail business. This is the main stage, which shows how much the company actually appreciates customers, and what values it lays in working with them. We also see that Koko-Shop, like AsianSecrets, is focused on providing a high level of customer service than K-Shop and Aimi-shop. Due to this, they get such advantages as: increasing the number of customers, recommending the store to friends and acquaintances, being interested in getting discount cards and raising prices does not affect shopping and buying goods. As for the assortment, a correctly selected assortment is the key to the success of any organization. Therefore, AsianSecrets is again at the forefront, as they have a very large assortment in the mass market segment and are more diverse than other organizations. She specializes in the sale of facial, hair and body care products, as well as the sale of decorative products. Another important aspect is the step-by-step availability of the department, because absolutely everything depends on the rational placement of the department, first of all, profit.

Departments of Korean cosmetics AsianSecrets, Koko-Shop, K-Shop are located in shopping centers, where it is always crowded, so it is not difficult for any customer to find a department. As for the popularity and availability of bonus cards, AsianSecrets and K-Shop are in a winning position. Both departments are known to a certain audience and it is gradually expanding with the help of marketing tools and advertising. Organizations do not incur large expenses on advertising, since on social networks this can be done for free with the help of various draws and bonus cards. Bonus or discount cards with a good percentage discount are provided by AsianSecrets and K-Shop. Thus, organizations have a client to themselves and express their respect and invite further cooperation, which leads to increased income and popularity. Thus, having analyzed the table and diagram of competitors, we can conclude that the organizations “AsianSecrets” and “K-Shop” are the strongest and most competitive for the «K-secret» store.

In order to characterize the internal state of the «K-secret» Korean cosmetics store and its market position, we will conduct a SWOT analysis, which is shown in table 5

Key potential strengths and weaknesses of the Korean «K-secret» cosmetics store

Table 5- Key potential strengths and weaknesses of the Korean «K-secret» cosmetics store

| | |
|---|--|
| Strengths | Weaknesses |
| <ul style="list-style-type: none"> - individual approach to working with a client - convenient boutique location - the ability to test new products - wide range of goods - availability of discount cards - cooperation with beauty salons | <ul style="list-style-type: none"> - high rental costs - limited financial resources |
| Opportunities | Threats |
| <ul style="list-style-type: none"> - the expansion of the customer base - lack of competition - development of new approaches in working with clients - low barriers to entry | <ul style="list-style-type: none"> - adverse economic environment - lack of demand - possible rent increase |

Source: own processing

Thus, based on the matrix, problems facing the company were identified. These problems are caused by positive and negative factors within «K-secret», as well as external threats and opportunities.

To establish the relationship between the strengths / weaknesses of the boutique and the opportunities / threats of the external environment and the formation of sets of possible scenarios for the development of the boutique, we will compile a summary SWOT analysis matrix, shown in table 6

Consolidated SWOT Analysis Matrix

Table 6- Consolidated SWOT Analysis Matrix

| | | |
|--|---|--|
| | <u>Opportunities:</u> <ul style="list-style-type: none"> - the expansion of the customer base - lack of competition - development of new approaches in working with clients - low barriers to entry | <u>Threats:</u> <ul style="list-style-type: none"> - adverse economic environment - lack of demand - possible rent increase |
|--|---|--|

| | | |
|---|--|--|
| <p>Strengths:</p> <ul style="list-style-type: none"> - individual approach to working with a client - convenient store location - the ability to test new products - wide range of goods - availability of discount cards - cooperation with beauty salons | <ul style="list-style-type: none"> ✓ Fast company growth; ✓ formation of a stable customer base, regular customers; ✓ formation of the image of "market leader" | <p>Over time, as the store grows, the following are possible:</p> <ul style="list-style-type: none"> ✓ diversification of activities, ✓ increase the range of goods ✓ work to attract new customers, ✓ work to retain existing customers |
| <p>Weaknesses:</p> <ul style="list-style-type: none"> - high rental costs - limited financial resources | <ul style="list-style-type: none"> ✓ Wide advertising campaign to attract consumers; ✓ PR | <p>If weaknesses and threats are encountered, the company will collapse.</p> |

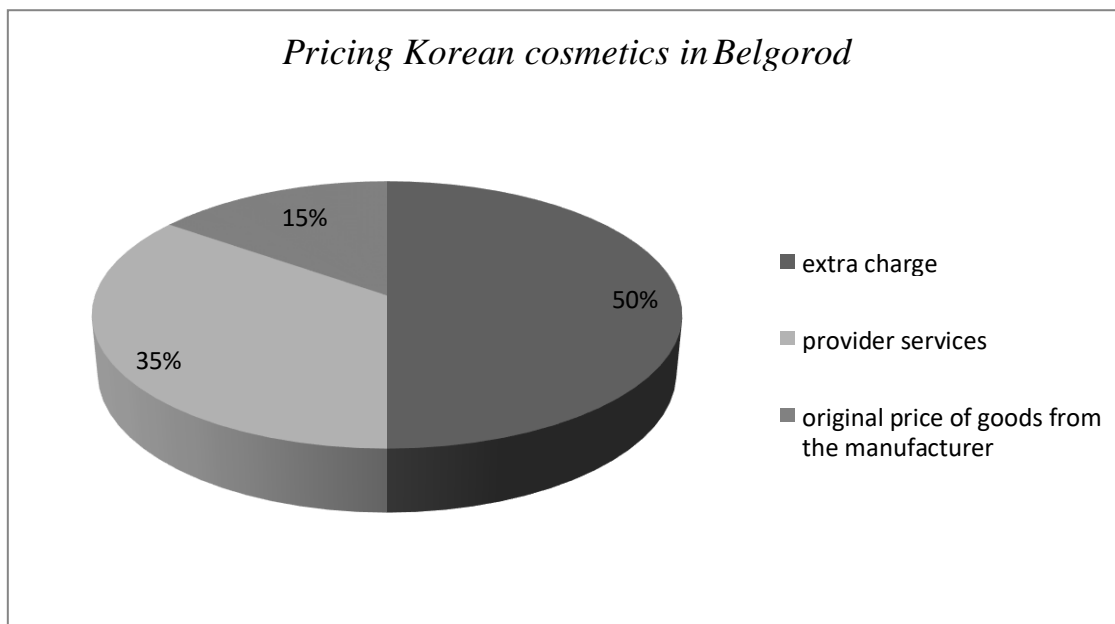
Source: own processing

Thus, based on the matrix, problems facing the company were identified. These problems are caused by positive and negative factors inside the «K-secret» store, as well as external threats and opportunities. According to this, we can identify the main strategic directions for improving the position of the company in the near future:

- expanding the customer base, as well as the range of products offered;
- raising funds to promote and recognize the store.

Picture 5 shows the pricing scheme of Korean cosmetics in the city of Belgorod.

Picture 5- Pricing Korean cosmetics in Belgorod



Source: own processing

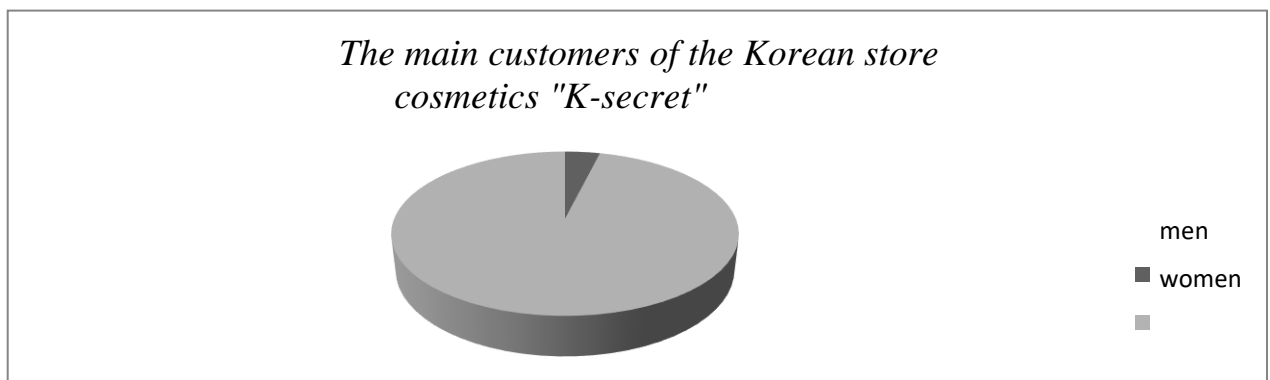
Based on this scheme, we have the idea that most of the cost of goods is the markup of Belgorod companies. For example, the cost of hydrophilic oil from the Elizovek brand is 500 rubles, a distributor of this brand in Russia sells this product to retailers at a wholesale price of 650 rubles per unit, and in the Belgorod market these products are presented in a price range from 1200 to 1400 rubles, depending on the markup directors of companies. Pricing policies of Belgorod companies do not differ much from each other by how much exceeding a certain price range a company can lose its customers. Basically, for the most popular goods, the prices in these companies vary by 200-300 rubles. The average price of Korean cosmetics varies in the range from 1000 to 1500 thousand rubles.

2.4 Marketing plan of the enterprise

Based on the theoretical part, section No. 5 “Marketing Plan”, the paragraph describes the pricing strategy of the Korean cosmetics store.

The market segment, which is supposed to operate the Korean cosmetics store «K-secret», consists of 2 consumer groups: the main segment is the population of the city of Belgorod, women aged 18 years and older, the secondary segment is the male population of 30 years and older, which is clear shown in picture 6

Picture 6- The main customers of the Korean store cosmetics "K-secret"



Source: own processing

One of the most important elements of marketing is pricing. The right pricing policy is the key to the success of the organization in the future, since the price is one of the most important components that are directly related to income.

Optimal price for a product or service:

- ensures the profitability of the enterprise;
- interesting to the buyer;
- allows you to maintain the presence of goods on the market and its sale at a minimum level.

As a strategy for penetrating the market, we will choose a differentiated marketing strategy.

Since our products differ in price and quality, they will be focused on different segments.

Distinguish the purchase price and the sale price:

- purchase price

The price of the purchased goods is formed by summing the prices of the supplier and transportation costs. As an example, we took the popular Korean brands mass market Holika Holika from the supplier LLC Holika Retail.

The formation of purchase prices for goods "Holika Hoika"

Table 7- The formation of purchase prices for goods "Holika Hoika"

| № | Name of product | Unit price, rub. | VAT tax rate | The amount of tax presented to the buyer, rub. | Transportation costs, rub. | Final price, rub. |
|---|---|------------------|--------------|--|----------------------------|-------------------|
| 1 | matting BB cream HolipopBB | 244,92 | 18% | 44 | 4,2 | 293 |
| 2 | Holipop Blur Pact # 02 Natural Beige Compact Powder | 287,29 | 18% | 51,7 | 4,2 | 343 |
| 3 | universal gel 99% aloe vera, 250ml | 330,97 | 18% | 59,5 | 4,2 | 395 |
| 4 | gel blush "Gudetama" tone RD01, cherry | 546,25 | 18% | 98,3 | 4,2 | 649 |
| 5 | cleansing foam "Daily Garden" | 214,52 | 18% | 38,6 | 4,2 | 257 |

Source: own processing

According to the data from table 7, the average purchase price for the entire range of goods is 387 rubles.

- Sales price

Analysis of competitors gives us the average price level that the company will adhere to at the stage of entering the market.

We calculate prices using the “average cost plus profit” method.

In the sale price, the income of our company is included in the form of a trade margin, which is determined as a percentage of the purchase price.

It is most likely that competing firms also use this method, since the prices of their goods are similar. Thus, price competition is minimized, and we get an additional winning factor, since non-price competition is embedded in the methods of competition for the studied company. The results of the calculation of sales prices are presented in table 8

Calculation of selling prices for products of the brand "Hoika Holika" in rubles.

Table 8- Calculation of selling prices for products of the brand "Hoika Holika" in rubles.

| № | Name of product | Purchase price | 90% surcharge | Total |
|---|--|----------------|---------------|-------|
| 1 | matting BB cream HolipopBB | 293 | 264 | 557 |
| 2 | Holipop Blur Pact # 02 Natural Beige Compact Powder | 343 | 309 | 652 |
| 3 | universal gel 99% aloe vera, 250ml | 395 | 355 | 750 |
| 4 | gel blush “Gudetama” tone RD01, cherry | 649 | 584 | 1233 |
| 5 | cleansing foam “Daily garden” | 257 | 231 | 488 |

Source: own processing

According to table 8, the average selling price for the entire range of goods is 737 rubles.

On the opening day of the store, sales of products will be carried out at prices below competitors, which will ensure:

- enterprise survivability in the face of fierce competition;
- the ability to attract a large number of customers.

For the final pricing, we will use a strategy of differentiated prices, that is, we will establish the scale of possible discounts and surcharges to the price, which we will use in different segments.

To stimulate sales, we will use the strategy of attracting consumers to the product. Since our organization is at the stage of introducing new products to the market, advertising will be the most effective means of sales promotion.

Advertising in beauty salons, cosmetology clinics, and other institutions that can become the basis for generating demand for consumers of services.

- image advertising;
- website creation;
- pack considerable purchases in company packages containing information about the store, assortment, and operating hours;
- introduce for regular customers a system of cumulative discounts on a regular customer's card (additional discount on a birthday, for various holidays). When issuing discount cards, buyers fill out a short form and provide their email address and phone number. Thus, we can constantly inform our customers about promotions, discounts, new product receipts.

The presentation of the store is also important, since it is it that can not only attract customers in the first days of work, but also form the main contingent of regular customers.

Next, you need to calculate the total budget of the advertising campaign for the first year of the Korean cosmetics shop «K-secret», which is shown in table 9

Calculation of the budget of the campaign for the promotion of the Korean cosmetics store «K-secret» for the first year

Table 9- Calculation of the budget of the campaign for the promotion of the Korean cosmetics store «K- secret» for the first year

| Source | Executor | Type of appeal | Price rub. per month | Number of months | The total cost in rubles. |
|---------------------|--------------|---|----------------------|------------------|---------------------------|
| the Internet | «Web lab» | Creation and promotion of a business card website | 2 950/5 000 | 12 | 2 950/60 000 |
| outdoor advertising | «Constant» | Flyers, business cards | 950 | 4 | 3 800 |
| outdoor advertising | «City Light» | Billboard (citylight) | 10 000 | 10 | 100 000 |
| total | | | 18 900 | | 163 800 |

Source: own processing

Thus, the total budget of the advertising campaign for the first year will be 163,800 rubles. Upon reaching the planned level of knowledge and level of loyalty in the future there will be enough supportive advertising.

To advertise the services offered by the «K-secret» Korean cosmetics store, stands at city stops, business cards will be used, as well as pages on social networks and a website will be created. Stands will be placed at 9 stops of the city, near which there are schools, universities, children's gardens, large shopping centers.

As for section No. 6, there is no production plan, since this organization does not produce products, but sells.

2.5 Organizational plan of the enterprise

The activities of the «K-secret» Korean cosmetics store will be carried out on the basis of individual entrepreneurship without a legal entity. IP status has the following advantages compared with the registration of your own company:

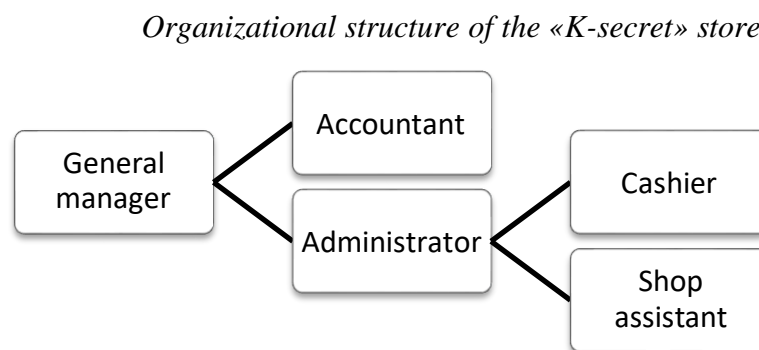
- simplification of business creation and liquidation processes;
- free use of own revenue;
- lower total tax burden than when working in the form of a legal entity;
- simplified procedure for recording business results and providing external reporting;
- simplified decision-making procedure (no meetings, protocols, etc. are required).

After registration as an individual entrepreneur and registration with tax authorities, extra-budgetary funds, etc. the premises will be rented and equipped, employees under labor contracts will be involved.

Organizational structure of the «K-secret» store management

- linear structure. A graphic image of the structure of this store is presented in picture 7

Picture 7- Organizational structure of the «K-secret» store



Source: own processing

The advantages of a linear control structure are:

- unity of management,
- simplicity and clarity of submission,
- quick decision-making,
- coordination of actions of performers,
- receipt by subordinate units of agreed orders and tasks.

The director of the store will be Diana Sokolenko. Also, the director will be assigned the functions of an accountant and administrator.

The staff will consist of 2 people, a sales consultant and a cashier consultant. Their functional duties will include consulting clients, selling products, replenishing the number of goods on the trading floor, if necessary, cleaning the room.

The main factor in the success of any store is its high qualification and attentive attitude towards customers by the staff. This allows you to earn the trust of future buyers. Therefore, the selection of personnel will be carried out taking into account the following requirements:

- the availability of training and qualifications in this specialty;
- the presence of experience in the field of trade, knowledge of the psychology of buyers (to have a greater degree of tact, resistance to stress, poise).

Opening hours: from 10.00 - 22.00. In connection with a working day of more than 8 hours, a rolling schedule will be provided for sellers.

As for labor costs, for their calculation it is necessary to determine the tax burden. Since the Korean cosmetics store «K-secret», registered in the form of IP, will operate under the simplified taxation system (STS), and all employees will work under an employment contract, the tax burden is distributed as follows: Pension Fund (PF) - 22% The Social Insurance Fund (FSS) - 2.9%, the Federal Compulsory Medical Insurance Fund - 5.1%. Thus, deductions to extrabudgetary funds will amount to 30%. We can calculate the cost of wages in table 10

Headcount and payroll

Table 10- Headcount and payroll

| № | Occupation | The number of working people | Payroll per month in rubles | Insurance premiums | Cost of salary per month in rubles | Cost of salary per year in rubles. |
|---|-------------------------------------|------------------------------|-----------------------------|--------------------|------------------------------------|------------------------------------|
| 1 | director, accountant, administrator | 1 | 32 500 | 7 500 | 25 000 | 390 000 |
| 2 | cashier | 1 | 26 000 | 6 000 | 20 000 | 312 000 |
| 3 | shop assistant | 1 | 22 100 | 5 100 | 17 000 | 265 200 |
| | Total | | | | 62 000 | 967 200 |

Source: own processing

Thus, the wage bill for all personnel is 62,000 per month and per year: 967,200 rubles.

The Korean cosmetics store "«K-secret»" will be located at: Belgorod, pr. B. Khmelnitsky, 137 T, TRC "MegaGRINN." The area of the leased premises is 20 sq. m. The rent will be 60,000 rubles per month.

The cost of the equipment necessary for the Korean cosmetics store “«K-secret»” is presented in table 11

Cost of the necessary equipment

Table 11- Cost of necessary equipment

| | Name | Unit price, rub. | Number of units | Total cost, rub. |
|--|------|------------------|-----------------|------------------|
|--|------|------------------|-----------------|------------------|

| | | | | |
|----|-------------------------|--------|---|---------|
| 1 | reception desk | 16 820 | 1 | 16 820 |
| 2 | stand islet | 19 260 | 2 | 38 520 |
| 3 | wall shelving | 17 470 | 5 | 87 350 |
| 4 | little table | 10 740 | 1 | 10 740 |
| 5 | chair | 1 420 | 2 | 2 840 |
| 6 | a laptop | 14 500 | 1 | 14 500 |
| 7 | CCTV | 7 783 | 1 | 7 783 |
| 8 | cash register(Terminal) | 19 890 | 1 | 19 890 |
| 9 | money box | 2 000 | 1 | 20 000 |
| 10 | sofa | 14 415 | 1 | 14 415 |
| 11 | coffee machine | 31 900 | 1 | 31 900 |
| | total | | | 264 758 |

Source: own processing

In addition to the purchase of basic equipment, it is necessary to provide for organizational as well as current variable and fixed costs (costs of the first month before receiving money from the turnover). The cost estimates are presented in table 12

Estimated cost of the first month of operation of the enterprise in rubles

Table 12- Estimated cost of the first month of operation of the enterprise in rubles

| | |
|--|-----------|
| 1. One-time organizational costs | 427 258 |
| 1.1 Costs for organizational needs | 7 000 |
| 1.2 Registration of the enterprise | 5 500 |
| 1.3 Installation | 150 000 |
| 1.4 Equipment | 264 758 |
| 2. Current variable costs | 852 500 |
| 2.1 Purchase of the first batch of goods | 852 500 |
| 3. Current fixed costs | 150 900 |
| 3.1 rental | 60 000 |
| 3.2 Salaries of all employees (including deductions in pension fund, social fund and medical accident insurance) | 62 000 |
| 3.3 Advertising costs | 18 900 |
| 3.4 other costs | 10 000 |
| Total: | 1 430 658 |

Source: own processing

Total for the organization of a Korean cosmetics store, the total amount of one-time costs will be - 1,430,658 rubles.

The opening of the Korean cosmetics store «K-secret» is scheduled for April 1, 2020. To clearly reflect the stages of implementation, we will develop a project implementation schedule, which is reflected in table 13

Project Implementation Schedule

Table 13- Project Implementation Schedule

| Name of works | Monthly completion date 2020 | | |
|---|------------------------------|-------|-------|
| | February | March | April |
| Registration with the tax authorities as an individual entrepreneur, registered with the Pension Fund of Russia as an individual entrepreneur | + | | |
| Search for premises and conclusion of a lease | + | | |
| Purchase of necessary trade equipment, computer equipment, as well as occupation of the interior of the future department, decoration | | + | |
| Acquisition of special software for sales and product accounting | | + | |
| Installation work, staff training | | + | |
| Conducting a marketing company (advertising) | | | + |
| Search for suppliers and purchase of goods for sale | | | + |
| Hiring and staff training | | | + |
| Opening | | | + |

Source: own processing

Regarding the activities of K-secret, it will be governed by the following documents: Constitution of the Russian Federation, Tax Code of the Russian Federation, Civil Code of the Russian Federation, Labor Code of the Russian Federation, Federal Law "On the Development of Small and Medium Enterprises in the Russian Federation", Federal Law "On State

Registration of Legal Entities" persons and individual entrepreneurs ", Federal Law " On the protection of the rights of legal entities and individual entrepreneurs in the implementation of state control (supervision) and municipal control ", Federal Law " On the application of control a marketing technique in the implementation of cash payments and (or) calculations with use of payment cards, "the Federal Law" On Advertising "and other normative-legal acts.

2.6 Economic and financial assessment of the enterprise, project risk analysis

This paragraph was written on the basis of section No. 8 "Financial planning".

The financial plan includes all expenses of commercial activities, as well as income from sales.

In order to calculate the store's business plan, you need to take into account all the initial costs of launching the project and its promotion, fixed costs, compare it with cash receipts and see the main financial indicators of the project: project profitability and payback period.

A financial plan is a plan for the formation and distribution of profits, as well as plans for cash receipts and payments, liquidity, settlements, and an enterprise credit plan.

The estimated duration of the project is 3 years.

The implementation of the Korean cosmetics store "«K-secret»" is scheduled to begin on April 1, 2020. For the implementation of its core business, borrowed funds will be used in the form of a consumer loan at Sberbank. This bank was chosen because of the appropriate interest rate, reliability and stability of the institution and additional conditions that simplify the processing of a loan. The loan repayment procedure and loan conditions are presented in table 14

Loan repayment schedule and loan conditions

Table 14- Loan repayment schedule and loan conditions

| Lending terms | | | | |
|-------------------------|-----------|---------------|-----------|---------------|
| Amount of credit: | 1 500 000 | Rate: | | 11% |
| Duration: | 36 months | Total | | 254 902,54 |
| Payout Start Date: | 1.04.2020 | overpayments: | | |
| Payout End Date: | 1.04.2023 | | | |
| Loan repayment schedule | | | | |
| Month | Payment | Interest | Loan body | The remainder |
| 1.03.20 | 0 | 0 | 0 | 1 500 000,00 |
| 1.04.20 | 55 680,37 | 14 013,70 | 41 666,67 | 1 458 333,33 |
| 1.05.20 | 54 851,60 | 13 184,93 | 41 666,67 | 1 416 666,66 |
| 1.06.20 | 54 901,83 | 13 235,16 | 41 666,67 | 1 374 999,99 |
| 1.07.20 | 54 098,18 | 12 431,51 | 41 666,67 | 1 333 333,32 |
| 1.08.20 | 54 123,29 | 12 456,62 | 41 666,67 | 1 291 666,65 |
| 1.09.20 | 53 734,02 | 12 067,35 | 41 666,67 | 1 249 999,98 |
| 1.10.20 | 52 968,04 | 11 301,37 | 41 666,67 | 1 208 333,31 |
| 1.11.20 | 52 955,48 | 11 288,81 | 41 666,67 | 1 166 666,64 |
| 1.12.20 | 52 214,61 | 10 547,94 | 41 666,67 | 1 124 999,97 |

| | | | | |
|--------|--------------|------------|--------------|------------|
| 2021 | 598 582,94 | 98 582,9 | 500 000,04 | 624 999,93 |
| 2022 | 543 494,34 | 43 494,3 | 500 000,04 | 124 999,89 |
| 1-3.22 | 127 297,84 | 2 297,95 | 124 999,89 | 0 |
| Total: | 1 754 902,54 | 254 902,54 | 1 500 000,00 | 0 |

Source: own processing

The activities of the Korean cosmetics store "«K-secret»" will be carried out on the basis of individual entrepreneurship under the simplified tax system (USN). Article 346.20 of the Tax Code of the Russian Federation [1] establishes the following tax rates on the simplified tax system: 6% if the object of taxation is income, 15% if the object of taxation is income reduced by the amount of expenses. Therefore, it will be advisable for us to use a 15% tax rate.

In its activities for economic evaluation, the company uses the following reporting forms:

- form No. 1 - cash flow statement plan;
- form No. 2 - plan report on financial results;
- Form 3 - balance sheet report.

The presented three forms of reporting enterprises on their activities show income, expenses of the organization, financial results of operations, reflect assets by structure and sources of formation of assets, as well as cash receipts and payments, balance and cash deficit / surplus.

The indicators reflected in these reporting forms are the basis for calculating many financial and economic indicators.

The first thing that starts the process of drawing up a financial plan is the preparation and preparation of a cash flow plan. This process ends with the preparation of the forecast balance.

The cash flow analysis method is the "classical" method of investment analysis and is used in all the most well-known methods of planning and evaluating the effectiveness of investment projects. Calculation "Cash-Flow" is intended to determine the current balance of funds that the company has. The cash balance is obtained due to cash inflow and outflow. The cash inflow is generated from income from the sale of products and services, income from the sale of assets of the enterprise, contributions to the authorized capital and loans, etc. The cash outflow is a consequence of the costs of production of products and services, the total costs of the enterprise, the cost of investments, the costs of servicing and repaying loans, paying dividends, tax and other payments.

Cash Flow Plan (15% tax)

Table 15- Cash Flow Plan (15% tax)

| Date | 4.2020 | 5.2020 | 6.2020 | 7.2020 | 8.2020 | 9.2020 |
|---------------|------------|------------|------------|------------|------------|------------|
| Sales revenue | 392 000,00 | 447 000,00 | 404 000,00 | 407 000,00 | 444 000,00 | 492 000,00 |
| Total cost | 499 208,00 | 78 950,00 | 198 950,00 | 88 950,00 | 88 950,00 | 268 950,00 |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Staff costs | 87 000,00 | 62 000,00 | 62 000,00 | 62 000,00 | 62 000,00 | 62 000,00 |
| Total fixed costs | 586 208,00 | 140 950,00 | 260 950,00 | 150 950,00 | 150 950,00 | 330 950,00 |
| Other income | 1 500 000,00 | | | | | |
| Taxes | 26 100,00 | 155 942,89 | 18 600,00 | 18 600,00 | 36 909,61 | 53 916,75 |
| Cash floating from operating activities | 1 279 692,00 | 150 107,11 | 124 450,00 | 237 450,00 | 256 140,39 | 107 133,25 |
| Payments of interest on loans | 55 680,37 | 54 851,60 | 54 901,83 | 54 098,18 | 54 123,29 | 53 734,02 |
| Cash floating from financial activities | -55 680,37 | -54 851,60 | -54 901,83 | -54 098,18 | -54 123,29 | -53 734,02 |
| Cash balance at the beginning of the period | | 1 224 011,63 | 1 319 267,14 | 1 388 815,31 | 1 572 167,13 | 1 774 184,23 |
| Cash balance at the end of the period | 1 224 011,63 | 1 319 815,31 | 1 388 815,31 | 1 572 167,13 | 1 774 184,23 | 1 827 583,46 |
| Date | 10.2020 | 11.2020 | 12.2020 | 2021 | 2022 | 1-3.2023 |
| Sales revenue | 485 500,00 | 454 000,00 | 627 000,00 | 4 707 000,00 | 5 740 000,00 | 1 280 000,00 |
| Total cost | 88 950,00 | 288 950,00 | 78 950,00 | 1 792 400,00 | 1 827 400,00 | 471 850,00 |
| Staff costs | 87 000,00 | 62 000,00 | 62 000,00 | 794 000,00 | 794 000,00 | 186 000,00 |
| Total fixed costs | 175 950,00 | 350 950,00 | 140 950,00 | 2 586 400,00 | 2 621 400,00 | 657 850,00 |
| Taxes | 45 131,59 | 58 781,59 | 28 931,59 | 532 672,50 | 624 385,68 | 153 956,59 |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash floating from operating activities | 264 418,41 | 44 268,41 | 457 118,41 | 1 587 927,50 | 2 494 214,32 | 468 193,41 |
| Payments of interest on loans | 52 968,04 | 52 955,48 | 52 214,61 | 598 582,94 | 543 494,34 | 127 297,84 |
| Cash floating from financial activities | -52 968,04 | -52 955,48 | -52 214,61 | -598 582,94 | -543 494,34 | -127 297,84 |
| Cash balance at the beginning of the period | 1 827 583,46 | 2 039 033,83 | 2 030 346,76 | 2 435 250,56 | 3 424 595,12 | 5 375 315,10 |
| Cash balance at the end of the period | 2 039 033,83 | 2 030 346,76 | 2 435 250,56 | 3 424 595,12 | 5 375 315,10 | 5 716 210,67 |

Source: own processing

As can be seen from the table 15, the cash balance at the beginning and end of the period for the studied time grows with each month. Other receipts will be only in 04.2020, in the remaining months they will not be. Total costs for the entire period will not exceed the initial mark. You can notice that during 2020 their level in each of the months is not the same, they either fell sharply, or increased sharply. Personnel costs are kept at approximately the same level and amount to 62000r. The remaining indicators are very variable for the study period.

As for the profit and loss plan, it is the second document that describes the effectiveness of the economic activity of the organization. It reflects the operating activities of the enterprise (operating activities are understood as the process of production and marketing of products and services) in certain periods of time (month, quarter, year).

From the profit and loss plan, you can determine the profitability of the project implemented by the enterprise.

The profit and loss plan of the Korean cosmetics store “K-secret” is shown in table 15 with 15% tax.

The third component of economic analysis is the forecast of the assets and liabilities of the

organization at the end of the year, i.e. balance sheet plan. This plan reflects the assets and liabilities of the enterprise, the funds invested in the development of production by the entrepreneur and his partners, and retained earnings which are presented in table 16

Profit and Loss Plan for Korean Cosmetics Store «K-secret»

Table 16- Profit and Loss Plan for Korean Cosmetics Store «K-secret»

| Date | 4.2020 | 5.2020 | 6.2020 | 7.2020 | 8.2020 | 9.2020 |
|--------------------------------|-----------------|------------|------------|-----------------|-----------------|-----------------|
| Gross sales | 392 000,00 | 447 000,00 | 404 000,00 | 407 000,00 | 444 000,00 | 492 000,00 |
| Net sales | 392 000,00 | 447 000,00 | 404 000,00 | 407 000,00 | 444 000,00 | 492 000,00 |
| Gross profit | 392 000,00 | 447 000,00 | 404 000,00 | 407 000,00 | 444 000,00 | 492 000,00 |
| Administrative costs | 493 258,00 | 73 000,00 | 73 000,00 | 73 000,00 | 73 000,00 | 73 000,00 |
| Production costs | 852 500,00 | | 120 000,00 | | | 180 000,00 |
| Marketing costs | 5 950,00 | 5 950,00 | 5 950,00 | 15 950,00 | 15 950,00 | 15 950,00 |
| Salary of administrative staff | 113 100,00 | 80 600,00 | 80 600,00 | 80 600,00 | 80 600,00 | 80 600,00 |
| Total fixed costs | 1 464 808,00 | 159 550,00 | 279 550,00 | 169 550,00 | 169 550,00 | 349 550,00 |
| Depreciation | 2 372,73 | 2 372,73 | 2 372,73 | 2 372,73 | 2 372,73 | 2 372,73 |
| Loan repayments | 55 680,37 | 54 851,60 | 54 901,83 | 54 098,18 | 54 123,29 | 53 734,02 |
| Total non-manufacturing costs | 58 053,1 | 57 224,33 | 57 274,56 | 56 425,91 | 56 496,02 | 56 106,75 |
| Other income | 1 500 000,00 | | | | | |
| Profit before tax | 369 138,90 | 230 225,67 | 67 175,44 | 181 024,09 | 217 953,98 | 86 343,25 |
| Taxable income | 369 138,90 | 230 225,67 | 67 175,44 | 181 024,09 | 217 953,98 | 86 343,25 |
| Income tax | 55 370,83 | 34 533,85 | 10 076,32 | 27 153,60 | 32 693,10 | 12 951,48 |
| Net profit | 313 768,06 | 195 691,82 | 57 649,12 | 153 867,90 | 185 260,88 | 73 391,76 |
| Date | 10.2020 | 11.2020 | 12.2020 | 2021 | 2022 | 1-3.2023 |
| Gross sales | 485 500,00 | 454 000,00 | 627 000,00 | 4 707 000,00 | 5 740 000,00 | 1 280 000,00 |
| Net sales | 485 500,00 | 454 000,00 | 627 000,00 | 4 707 000,00 | 5 740 000,00 | 1 280 000,00 |
| Gross profit | 485 500,00 | 454 000,00 | 627 000,00 | 4 707 000,00 | 5 740 000,00 | 1 280 000,00 |
| Administrative costs | 73 000,00 | 73 000,00 | 73 000,00 | 876 000,00 | 876 000,00 | 219 000,00 |
| Production costs | | 200 000,00 | | 845 000,00 | 880 000,00 | 235 000,00 |

| | | | | | | |
|--------------------------------|------------|------------|------------|--------------|--------------|------------|
| Marketing costs | 15 950,00 | 15 950,00 | 5 950,00 | 71 400,00 | 71 400,00 | 17 850,00 |
| Salary of administrative staff | 113 100,00 | 80 600,00 | 80 600,00 | 1 032 200,00 | 1 032 200,00 | 241 800,00 |
| Total fixed costs | 202 050,00 | 369 550,00 | 159 550,00 | 2 824 600,00 | 2 859 600,00 | 713 650,00 |
| Depreciation | 2 372,73 | 2 372,73 | 2 372,73 | 28 472,73 | 28 472,73 | |
| Loan repayments | 52 968,04 | 52 955,48 | 52 214,61 | 598 582,94 | 543 494,34 | 127 297,84 |
| Total non-manufacturing costs | 55 340,77 | 55 328,21 | 54 587,34 | 627 055,67 | 571 967,07 | 127 297,84 |
| Losses of previous periods | | | | 32 872,73 | | |
| Profit before tax | 228 109,23 | 29 121,79 | 412 862,66 | 1 255 344,33 | 2 308 432,97 | 439 052,16 |
| Taxable income | 267 877,27 | 68 877,27 | 451 877,27 | 1 695 527,27 | 2 693 527,27 | 526 750,00 |
| Income tax | 34 216,38 | 4 368,26 | 61 929,39 | 188 301,65 | 346 264,94 | 65 857,82 |
| Net profit | 193 892,84 | 24 753,52 | 350 933,68 | 1 067 042,68 | 1 962 168,02 | 373 194,34 |

Source: own processing

The balance sheet of the Korean cosmetics store «K-secret»

Table 17- The balance sheet of the Korean cosmetics store «K-secret»

| Date | 4.2019 | 5.2019 | 6.2019 | 7.2019 | 8.2019 | 9.2019 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash | 1 266 492,00 | 103 399,11 | 1 514 649,11 | 1 738 899,11 | 1 981 839,50 | 2 075 772,75 |
| Stocks of finished products | 504 000,00 | 174 000,00 | 47 500,00 | | | |
| Total current assets | 1 770 492,00 | 1 577 399,11 | 1 562 149,11 | 1 738 899,11 | 1 981 839,50 | 2 075 772,75 |
| Fixed assets | 87 000,00 | 87 000,00 | 87 000,00 | 87 000,00 | 87 000,00 | 87 000,00 |
| Accumulated depreciation | 11 072,73 | 13 445,45 | 15 818,18 | 18 190,91 | 20 563,64 | 22 936,36 |
| The residual value of fixed assets | 75 927,27 | 73 554,55 | 71 181,82 | 68 809,09 | 66 436,36 | 64 063,64 |
| Prepaid expenses | 75 927,27 | 73 554,55 | 71 181,82 | 68 809,09 | 66 436,36 | 64 063,64 |
| TOTAL ASSET | 1 846 419,27 | 1 650 953,65 | 1 633 330,93 | 1 807 708,20 | 2 048 275,86 | 2 139 836,38 |
| Deferred tax payments | 137 342,89 | | | 18 309,61 | 35 316,75 | 19 031,59 |

| | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total current liabilities | 137 342,89 | | | 18 309,61 | 35 316,75 | 19 031,59 |
| Extra capital | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 |
| Retained earnings | 778 276,38 | 720 153,65 | 702 530,93 | 858 598,59 | 1 082 159,11 | 1 190 004,79 |
| Total equity | 1 709 076,38 | 1 650 953,65 | 1 633 330,93 | 1 789 398,59 | 2 012 959,11 | 2 120 804,79 |
| TOTAL LIABILITY | 1 846 419,27 | 1 650 953,65 | 1 633 330,93 | 1 807 708,20 | 2 048 275,86 | 2 139 836,38 |
| Date | 10.2020 | 11.2020 | 12.2020 | 2021 | 2022 | 1-3.2023 |
| Cash | 2 326 991,15 | 2 358 059,56 | 2 358 059,56 | 4 231 505,70 | 6 567 319,79 | 6 995 913,20 |
| Stocks of finished products | | | | | | |
| Total current assets | 2 326 991,15 | 2 358 059,56 | 2 801 977,97 | 4 231 505,70 | 6 567 319,79 | 6 995 913,20 |
| Fixed assets | 87 000,00 | 87 000,00 | 87 000,00 | 87 000,00 | | |
| Accumulated depreciation | 25 309,09 | 27 681,82 | 30 054,55 | 58 527,27 | | |
| The residual value of fixed assets | 61 690,91 | 59 318,18 | 59 945,45 | 28 472,73 | | |
| Prepaid expenses | 61 690,91 | 59 318,18 | 59 945,45 | 28 472,73 | | |
| TOTAL ASSET | 2 388 682,06 | 2 417 377,75 | 2 858 923,43 | 4 259 978,20 | 6 567 319,79 | 6 995 913,20 |
| Deferred tax payments | 40 181,59 | 10 331,59 | 67 781,59 | 27 638,18 | 45 481,59 | 26 337,50 |
| Total current liabilities | 40 181,59 | 10 331,59 | 67 781,59 | 27 638,18 | 45 481,59 | 26 337,50 |
| Extra capital | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 | 930 800,00 |
| Retained earnings | 1 417 700,47 | 1 476 246,15 | 1 860 341,84 | 3 301 540,02 | 5 591 038,20 | 6 038 775,70 |
| Total equity | 2 348 500,47 | 2 407 046,15 | 2 791 141,84 | 4 232 340,02 | 6 521 838,20 | 6 969 575,70 |
| TOTAL LIABILITY | 2 388 682,06 | 2 417 377,75 | 2 858 923,43 | 4 259 978,20 | 6 567 319,79 | 6 995 913,20 |

Source: own processing

Based on the forecast presented in table 16, it can be seen that in 1-3.2023 it increased in relation to 04.2020. During the study period, the value of net profit has an unstable state. In 2020, the month in which there will be the largest net profit was recorded in the 04 and 12 months. Since 2021, net profit has been steadily increasing. Net profit is significantly affected by costs. If you considered administrative costs, then during the entire period, except for the very first month, they will amount to one value. Production costs are reduced by 2021, but in 2022 they will increase slightly. Marketing costs by mid-2020, and then their value is stable throughout the

entire period. Salaries, depreciation, non-manufacturing costs are stable throughout the entire period. Due to the fact that taxable profits change every month, more or less, the amount of tax also changes. All this affects the overall performance of the store - this is net profit.

As for table 17, according to the table it is clear that the amount of cash with each month in 2020, as well as every year, is growing. Total current assets, despite the fact that the first months are reduced, but then also grow with each month and year. The amount of fixed assets remains unchanged, but due to the increase in accumulated depreciation, the residual value of fixed assets will decrease every month. Prepaid expenses are also reduced every month, and then a year. As a result of this, the total asset in the 05 and 06 months of 2020 is slightly reduced, but then they will constantly grow with each month and year. As for the total liability, the situation is similar to the asset, in the 05 and 06 months of 2020 it will decrease, and then it will constantly grow. This will be affected by fluctuations in deferred tax payments and short-term liabilities. Their value for the entire period will either decrease or increase. Retained earnings and total net worth have a similar trend for the study period. Namely, in the 05 and 06 months of 2020, their volume slightly decreased compared to 04.2020, and then with each month their volume only increases.

To evaluate the economic efficiency of a business plan, it is necessary to analyze the following indicators: payback period, average rate of return, discounted payback period, net present value, internal rate of return, profitability index, modified internal rate of return.

Payback period PB is the time required to cover the initial investment due to the net cash flow generated by the investment project [43].

$$Investments = \sum_{t=1}^{PB} CF_t(1)$$

Investments – initial investments,

CF_t – net cash flow of month t,

PB – payback period.

The discounted payback period DPB – is calculated in the same way as the payback period, however in this case the net cash flow is discounted.

$$Investments = \sum_{t=1}^{DPB} \frac{CF_t}{(1+r)^t} (2)$$

Investments– initial investments,

CF_t– net cash flow of month t,

r– monthly discount rate,

DPB – discounted payback period.

The average rate of return ARR - represents the profitability of the project as a ratio between the average annual income from its implementation and the value of the initial investment.

$$ARR = \frac{\sum CF_t}{N \times Investments} \quad (3)$$

Investments- initial investments,

CF_t - net cash flow of the month,

N is the duration of the project (in years).

NPV net present value is the difference between the current value of the cash flow from the project and the current value of the investment.

$$NPV = \sum_{t=1}^T \frac{C_t}{(1+r)^t} - C_0 \quad (4)$$

C_t - net cash flows during period t

C₀– initial investment cost

r is the discount rate

t is the number of time periods

PI profitability index is one of the main parameters, allowing to evaluate the prospects of the investment project (business plan) in terms of future profitability.

$$PI = \frac{\sum \frac{CF_t}{(1+r)^t}}{Investments} \quad (5)$$

Investments – initial investments,

CF_t - net cash flow of the month,

r is the monthly discount rate.

The IRR internal rate of return is the interest rate at which the net present value (net present value (NPV) is zero.

$$\sum \frac{CF_t}{(1+IRR)^t} - investments = 0 \quad (6)$$

Investments – initial investments,

CF_t – net cash flow of month t,

IRR is the internal rate of return.

The modified internal rate of return MIRR is defined as the discount rate at which the following conditions are met:

$$\sum \frac{CO_t}{(1+r)^t} = \frac{TV}{(1+MIRR)^N} \quad (7)$$

r – required rate of return on investment (monthly),

TV – future project cost,

N – duration of the project in months

MIRR – modified internal rate of return (monthly).

To calculate the MIRR, payments related to the implementation of the project are brought to the beginning of the project using a discount rate r based on the cost of capital raised (financing rate or required rate of return on investment). Moreover, the proceeds from the project are brought to its end using the discount rate r based on the possible income from reinvestment of these funds (rate of return on reinvestment).

The economic efficiency indicators of the Korean cosmetics store “K-secret” are presented in table 18 with 15% taxation.

Cost-effectiveness indicators of the Korean cosmetics store «K-secret»

Table 18- Cost-effectiveness indicators of the Korean cosmetics store «K-secret»

| Indicator | rubles |
|---|-----------|
| Discount rate, % | 21,00 |
| Payback period - PB, months | 13 |
| Discount payback period - DPB, months | 13 |
| Average rate of return - ARR,% | 2 380,98 |
| Net present value - NPV | 5 606 447 |
| Profitability Index - PI | 73,34 |
| Internal rate of return - IRR,% | 10 000,00 |
| Modified internal rate of return - MIRR,% | 403,81 |

Source: own processing

As can be seen from table 18, the net present value (NPV) is 5,606,447 rubles.

To calculate the break-even point, which determines how much production should be sold in order to work to zero where incomes cover expenses, a table 19 was constructed reflecting sales of products.

Break-even point for each category of store assortment for the entire project period

Table 19- Break-even point for each category of store assortment for the entire project period

| Product | 04.2020 | 05.2020 | 06.2020 | 07.2020 | 08.2020 | 09.2020 |
|------------------|----------|---------|---------|---------|---------|---------|
| Facial cosmetics | 1 881,68 | 218,20 | 188,41 | 111,94 | 108,42 | 214,59 |

| | | | | | | |
|----------------------|---------|---------|---------|----------|----------|----------|
| Hair products | | | 310,15 | 88,71 | 85,19 | 171,67 |
| Body Care | | | 314,02 | 63,36 | 69,70 | 128,75 |
| Decorative cosmetics | 846,75 | 239,08 | 439,63 | 165,77 | 50,34 | 121,60 |
| Product | 10.2020 | 11.2020 | 12.2020 | 2021 | 2022 | 1-3.2023 |
| Facial cosmetics | 126,32 | 204,80 | 90,39 | 1 636,56 | 1 509,45 | 334,52 |
| Hair products | 105,26 | 188,42 | 90,39 | 1 563,83 | 1 636,23 | 529,66 |
| Body Care | 77,90 | 163,84 | 64,56 | 1 181,96 | 1 207,56 | 278,77 |
| Decorative cosmetics | 63,16 | 139,27 | 56,81 | 939,51 | 1 106,93 | 250,89 |

Source: own processing

To ensure a break-even point in the first months, despite the low sales volume, the volume of products sold in these months is the largest. Based on the data in the table, it can be noted that over time, the volumes necessary to reach the break-even point decrease, since the break-even point is almost reached. The constant variable costs during the project do not differ much in the course of time, then in money terms for each category it is achieved at a certain mark on the graph (table 15-18)

In any entrepreneurial activity, there is always the danger that the planned goals in the plan may not be partially or fully achieved. The occurrence of adverse events can affect the cost of the project, the timing of implementation, it can even make the project change. Therefore, already at the development stage, it is necessary to anticipate these adverse events, which are called threats or risks of the project, which are summarized in section No. 9 "Risk analysis".

Risk is an uncertain event or condition that, if it occurs, has an impact (positive or negative) on at least one of the goals of the project, for example, timing, cost, content or quality [12, p. 248].

From the entire list of risks, the most attention is paid to financial, economic and social risks, the classification and impact of risks that are reflected in table 20

Project risks and measures to prevent their occurrence

Table 20- Project risks and measures to prevent their occurrence

| No | Project risk name | Expected consequences of risk exposure | Risk Prevention Activities | Actions in case of risk |
|----|-------------------|--|--|---|
| 1 | Supply mismatch | Loss of profit, company closure | Analysis of customer preferences to formulate the right strategy | A strategy should be developed, taking into account the data received |

| | | | | |
|---|---------------|---|--|---|
| 2 | Insolvency | Business liquidation | Timely analysis of the financial condition of the company | Possible takeover of the company more strong for debt repayment |
| 3 | Import Issues | Lack of necessary assortment, reduced demand, company closure | Advance purchase of necessary goods | Search for new distributors |
| 4 | Rent increase | Lack of payment resources | Timely analysis of the financial condition of the company | Minimize costs Control |
| 5 | Competition | Demand reduction | Analysis of competitors, identifying their advantages and using them | Develop a new strategy based on the strengths of the organization |
| 6 | Late delivery | Decrease in demand due to lack of a certain assortment | Timely recount | To be able to provide and sell the goods that are in stock |

Source: own processing

Thus, an early risk analysis allows not only to be prepared for changes in the marketing environment of the enterprise for the worse, but also to develop a set of measures to minimize the impact of negative factors.

Conclusion

In this final qualifying work, a business plan for the «K-secret» store for the sale of Korean cosmetics was developed, and the main economic indicators of the efficiency of the created enterprise were determined.

A business plan is the main type of plans that are developed by firms. It contains the program of the company, including the main goals, objectives, strategy, tactics and budget. The business plan is one of the most important documents developed by the enterprise; effective management tool. A business plan helps the company determine the growth prospects of its business, control the situation, and also shows what and when to do to meet expectations regarding the effectiveness of a business project.

The main goal of the «K-secret» store's business plan is to plan the creation of a Korean cosmetics store.

Risks occur during the implementation of a business plan and during the operation of the store, starting investments are not large and can pay off if you invest not only money, but also your own efforts. However, from the main conditions for its functioning is successful marketing and competently chosen place for the store, it is associated with objective economic and financial events. By examining potential competitors, you can avoid their mistakes, including the level of service.

The main method of promotion can be considered the direct provision of the service, the competent organization of the store premises, because when servicing a customer, one gets the impression that a person will tell his acquaintances and friends.

The «K-secret» store, unlike its competitors, will possess features such as a modern, stylish interior, equipped with modern equipment and a large assortment to attract customers.

Capital investments made by the «K-secret» store for the purchase of retail equipment, as well as one-time organizational costs and the costs of the first three months before receiving money from the turnover, are calculated in the organizational plan and amount to 1,449,258 rubles.

Sources of financing the «K-secret» store are borrowed funds from the bank in the amount of 1,500,000 at 11% per annum. In this case, the store creation project will pay off in 13 months, the net present value is 5,606,447 rubles, and the profitability index is 73.34.

Therefore, the options we offer to create a Korean cosmetics store are quickly paid back and solve all identified problems. Recommending the adoption of these actions, we determined the resource efficiency, found a resource-saving solution and determined the path of its implementation, which provides a return on investment after a short time period.

The study showed that this type of business, like the creation of the «K-secret» Korean cosmetics store, is profitable, less risky and promising. This niche is a great option to start your business.

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