

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Bachelor Thesis**

**Developing a Business Plan for a Sport Bar in  
Prague**

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## **Declaration**

I declare that I have worked on my bachelor thesis titled "Developing a business plan for a sport bar in Prague" 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 other person.

In Prague on 15.03.2018

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## **Acknowledgement**

I would like to thank Ing. Petr Procházka, MSc, Ph.D. for his help and advice during my work on this thesis.

# Podnikatelský Plán pro sportovní bar v Praze

## Souhrn

Záměr bakalářské práce je vypracování podnikatelského plánu pro nový podnik v stravovacím odvětví snázvem "FunStop".

V teoretické části jsou uvedeny rozsáhlé vědomosti o teoretických základech podnikatelského plánování. Informace, která popisuje strukturu podnikatelského plánu, jeho účel, klíčové pojmy efektivního psaní byly zpracovány prostřednictvím prostudované literatury a webových stránkách, uvedenýchve zdrojích.

Praktická část využívá znalosti získané na základě literární řešerše. Administrativní plán se zabývá popisem společnosti, pojmů, nabídek a služeb podniku, hodnoty společnosti, poslání a vize, finanční a tržní cíle a záměry společnosti. Zároveň administrativní plán se skládá ze specifikace lokality, zaměstnanců, manažerů a jejich funkcí. PEST analýza se používá k identifikaci makro prostředí firmy, zatímco mikroekonomická analýza je rozpracovaná prostřednictvím SWOT analýzy. Navíc Five Porter analýza zdůrazňuje, že trh je konkurenční schopným. Za účelem stanovení marketingové strategie jsou využité modely Produktu, Ceny, Místa a Propagace, které jsou popsány v bakalářské práci. Finanční plán je konečnou vypracovanou myšlenkou dané práce. Podrobný výpočet je používán za účelem ukázat měsíční prodejní prognózy, celkové náklady, včetně variabilních a fixních, krátkodobý cashflow je popsán dle pozitivního názoru a realistické scénáře.

**Klíčová slova:** Bar industrie, podnikatelský plán, analýza společnosti, analýza trhu, analýza zákazníků, marketingový plán

# Developing a Business Plan for a Sport Bar in Prague

## Summary

The idea of bachelor thesis is developing a business plan for a new venture in restaurant industry called „FunStop“.

Theoretical part provides a strong understanding of the theoretical basis of business planning. Information which describes the structure of business plan, its purpose, key concepts of effective writing was observed through books and online sources.

Practical part uses the knowledges gained on the basis of its theoretical part. First, administrative plan deals with description of the company, the concepts, offers and services of the venture, values of the company, mission and vision statements, financial and market based goals and objectives. Administrative plan, at the same time consists of specification of location, employees, managers and their duties. PEST analysis is used to identify macro environment of the company, while micro analysis is shown through SWOT. Moreover, Five Porter framework highlights how the market is competitive . In order to determine marketing strategy using the model of Product, Price, Place and Promotion is shown in the thesis. Financial plan is the part that is finishing the idea of the thesis. A detailed calculation is used in order to show sales forecast by month, total costs which includes variable and fixed ones, short-term cash flow statement described with an option of positive and realistic scenarios.

**Keywords:** Bar industry, Business Plan, Company analysis, Market analysis, Customer analysis, Marketing plan.

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# 1. Introduction

The aim of the bachelor thesis is to develop a business plan for a new sport bar “*FunStop*”. The goal of the plan is to develop such a marketing strategy that will keep the company competitive in the Czech restaurant industry. To suggest the structure and regulation of the business, explaining decisions that are done.

Bachelor thesis will be presented with two different parts: theoretical and practical. The first part will explain the theoretical knowledge of business plan, its structure, purpose, marketing and financial planning. It is based on the knowledges of few authors on how to succeed in business, how to be competitive in the market, while the practical part will focus on fulfilment of theoretical framework.

The theoretical part starts with a definition of business plan, its purpose, and questions for effective writing. Then it covers an understanding of a structure of business plan. Description of well-written mission, vision and mantra, industry and market analysis, competitor analysis, marketing and financial plan are given.

The practical part uses the knowledges obtained in the theoretical part. It begins next gives an information of company name, ownership, its location and products, services offers. Then it goes on explanation of the duties of employees, according on that organizational structure was built. Next, it focuses on analyzing political, economic, social and technological factors that affects the business. The next part shows the main competitors of the company and follows with SWOT and Five Porter analysis. Then it comes with marketing mix, which includes Product, Price, Place and Promotion. Final part of the practical framework consists of Financial analysis, with calculations of start-up summary expenses, sales forecasting by pieces in CZK, cash flow statement with the consideration of taxes and costs.

## **2. Objectives and Methodology**

### **2.1 Objectives**

The main goal of the bachelor thesis is to create a successful business plan for a company that will be specialized in the restaurant/bar industry. First, it is important to provide a correct theoretical knowledge which explains how to make a business plan. Second, start creating a business plan the implementation of which should be based both on theoretical and practical parts of the thesis. Then, another step is to develop the strategies to be effective in Czech market. All information provided in the theoretical part should be useful and acceptable for modern rules of restaurant industry, analyzing the structure of business plan and build a practical part of the thesis relying on the knowledge gained in the theoretical part.

### **2.2 Methodology**

- Behind the theoretical part underlies literature review to find the most appropriate information for the bachelor thesis out of a wide range of books
- To find out prospective customer groups, by analyzing demography
- To analyze how competitive market is using Porter Five Analysis
- To find promotional strategies that best fits the company's needs
- Identifying the companies with the same product and find if they are succeed or failed a business
- Written growth plan including mission, vision, key objectives and strategies.
- To analyze the prices of another companies, finding out what is more affordable to customers
- To analyze Strengths, Weaknesses, Opportunities and Threats
- To identify political, economic and social factors and how it can affect a business
- Questionnaires will be based on quantitative method in order to find what people want to be changed, what they like and what they don't
- Using economic and statistical methods to calculate financial data

## 3. Literature Review

### 3.1 Business Plan

Business plan is a document that gives detailed description of chosen business, strategies and tactics that are planned to be used.

Business plan includes in itself three functions:

- Planning - setting goals, develop strategies
- Organizing – find employees, how to motivate them, reward system
- Decision Making – which industry to choose, which partners to work with, customer orientation
- Controlling – evaluation of decisions made

As Sellars (2009) defined “Business Plan is a written proposal that describes how the business will be structured and operated during a special period, typically one or more years. It is like a map to a traveler or a blueprint to a carpenter”<sup>1</sup>.

#### 3.1.1 Purposes of Business Plan

Fullen and Podmoroff (2006) highlights that “there are several benefits of having a business plan while running a company:

1. Description of a new or existing business.
2. Defining customers’ needs and ability to meet those needs.
3. Explore competitors’ strengths and weaknesses.
4. Address possible obstacles to success.
5. Establishing company’s team as capable businesspeople
6. Detail marketing strategies to capture a share of the market.
7. Set benchmarks and goals for launching, developing and profit making.
8. Provide financial projections and returns on investment.
9. Ask for money to support business’s success.
10. Inform investors and lenders of what is in it for them. “<sup>2</sup>

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<sup>1</sup> Sellars, D. (2009). *Business Plan Project*(pp.3)

<sup>2</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.21-22)

### **3.1.2 The Key to Effective Writing**

Business plan should be simple and clear to understand. It should be full of details, containing lots of information in that.

There are several questions mentioned by Pinson (2008) “which are helpful to write an effective business plan.

- Who?
- What?
- Why?
- When?
- Where?
- How?
- How much?
- Unique?
- Benefit to the customer?”<sup>3</sup>

### **3.2 Structure of Business Plan.**

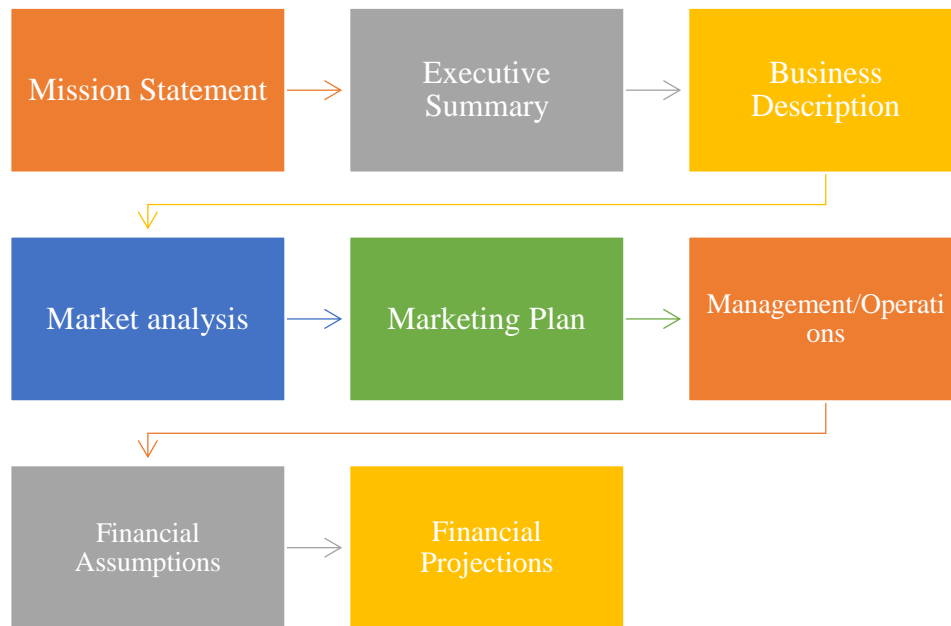
When someone is planning to prepare any kind of a meal there is a need to assemble that into the sections. One would lay the recipe first, then ingredients and finally process of cooking. All the processes in people’s life have their own structure as it was described before (during the process of cooking). As a conclusion, it can be said that business plan is not coming as an exception.

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<sup>3</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.5)

As Devine (2004) found the structure of business plan consists of the following sections:

Chart 1: Structure of business plan



Source: Kevin Devine (2004)

### 3.2.1 Description of sections in business plan structure.

Devine (2004) describes “all components in business structure:

**1) Mission Statement (Day 3)**

Explains the guiding principles behind the business, and the owner’s reasons for running a business.

**2) Executive Summary (Day 24)**

Summarizes the entire plan, explains why the business will be profitable, and why a lender should provide funding.

**3) Business Description (Day 5)**

Explains the business idea on some detail, including why the owner is qualified to run the business, who the customers are, and why the business will succeed.

**4) Market Analysis (Day 12)**

Describes who the business’ customers are, their characteristics, and why they will be interested in the product.

**5) Marketing Plan (Day 15)**

Describes how the business will reach its market and convince them to purchase from the business.

## **6) Management and Operations (Day 18)**

Explains how the business will run day-today.

## **7) Financial Projections (Day 23)**

Presents a series of financial projections based on the assumptions developed for the plan, such as a breakeven analysis. The projections include a cash flow, profit and loss, and balance sheet”.<sup>4</sup>

### **3.3 Executive Summary**

In short terms executive summary is an overview that shows to the reader the summary of the whole business plan. As it was written by Pinson (2008) “that executive summary summarizes who you are, what the company does, where is the company going, why it is going where it is going, and how it will get there. It is most effectively written after the rest of your business plan is complete. At that time, your concepts will be well-developed, and all of the important information and financial data will be available.

According to Pinson (2008) the Executive Summary can be approached from either of the two following perspectives:

#### **1) If your plain is for internal use only and you are not seeking funds**

The executive summary would summarize your business. It would be a brief overview of the company’s goals and statement of how it will focus to meet its projections.

#### **2) If you are seeking funding**

A lender or investor reading only executive summary should quickly see the name, age, legal structure, location, nature, and uniqueness of your business including strengths and risks. Furthermore, the executive summary would include the amount and purpose of the loan or investment request, timing needs, justification for financing, and a repayment statement (lender) or statement of potential return on investment(venture capitalist)”<sup>5</sup>.

To conclude with, it should be said that executive summary should be concrete and short, in other words business plan should be interesting to its reader.

#### **3.3.1 Mission Statement**

Mission statement is a current statement and foundation of the business that answers to the question „who we are?“

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<sup>4</sup> Devine, K. (2004). *Building your business plan*(pp.6)

<sup>5</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.21-22)



As pointed out by Devine (2004) “Mission statement is an enduring statement of purpose of an organization that identifies its scope of operations in product and market terms and reflects its value and priorities”<sup>6</sup>.

According to Fullen and Podmoroff (2006) “Mission statement should capture the reasons why you want to be in business, what you want to accomplish with your business, who your business serves, and how your company will benefit others”<sup>7</sup>.

There are 2 steps to have a well-written mission statement founded by Devine (2004)

1) “Think about these questions

- What is your company or business name?
- What does your business do?
- What makes your product or service different?
- Who are your customers? How can you describe them?
- How and where do your customer buy from you?

2) Construct the questions to the following format:

[Company name] [does what] [product or service description] [product or service] for [customer description][customer type] who [shopping situation] [geographic area]”<sup>8</sup>

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<sup>6</sup> Devine, K. (2004). *Building your business plan*(pp.26)

<sup>7</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.44)

<sup>8</sup> Devine, K. (2004). *Building your business plan*(pp.29)

Table 1: Mission Statement

<b>Does What</b>	<b>Product/Service Description</b>	<b>Customer Description</b>	<b>Customer Type</b>	<b>Shopping Situation</b>	<b>Geographic Area</b>
Sells	High quality	Successful	Individuals	Live in	Your town
Markets	Excellent	Intelligent	Families	Shop in	Your region
Supplies	First class	Middle income	Men	Frequent	Your state
Serves	Affordable	Selective	Women	Spend time in	Midwest
Manufactures	Hand made	Middle age	Businesses	Mail order	Country
Produces	World class	Particular	Teens	Travels	World Wide Web

Source: Devin (2004)

### 3.3.2 Vision Statement

Vision statement is a future statement, which answers to the question “ What do we want to achieve? “

As defined by Berry (2008) “Vision statement projects forward into time three or five years and presents a picture, like a dream, of how things should be. Usually vision statement works best as a story about the future, with your business as the key element in the story. Where it is, what it is doing, how big it is, what’s special about it”<sup>9</sup>.

### 3.3.3 Mantra

Mantra is a short statement (usually 3 words) that company believes in.

### 3.3.4 Business goals and objectives

According to Fullen and Podmoroff (2006) “Company’s business goals and objectives will cover short-term (within one year) and long-term (within two years to five years) expectations. Think of goals as your dreams within a deadline, and your objectives as the way you will achieve those goals. Your goals are typically measured in revenue, store traffic, or other tangible results. There are several common types of business goals:

- Increase sales volume
- Decreased number of hours the owner(s) work

<sup>9</sup> Berry, T. (2008). The plan-as-you-go business plan (pp.75)

- Greater number of customers
- Increased market share
- Higher profit levels
- Increased workforce
- Greater cash flow
- Expansion “<sup>10</sup>

As recommended by Berry (2008) “business objectives should be hard-broken, concrete, specific, and above all, measurable. Objective are the steps you will take to achieve business goals”<sup>11</sup>. “There are also measurable activities that answer the who, what, how, why and when questions, mentioned Fullen and Podmoroff (2006)

Fullen and Podmoroff (2006) gave an example of business objective:

- Who = Management team
- What = Increase customer returns
- How = Customer service weekly training
- Why = Satisfied customers create repeat customers
- When = Three-month review and assessment “<sup>12</sup>

## **3.4 Business description**

### **3.4.1 Company name**

Company name – the name by which a corporation is identified. In other words it is a title by which a formally organized or incorporated firm is known as a legal entity or artificial-person.

As Sellars (2009) thought “all companies must have a name. An effective name is an important form of promotion that works for the firm 365 days of the year. It helps people recognize businesses and know which ones to patronize. If a firm does a good job serving the needs of customers . company and brand loyalty is created and future sales from customers can be anticipated. Establishing the name in people’s minds also paves the way for future expansion. Choosing a name for a business is very important because it can create a sustainable competitive advantage. Ideally the name exhibits these characteristics:

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<sup>10</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.46-47)

<sup>11</sup> Berry, T. (2008). *The plan-as-you-go business plan* (pp.75)

<sup>12</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.47-48)

- Easy to remember and pronounce
- Unique versus competitor names
- Presents a positive image for the firm
- Communicates something about the current and future nature of the company
- Designed to be visually distinctive including a unique font or graphic elements
- Available for trademark or service mark”<sup>13</sup>

### 3.4.2 Company Ownership

Individual or entity who owns a business entity in an attempt to profit from the successful operations of the company. Generally has decision-making abilities and first right to profit.

According to Sellars (2009) “your business must operate within one of free ownership structures: sole proprietorship, partnership and corporation”<sup>14</sup>.

Fullen and Podmoroff (2006) described “**sole proprietorship** as the easiest and least expensive way of starting a business. The owner has absolutely authority over all business decisions.

**Partnership** can be understood as sharing ownership among two or more parties. According to Fullen and Podmoroff (2006) the two most partnership types are general and limited.

- General partnership can be formed simply by an oral agreement between two or more persons.
- Limited partnership agreement drawn up by attorney is highly recommended”<sup>15</sup>.

As defined by Sellars (2009) “**Corporations** are firms that have been granted some of the same legal rights as a person by a state government and may have several owners”<sup>16</sup>.

### 3.4.3 Product and services description

In this section of business plan should be given detailed description of product and services your business will provide. As mentioned by Fullen and Podmoroff (2006) “generally, you should answer the question: “What makes your product and/or services unique or special?””<sup>17</sup>

“Tell what your service/product is, why you are able to provide it, how it is provided, who will be doing the work, and where the service will be performed. Tell why your business is unique and what you have that is special to offer to your customer. If you have both a product and a service that

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<sup>13</sup>Sellars, D. (2009). *Business Plan Project*(pp.26)

<sup>14</sup> Sellars, D. (2009). *Business Plan Project*(pp.27)

<sup>15</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.50)

<sup>16</sup> Sellars, D. (2009). *Business Plan Project*(pp.27)

<sup>17</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.57)

work together to benefit your customer (such as warranty service for the products you sell), be sure to mention this in your plan”<sup>18</sup>, recommended Pinson (2008). In addition, there should be chosen products and services that will be added in the business plan.

According to Fullen and Podmoroff (2006) “a good place to begin defining what products you will sell and what services you will offer customers, and benefits are what your customers receive from each features. Benefits are „what is in it for me“.”<sup>19</sup>

In the following table authors represented the examples of features and benefits that business might offer to its customers.

Table 2: Customer Features/Benefits

Features	Benefits
Secure Online ordering	Convenient 24/7 access with minimal privacy and security concerns.
Custom-decorated cakes	Easy to stop by and order a special-occasion cake. Create something personalized to suit the party.
Computerized buyer-loyalty program based on phone number	Easy saving and rewards loyalty. Convenient – no card to carry or special number to remember.
Delivery service	Save money- a trip to the store costs businesses „X“ amount of dollars; help them save money.

Source: Fullen and Podmoroff (2006)

### 3.4.4 Location

Butler (2000, pg. 15) highlights that “in this part of the business plan you will need to explain the geographical base and catchment area from which expect your customers to come. The type of office, retail, or business building space you will require in order to house your business”<sup>20</sup>. “Production, manufacturing, sales, distribution, repair, retail, and wholesale needs must be considered as well as whether the business will be launched locally or internationally”<sup>21</sup>, stated Holm (2007)

<sup>18</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.36)

<sup>19</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.58)

<sup>20</sup> Butler, D. (2000). *Business Planning: A Guide to Business Start-Up*(pp.15)

<sup>21</sup> Holm, S. (2007). *Seven step business plan* (p. 19)

Fullen and Podmoroff (2006) states that “in this section of business plan, you will describe why your chosen location and the facilities work for you and your customers. If your plan is seeking money for expansion, you will be dealing why the location could support the cost of an expansion, you will be dealing why the location could support the cost of an expansion and the return expected from increasing your facility’s capacity. If you are buying unimproved land and are seeking construction financing, provide complete information on the land, zoning and building design”<sup>22</sup>.

Finally, Pinson (2008) notes that “your lease or rental agreement will contain the financial information needed for monthly cost projections for the Cash Flow Statement. If you are a new business, you should plan associated costs such as utilities, improvements, office furniture, and equipment.”<sup>23</sup>

### 3.5 Management and Personnel

Management and personnel can be understood as organizing function and it is responsible for finding relevant employees for the business.

According to Pinson (2008) “your management and personnel needs will be determined by the capabilities of the business owners, by the amount of time they will be able to commit to the business, and by the demands of the marketplace. Small businesses usually start up with the owners doing most of the work. As the business become larger and sales increase, your management and personnel needs will also change. Project your company’s goals for growth and plan for the changes that will be necessitated in management and personnel.

#### 3.5.1 Management

The most critical issue to be addressed in your business may well be that of **management**. As the decision maker in your business, two of the questions you will need to ask yourself are,” what are the key areas of management in my business”, and “what outside help will I require”. Managerial hiring policies, job description, and employee contracts are all part of making the right choices. Decide how your managers will be compensated: salaries, benefits, bonuses, vacation time, stock purchase plan”<sup>24</sup>, recommends Pinson (2008)

An organizational chart is a visual representation of structure of organization, responsibilities and the relationship between employees.

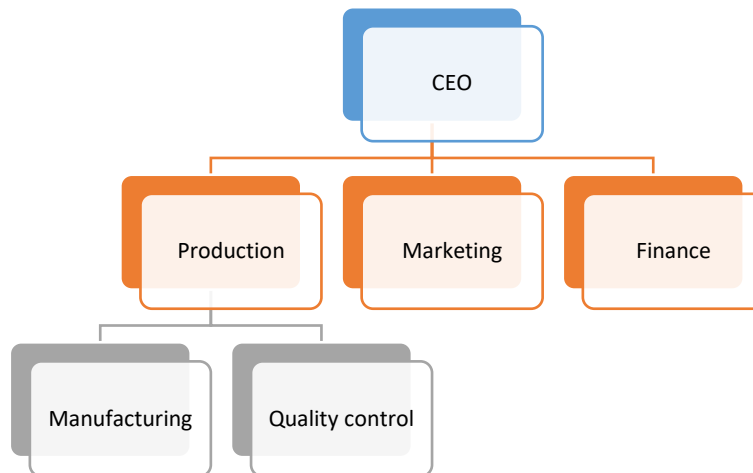
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<sup>22</sup> Fullen, S., & Podmoroff, D. (2006). *How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less*(pp.53)

<sup>23</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.38)

<sup>24</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.39)

Chart 2: Organizational Chart Example



Source: Pinson (2008)

### 3.5.2. Personnel

Pinson(2008) defines personnel as: “How many employees will be needed for the company? What jobs will you need them for? At what stage in the business will they be hired? What qualifications/experience will they need to have? What hours will they work? What salaries and benefits will they be paid?”<sup>25</sup>

## 3.6 Environmental Analysis

### 3.6.1 PEST Analysis

PEST analysis is a part of macro-environment analysis. It helps to analyze Political, Economical, Social, Technological changes in your business environment.

The following table will represents the external factors that may have an impact on a business which were found by Applegate and Johnsen (2007)

#### “Political

- Ecological and environmental regulation
- Taxation legislation
- Trade restrictions and tariffs
- Employment laws
- Government organization and attitude
- Competitive regulation

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<sup>25</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.40)

- Funding, grants , and initiatives
- Home market lobbying and pressure groups
- Risk of military invasion

### Economic

- Economic growth (overall)
- Economic growth (by industry sector)
- Taxation issues
- Interest rate
- Exchange rate
- Inflation rate
- Labor costs (minimum wage, unemployment benefit)
- Stage of the business cycle
- Government spending

### Social

- Lifestyle trends
- Demographics (age, gender)
- Income distribution
- Media views
- Education
- Consumer buying patterns
- Living conditions
- Ethics and religious factors
- Population growth rate

### Technological

- Industry technology development
- Research funding by the government
- Energy use and costs
- Maturity of technology
- Information and communications
- Consumer buying mechanism



- Technology legislation
- Innovation potential
- Technology access”<sup>26</sup>

### 3.6.2 SWOT Analysis

SWOT Analysis is a process that identifies an organization’s Strengths, Weaknesses, Opportunity and Threats. Pinson (2008) stressed out that “SWOT Analysis is in-depth examination of key factors that are internal (strengths and weaknesses) and internal (opportunities and threats) to a business. **Internal factors:** The examination of external factors takes a close look at the organization, laying out core competencies and areas in which a business has a competitive advantage. It also looks at areas in which a business has a lack of certain strengths. **External factors:** An examination of external factors looks at the marketplace in which a business operates and helps to identify new areas in which the business can grow and niche markets that can be pursued, all which will ultimately lead to greater profits for the business. It also looks at changes and trends in the market place that may affect a company’s operations. “<sup>27</sup>

As highlights Applegate and Johnsen (2007) PEST analysis measures a market while a SWOT Analysis measures a business, products, service, proposition or idea. Authors gave an example of each components of SWOT analysis in the table below:

Table 3: SWOT Analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Advantages of the company</li> <li>• Competitive Advantage</li> <li>• Unique selling point</li> <li>• Resources, assets, and employees</li> <li>• Financial reserve</li> <li>• Price, value, quality</li> <li>• Marketing</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Disadvantages of the product/services</li> <li>• Reputation</li> <li>• Financial Problems</li> <li>• Deadlines and pressure</li> <li>• Accreditations</li> <li>• Lack of competitive advantage</li> <li>• Leadership</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Market developments</li> <li>• Innovation</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Political effect</li> <li>• Competitor intentions</li> </ul>

<sup>26</sup> Applegate, E., & Johnsen, A. (2007). *Cases in advertising and marketing management* (pp. 29)

<sup>27</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.33)

<ul style="list-style-type: none"> <li>• New unique selling proposition</li> <li>• Partnership</li> <li>• Seasonal, weather, fashion influences</li> <li>• Geographical, export, import</li> <li>• Global influences</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of key staff</li> <li>• New technologies, services</li> <li>• Market demand</li> <li>• Environmental effects</li> <li>• Economy (home and abroad)</li> </ul>
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Source: Applegate and Johnsen (2007)

### 3.7 Market Analysis

One of the first things an entrepreneur should do before starting a new venture is assessing external factors that will influence success. It involves conducting an industry, customer, and competitor analysis.

#### 3.7.1 Customer Analysis

According to Sellars (2009) “the customer analysis describes who purchases any products or services in the industry. The profile is not limited to the customers the start-up firm intends to target. Secondary data is reviewed to identify the following information:

- Number of customers who purchase any products or services in the industry per year
- Characteristics of consumers who purchase any products or services in the industry (age, gender, education and occupation). Of particular interest are characteristics of heavy users of the products and services.”<sup>28</sup>

Pinson (2008) described customer analysis through the following questions: ““Who are you selling to?” and “Who are your ideal customers?”. The author states that your target market should be defined in terms of demographics, psychographics, and special characteristic of niche market, if applicable.

- Demographic refers to the statistical data of a population, including average age, income and, education
- Psychographics uses demographics to determine the attitudes and tastes of a particular segment of a population. Psychographics examines lifestyles: where people spend their vacations, where they stop, how they spend their vacations, where they stop, how they spend their disposable income, what sports they participate in or watch, which clubs/organizations they join, and more.

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<sup>28</sup> Sellars, D. (2009). *Business Plan Project*(pp.11)

- Niche market are a small segment of the population that shares common characteristics, interests, spending habits. Successful niche marketing focuses on a small segment of a total market. It is the best strategy for small business to achieve a market leadership position. “<sup>29</sup>

Sellars (2009) gave an example of customer analysis:

## **Customer Analysis**

The demographic profile of the consumer who spend the most on athletic shoes is as follows:

1. Age: Primary 25-34, Secondary 35-54
2. Gender: Women buy 20% more athletic shoes than men, however, their purchases are more apt to be for fashion rather than for performance
3. Income: Primary \$50.000+, secondary \$30.000-\$49.999 per year
4. Education: College degree
5. Household size: Families with teenage children
6. Usage: Less than 30% of athletic shoe purchases are for use in sports or fitness activities

### **3.8 Industry Analysis**

An industry analysis shows the size and what is trend like in the industry.

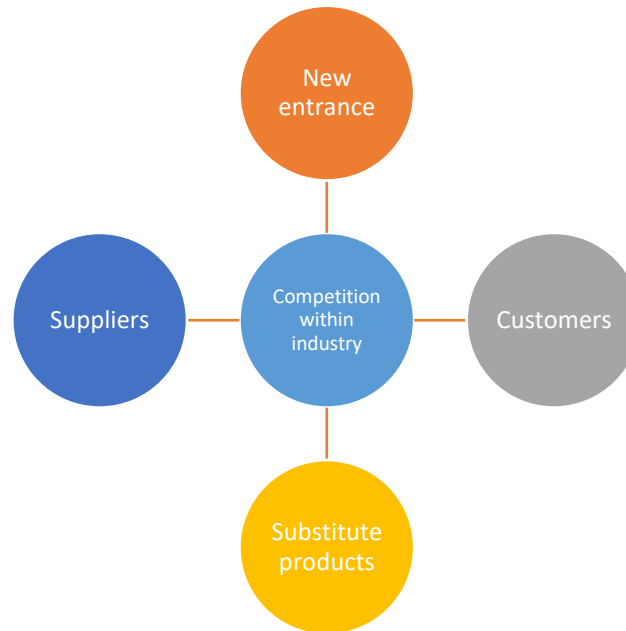
As defined by Krach (2008) “The Five Forces Analysis is a method for industry analysis and business strategy development. It states that there are 5 forces that determine the competitive intensity and thereby the attractiveness of a market.”<sup>30</sup>

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<sup>29</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.47)

<sup>30</sup> Krach, U. (2008). *The Secrets of Successful Speculation* (pp.73)

Chart 3: Five Forces Analysis



Source: Krach (2008)

### 3.8.1 Bargaining Power of Customers

Michaux (2005) states that “the influence of customers in competitive environment depends on their ability to negotiate. This can actually force companies to lower their prices, demand greater quality or additional services, or even take advantage of the competition between the different actors. In doing this, consumers directly influence the profitability of the market as they have an impact on the costs of the product.”<sup>31</sup>

Krach (2008) provided “examples of the factors that are important in determining the degree of buyers’ power:

- Buyers concentration
- Buyers volume
- Buyers switching costs
- Buyer information
- Ability to backward integrated
- Availability of substitutes

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<sup>31</sup> Michaux, S., Cadiat, A., & Probert, C. (2005). *Porter's Five Forces* (pp. 8)

- Buyers price sensitivity
- Brand Identity “<sup>32</sup>

### **3.8.2 Bargaining Power of Suppliers**

“Similarly, suppliers can have an impact on the profitability of a company by imposing their own conditions (in terms of cost or quality) in the same way as the customers”<sup>33</sup>, highlighted Michaux (2005)

The following factors founded by Krach (2008) “are important in determining the degree of suppliers:

- Suppliers switching costs
- Importance of volume to supplier
- Degree of specialization
- Suppliers concentration
- Threat of forward integration by suppliers relative to the threat of backward integration by firms
- Cost of inputs relative to selling price of the product”<sup>34</sup>

### **3.8.3. Threat of Substitute Products**

According to Michaux (2005) “substitute products offer alternatives to the existing offer in a sector. They respond to similar needs in a different or innovative way. For example, email is substitute for regular post, just as the MP3 is a substitute for the Walkman. Present in every industry, substitute products become real threats when:

- They offer a better quality
- The cost of transferring to the substitute product is low
- The price of the substitute product is lower

### **3.8.4 Threat of New Entrance**

New entrance shakes up the market by reaching a previously unoccupied position, by delivering greater value to new consumers. Their desire to win new market share increases the pressure on prices and policies on cost and investment rates,”<sup>35</sup> said Michaux (2005)

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<sup>32</sup> Krach, U. (2008). *The Secrets of Successful Speculation* (pp.74)

<sup>33</sup> Michaux, S., Cadiat, A., & Probert, C. (2005). *Porter's Five Forces* (pp. 8)

<sup>34</sup> Krach, U. (2008). *The Secrets of Successful Speculation* (pp.74)

<sup>35</sup> Michaux, S., Cadiat, A., & Probert, C. (2005). *Porter's Five Forces* (pp. 9)

### 3.8.5 The Intensity of Competitive Rivalry

There are several factors defined by Krach (2008) that “are important in determining the intensity of competitive rivalry:

- Number of competitors
- Product differences
- Switching cost
- Diversity of rivals
- Date of industry growth
- Industry overcapacity
- Exit barriers”<sup>36</sup>

### 3.9 Competitor Analysis

Competitor Analysis is an evaluation of pros and cons of a current and potential competitors. Sellars(2009) stressed out that “the competitor analysis describes firms that will compete for sale of the proposed business concept. Concepts that are not revolutionary have direct competitors. These are firms that market the same or very similar products or service. New-to-the-world products or service firms, however, must consider companies that offer differ but somewhat-related products and services that may complete for the same consumer dollars. These are indirect competitors. Information required for this section of business plan is as follows:

- a) Company name of the competitor
- b) Product and Services the competitor sells
- c) Past and current company sales
- d) Brand name of competing product
- e) Unique product or service features and benefits
- f) Price of product or service features and benefits
- g) Price of the products and services
- h) Distribution
- i) Promotion
- j) Overall awareness of the product or firm (low, medium, or high)
- k) Reputation and image of the product or firm (fair, good, or excellent)”<sup>37</sup>

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<sup>36</sup> Krach, U. (2008). *The Secrets of Successful Speculation* (pp.75)

<sup>37</sup> Sellars, D. (2009). *Business Plan Project*(pp.19)

As recommended by Pinson (2008) “in researching your competitors, check out the general health of the business , their approach to marketing , and their financial information. In addition, specifically investigate the following in depth:

- **Check their web sites:** Examine their design, format and content. Is the site professional and complete? What features and benefits do they promote? How do they position their product/services to their target market? What websites do they link to? What is the nature of the content they provide? Do they offer any community-building, message boards, or chat rooms? Do they feature special event?
- **Investigate the prices of their products and services:** How do they compare to yours? Do they offer the same products/services? Do they offer discounts? Any other special offers?
- **Determine who their advertisers are:** Who advertises on their website now? What rates do they charge for advertising? What are the terms of their affiliate programs, if any?”<sup>38</sup>

### 3.10 Marketing Mix

Marketing mix is based on four P’s: *Product, Price, Place, and Promotion*. It shows the product and service that the company is selling, the price that customer will pay for that, where will the company sell it or how customer will receive it (place or distribution channels), and what communication techniques will be used in order to make the business known to the public (promotion)

#### 3.10.1 Product

Kotler and Armstrong (2010) defined “a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Product include more than just tangible objects, such as cars, computers, or cell phones. Broadly defined, products also include services, events, persons, places, organizations, ideas, or a mixture of these. Service are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything. Examples include banking, hotel, services, airline travel, retail, and home-retail services. “<sup>39</sup>

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<sup>38</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.48)

<sup>39</sup> Kotler, P., & Armstrong, G. (2010). *Principles of marketing* (pp. 224)

As pointed out Sellars (2009) “product or service strategy is a detailed description of what will be sold to customers. If your concept is a product that will be produced, packaging is another consideration. Packaging performs many functions including containing, storing, protecting, and dispensing the product. A well-designed package and label can serve as an effective means of promotion. Color, graphics, size, and shape can make the product stand out on store shelves. The package can also reinforce the image and brand name of the product. Designing a package that is friendly environment should always be an important consideration. If your concept is a service that is visited by customers, a retail store, or a restaurant. Atmospherics is the general appearance of the store interior including layout, type of fixtures (shelving and displays or tables and chairs) , width of aisles, height of the ceiling , lighting, decor, signage , music, and clothes that employees wear. Exterior store appearance including signage is very important because it is also like an ad for the store. It must catch the attention of people and be inviting. Atmospherics and store exterior should be unique versus competitors and reinforce the desired image. Visits to competitor firms will reveal their atmospherics and exterior store appearance. “<sup>40</sup>

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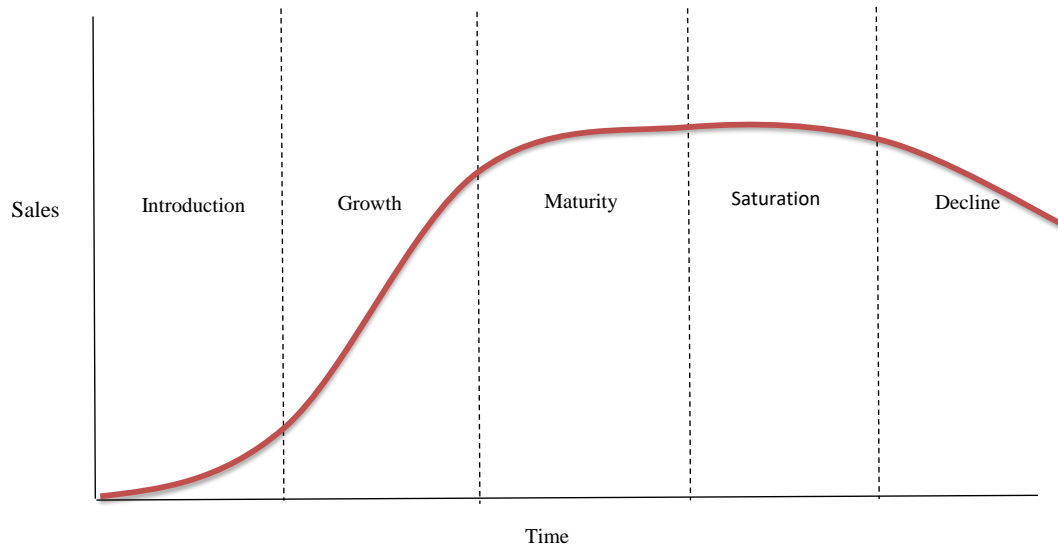
<sup>40</sup> Sellars, D. (2009). *Business Plan Project*(pp.48)



### 3.10.2 Product Life-Cycle

The product life cycle shows how the product was developed over the time, how it was brought to market and eventually removed from the market. Philip Kotler and Gary Armstrong (2010, pg. 273) show the stages of product lifecycle:

Graph 1: Product Life Cycle



Source: Kotler and Armstrong (2010)

1. **Introduction** is a period of slow sales growth as the product is introduced in the market. Profits are nonexistent in this stage because of the heavy expenses of product introduction.
2. **Growth** is a period of rapid market acceptance and increasing profits
3. **Maturity** is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits level off or decline because of increased marketing outlays to defend the product against competition.
4. **Decline** is the period when sales fall off and profits drop.”<sup>41</sup>

### 3.10.3 Price

According to Kotler and Armstrong (2010) “in the narrowest sense, price is the amount of money charged for a product or a service. More broadly, price is the sum of all the values that customers give up to gain the benefits of having or using a product or service. Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is also one of the

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<sup>41</sup> Kotler, P., & Armstrong, G. (2010). *Principles of marketing* (pp. 273)

most flexible marketing mix elements. Unlike product features and channel commitments, prices can be changed quickly. At the same time, pricing is the number-one problem facing many marketing executives, and many companies do not handle pricing well.”<sup>42</sup>

As mentioned by Sellars (2009) “pricing strategy involves determining the initial price level of what is sold. If the price is too high, sales will be lost. A price that is lower than it needs to be means that profits will be lost. There are five factors that will help determine the initial price:

1. Costs (product or service and operational costs)
2. Price elasticity (sensitivity of customers to different price levels)
3. Desired image
4. Value that the product, service, or store offers
5. Price levels of competitors

The marketing manager can use a number of ways to determine a price. A simple means is to consider three pricing options: penetration, parity, and skimming pricing strategies. A **penetration pricing strategy** is introducing a new product or service at a price below its value but not its costs. This is often below competitor price points.. A **skimming pricing strategy** is the opposite of a penetration pricing strategy. The product is introduced at levels above its value. This strategy enables the firm to recoup development costs early and create a prestige image. Sales may be limited, however, if there are competitors with lower customers cannot afford the product, highlighted Sellars(2009)”<sup>43</sup>

### 3.10.4 Place

Pinson (2008) notes “how will your company reach your customers? Are your sales primarily handled by bricks (physical stores), clicks (website), catalogues (direct mail), or hybrid (multiple channels)? Do you have plans to expand your methods of sales/distribution as sales increase?

- **Stores or physical offices** should be described by size, location, and physical characteristics in reasonable detail. Kiosks and other additional methods of sales should also be included.
- **Catalogues** should be described in terms of size, frequency of mailings, and approximate number of items offered.

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<sup>42</sup> Kotler, P., & Armstrong, G. (2010). *Principles of marketing* (pp. 290)

<sup>43</sup> Sellars, D. (2009). *Business Plan Project*(pp.49)

- **Website** information should include design information, description of contents and major features, hosting arrangements, technological considerations, credit card processing, security arrangements, and other details about the creation and maintenance of this website. “<sup>44</sup>

### 3.10.5 Promotion

Promotion is an advertising of some specific product or brand, which generate sales and creates brand loyalty. As defined by Kotler and Armstrong (2010) “A company’s total promotion mix—also called its marketing communications mix— consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships. The five major promotion tools are defined as follows:

- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Personal selling:** Personal presentation by the firm’s sales force for the purpose of making sales and building customer relationships.
- **Public relations:** Building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.
- **Direct marketing:** Direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships.”<sup>45</sup>

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<sup>44</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.51)

<sup>45</sup> Kotler, P., & Armstrong, G. (2010). *Principles of marketing* (pp. 408)

### 3.11 Financial Plan

One of the most important reasons of business is making money. Financial plan is important when the company is planning business, especially for investors and bankers.

According to Pinson (2008) “this section of business plan should include

- Summary of Financial needs
- Cash Flow Statement
- Three-Year Income Projection <sup>46</sup>

#### 3.11.1 Start-up Budget

As defined by Stomierowski and Lorette (2012) start-up costs are one-time expenses necessary to get your business up running. Your main expenses will be fees for licenses, registrations, and legal assistance, the cost of renting and furnishing an office, and advertising to attract customers. The following table will show the example of start-up budget:

Table 4: Start-up Budget

<b>Computer Equipment</b>	<b>Amount</b>
Computer Purchase	
Scanner	
Copier	
Fax machine	
Printer	
Laptops	
<b>Office furniture and suppliers</b>	
Large file cabinet	
New Phone	
Desk and Chair	
Office suppliers	
<b>Business expenditure</b>	

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<sup>46</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.77)

Office Lease	
Legal advice	

Source: Stomierowski and Lorette (2012)

### 3.11.2 Cash Flow Statement

What is a Cash Flow Statement? As mentioned by Pinson (2008) “The Cash Flow Statement is the financial document that projects what your Business Plan means in terms of dollars. A cash flow statement is the same as a budget. is a pro forma (or projected) statement used for internal planning and estimates how much money will flow into and out of a business during a designated period of time, usually the coming tax year. Your profit at the end of the year will depend on the proper balance between cash inflow and outflow.

The Cash Flow Statement identifies when cash is expected to be received and when it must be spent to pay bills and debts. It also allows the manager to identify where the necessary cash will come from. This statement deals only with actual cash transactions and not with depreciation and amortization of goodwill or other non-cash expense items. Expenses are paid from cash on hand, sale of assets, revenues.”<sup>47</sup>

### 3.11.3 Income Projection

As stressed out Stomierowski and Lorette(2012) “income projections (profit and loss statements).A pro forma income projection is an estimate of the company's expected revenues for a future period, based on market prices, the cost of goods and services, and allowances for loss. “<sup>48</sup>

- a. Three-year summary
- b. Detail by month, first year
- c. Detail by quarters, second and third years
- d. Assumptions upon which projections were based

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<sup>47</sup> Pinson, L. (2008). *Anatomy of a business plan* ( pp.84)

<sup>48</sup> Stomierowski, P., & Lorette, K. (2012). *How to open & operate a financially successful personal financial planning business* (pp. 113)

## 4. Practical Part

### 4.1 Description of the company

Football has been growing for many years of its existence. It is one of the most popular, discussable and interesting things in our lives. “FunStop” is a place where people can enjoy the atmosphere full of football feelings. Restaurant and bar services is what the company will provide. Additionally, what is more important that all the favorite football matches will be always broadcasting in our bar. Furthermore, during the break or if there no matches broadcasted, board games such as table football, darts will be offered to our customers as a bonus.

#### 4.1.1 Mission Statement

Our mission is to create a friendly sport atmosphere where people can come every time to watch the teams they support. Offering a high quality services, being attentive to all the wishes of the customers. The working staff will be always paying attention in order to make your visit comfortable. The bar will be concerned in offering our customers verities of food made only from fresh products.

#### 4.1.2 Vision Statement

Our vision statement is to achieve the reputation of the best sport bar in the city. Trying to show as more matches as it can be. To reach the reputation of the friendliest staff, where a customer always wants to come back.

#### 4.1.3 Mantra

“Eat. Drink. Support”

#### 4.1.4 Values

**Customer-Focus.** Every single person that visits the bar can be sure that our trained staff will always remain patient in any situations, will take into the consideration the needs of the customers, trying to pay their attention to details.

**Excellence.** One of the most important goals that is wanted to be achieved is having all the services (kitchen, drinks, products, relationship between the staff and customers) on the top level. Very good is not enough for the bar.

**Integrity.** We want to follow all the rules of integrity, being honest and open with our customers.

**Openness.** We are always open for new ideas, innovation offered by the customers, partners and employees.

**Teamwork.** Everyone who is working in the company can take a part in the development of the company. We believe that contribution of employees will make the development of the organization successful.

#### **4.1.5 Goals**

- To be the first place on the mind when one wants to watch sport event
- To achieve at least 30% of customer return within the first year
- To be in the top recommendations for tourists in hotels/hostels as
- Trying to be not just a place to watch the matches, but also having the bar full in off-season.
- Additionally, trying to attract customers with some special events as table football, hockey, and darts tournaments.
- To develop well-qualified and what is more important polite workforce
- Expand target group
- Having a Multilanguage team, what will make the organization more attractive for tourists
- Creating the extraordinary menu, the menu that is not based on the restaurants standards.
- Having unique names and unique design for the meals.
- Immediate reaction to online reservations
- To spread in the future in the other places of the city
- To cover all the expenses within 1-2 years

#### **4.2 Company ownership**

Sport-bar “FunStop” belongs to limited liabilities company which is called “Sport Events s.r.o.” owned by Firdavs Abdukhalikov

#### **4.3 Product and service description**

Sport bar “FunStop” is a place where you can eat, having a big variety of different and unique food, strong alcoholic, low-alcoholic and non-alcoholic beverages, while our guests are watching football events. The example of the menu will be described in the tables that will be shown below.

Table 5: Menu Beverages

<p><b>Draft beer</b></p> <ul style="list-style-type: none"> <li>○ Pilsner Urquell</li> <li>○ Staropramen (filtered/non-filtered)</li> <li>○ Guinness</li> <li>○ Stella Artois</li> <li>○ Hoegarden</li> </ul>	<p><b>Beer Bottle</b></p> <ul style="list-style-type: none"> <li>○ Corona Extra</li> <li>○ Desperados Tequila Beer</li> <li>○ Cider</li> <li>○ Birell(non alcoholic)</li> </ul>	<p><b>Soft Drinks</b></p> <ul style="list-style-type: none"> <li>○ Coca Cola(Vanilla, Cherry, Zero)</li> <li>○ Fanta</li> <li>○ Sprite</li> <li>○ Nestea</li> <li>○ Juice Cappy</li> <li>○ Toma</li> <li>○ Red Bull</li> <li>○ Home made lemonade</li> </ul>
<p><b>Coffee and Hot drinks</b></p> <ul style="list-style-type: none"> <li>○ Espresso(Double)</li> <li>○ Cappuccino</li> <li>○ Latte</li> <li>○ Macchiato</li> <li>○ Irish Coffee</li> <li>○ Frappe</li> <li>○ Americano</li> <li>○ Piccolo latte</li> <li>○ Tea(black, green, fruit, ginger, mint)</li> <li>○ Hot wine</li> </ul>	<p><b>Whiskey</b></p> <ul style="list-style-type: none"> <li>○ Jack Daniels</li> <li>○ Jameson</li> <li>○ Jim Bean</li> <li>○ Chivas</li> <li>○ Ballantie's</li> <li>○ Macallan</li> </ul>	<p><b>Rum</b></p> <ul style="list-style-type: none"> <li>○ Captain Morgan</li> <li>○ Malibu</li> <li>○ Havana</li> </ul>
<p><b>Vodka</b></p> <ul style="list-style-type: none"> <li>○ Absolut</li> <li>○ Finlandia</li> </ul>	<p><b>Gin</b></p> <ul style="list-style-type: none"> <li>○ Beefeater</li> </ul>	<p><b>Tequila</b></p> <ul style="list-style-type: none"> <li>○ Olmeca</li> </ul>



○ Russian Standard		
<b>Cocktails</b> <ul style="list-style-type: none"> <li>○ Sparta</li> <li>○ Barcelona</li> <li>○ Real Madrid</li> <li>○ Atletico Madrid</li> <li>○ Bayern Munich</li> <li>○ Borussia Dortmund</li> <li>○ Manchester United</li> <li>○ Manchester city</li> <li>○ Liverpool</li> <li>○ Chelsea</li> <li>○ Arsenal</li> <li>○ Tottenham</li> <li>○ Juventus</li> <li>○ Milan</li> <li>○ Napoli</li> <li>○ PSG</li> </ul>	<b>Wine</b> <ul style="list-style-type: none"> <li>○ Red</li> <li>○ White</li> </ul>	<b>Champagne</b> <ul style="list-style-type: none"> <li>○ Mumm Cordon Rouge</li> <li>○ Perrier Jouet Grand Brut</li> <li>○ Moet Chandon</li> </ul>

Source: author

\*all special cocktails are made in symbolic colors of customer's favorite team. If there is no the name of client's favorite team it can be easily requested at the bar.

Table 6: Menu Food

<b>Beer snacks</b> <ul style="list-style-type: none"> <li>○ Homemade chips</li> <li>○ Onion rings</li> <li>○ Cheese balls</li> <li>○ Chicken strips</li> </ul>	<b>Soups</b> <ul style="list-style-type: none"> <li>○ Tomato</li> <li>○ Vegetable</li> <li>○ Beef/Chicken</li> <li>○ Fish</li> </ul>	<b>Salads</b> <ul style="list-style-type: none"> <li>○ Caesar</li> <li>○ Greek</li> <li>○ Vegetable</li> <li>○ Caprese</li> </ul>
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<ul style="list-style-type: none"> <li>○ Nut plate</li> <li>○ Dried fish plate</li> <li>○ Anti-pasta</li> <li>○ Nachos</li> </ul>		
<p><b>Wings/Shrimps(served with different sauces)</b></p> <ul style="list-style-type: none"> <li>○ Buffalo</li> <li>○ Hot</li> <li>○ Teriyaki</li> <li>○ Barbeque</li> <li>○ Curry</li> <li>○ Honey</li> </ul>	<p><b>Main Dishes</b></p> <ul style="list-style-type: none"> <li>○ Grilled chicken steak</li> <li>○ Rib-eye steak</li> <li>○ Salmon steak</li> <li>○ Grilled pork ribs</li> </ul>	<p><b>Special Burgers</b></p> <ul style="list-style-type: none"> <li>○ Camp Nou</li> <li>○ Santiago Bernabeu</li> <li>○ Old Trafford</li> <li>○ Allianz Arena</li> <li>○ Emirates</li> <li>○ Anfield</li> <li>○ Parc de Princes</li> <li>○ Allianz Stadium</li> <li>○ Vanda Metropolitan</li> </ul>
<p><b>Side dishes</b></p> <ul style="list-style-type: none"> <li>○ French fries</li> <li>○ Grilled vegetables</li> <li>○ Garlic baguette</li> <li>○ Baked potatoes</li> <li>○ Potato puree</li> </ul>	<p><b>Sauces</b></p> <ul style="list-style-type: none"> <li>○ Barbeque</li> <li>○ Garlic</li> <li>○ Cheese</li> <li>○ Honey Mustard</li> <li>○ Salsa</li> <li>○ Hot Chili</li> <li>○ Sweet Chili</li> <li>○ Sweet onion</li> <li>○ Mushroom</li> <li>○ Guacamole</li> </ul>	<p><b>Deserts</b></p> <ul style="list-style-type: none"> <li>○ Chocolate brownie</li> <li>○ Cheesecake</li> <li>○ Tiramisu</li> <li>○ Ice cream</li> </ul>

Source: author

\*Special burgers served in the symbolic of customer's favorite team (flag with logo of the team, napkins, and plates).

The bar will start its operation during the world championship 2018. In general, it will be oriented in broadcasting the top and local football leagues as Czech, German, Spanish, English, Italian, French, additionally Champion league, European league matches will be definitely in the top events. Moreover, different competition exercises will be offered to our customers. For instance, if one can predict the exact score of some top event the person gets a free t-shirt with printed logo of his/her favorite team. In addition, our guests can make online reservation and be sure for getting fast response.

#### **4.4 Location**

The bar will be located in the very city center at the street named Betlemske Namesti. The location of the organization makes it more available for tourists, because of the big amount of hotel/hostels around that area. It is a two-story space with 166m<sup>2</sup> with 66 seating places. The place will be designed in the way that our customers can feel the atmosphere of the stadium. It will be equipped with many TV's in order to make a clear view to all tables. Additionally, each floor will have big screens that will be broadcasting top events of the day with a high sound quality.

#### **4.5 Management and Personnel**

The bar will consist of internal and external employees. Director, waiters/waitresses, bar tenders, cooks, cleaners, promoters belong to the internal work force.

1. Director's responsibilities are to build well-trained staff and manage them, communication with external environment, develop marketing strategy, price strategy, make decisions, controlling all the processes, ordering kitchen products on time, ability to work with customers and employees, set goals and achieving them.
2. Providing a high quality service is the most important responsibility of waiters/waitresses, easily dealing with conflicts, control everything to be paid, always be patient. Moreover, they have to know all details about the menu, ingredients, allergens, what the cocktails consist of. Another responsibility is to control the broadcasting of matches and to put them on the right time.
3. First, bar tenders have to know how to prepare different types of cocktails, he/she has to be creative in order to be able to make our special cocktails and be ready to create something new for the clients. Communication skills obviously have to be on the top level.
4. Kitchen plays a big role in such place where people eat. It means that cooks are taking a big responsibility on themselves. Keeping kitchen clean, controlling the products to be fresh, to know basic rules of products storage, following the standard norms of hygiene, be ready during

busy hours, managing kitchen staff, making up a list of products that are needed, ability to offer to the customers something that is not in the menu.

5. Cleaners have to keep the space both in the kitchen and in the sitting area clean, have to be paid an attention to keep the toilets always in a good conditions
6. It is important for the bar to have good promoters, having such people will help to keep the bar full. Promoters need to be very communicative, who can easily find a contact with the person and trying to convince people to visit our place.

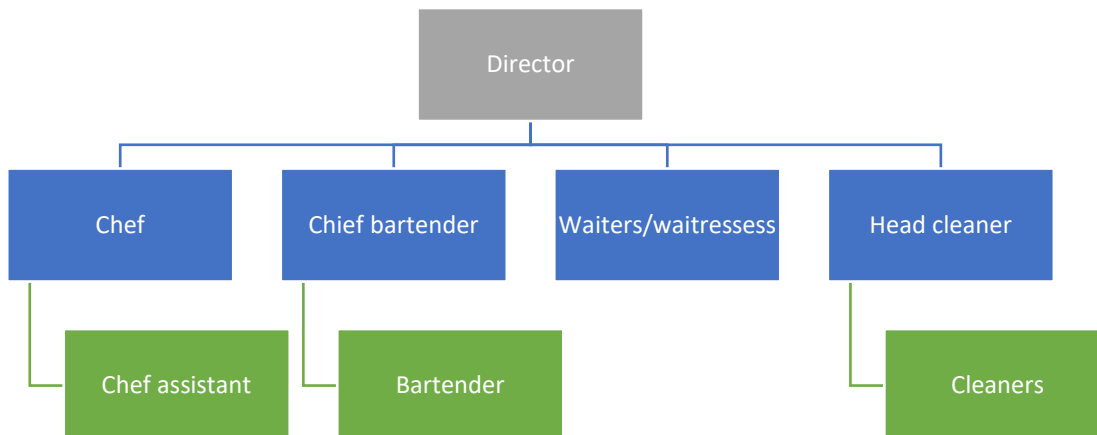
Internal work force consist of accounting, technician, and menu designer.

1. Accounting person that will be hired approximately twice a month should collect, analyse and report financial data.
2. The duty of technician is to keep all technical equipment(TV, big screen) always in working conditions
3. Menu designer will be hired in order to create the menu, what it will consist of and what is more important create our special burgers.

#### 4.5.1 Organizational structure

In general, bars have hierarchical organizational structure with strict control of the director

Chart 4: Organizational Chart of 'Fun Stop'



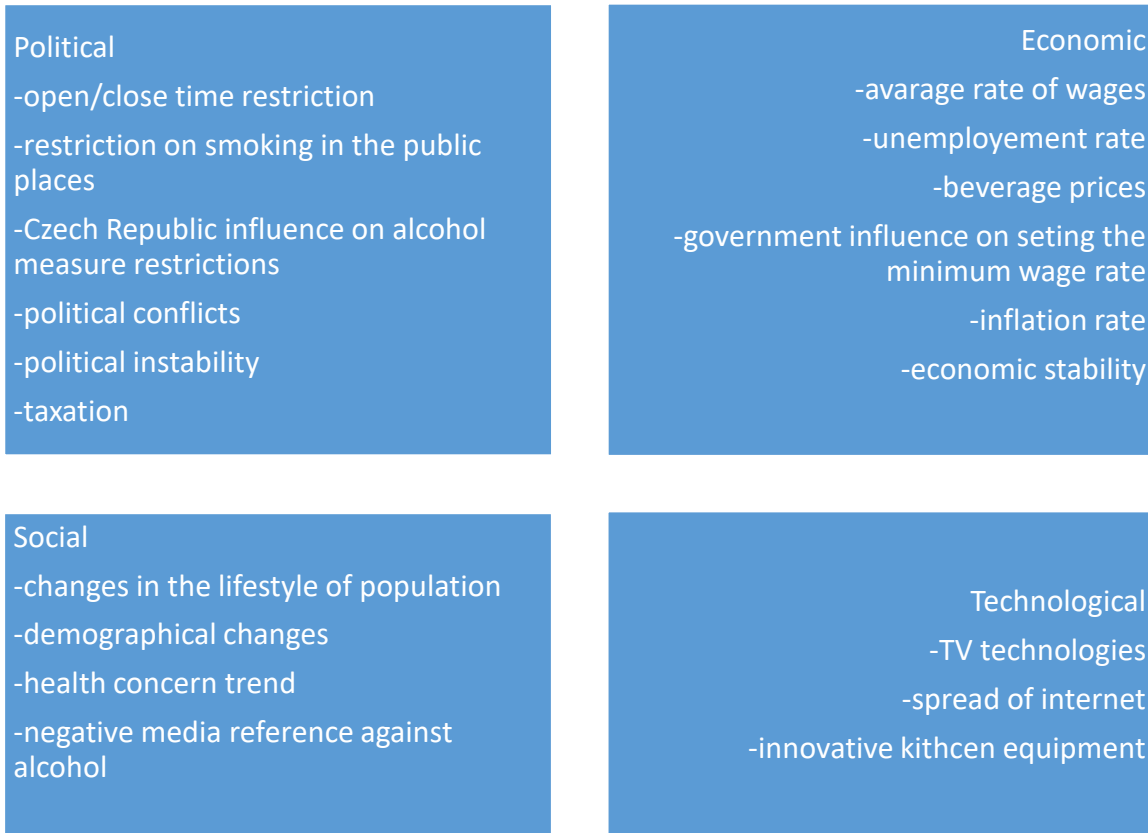
Source: author

In the future, the company is planning to expand, trying to create more work places such as strategic manager, accounting and finance manager, procurement manager.

## 4.6 Environmental Analysis

### 4.6.1 PEST analysis

Chart 5: PEST Analysis



Source: author

### 4.6.2 SWOT

#### **Strengths**

One of the reasons that makes our bar unique and different from others, that we are oriented only on one specific target group (football supporters). At the same time, special burger and cocktail menu is what gives us a big advantage against our competitors. Furthermore, location of the organization makes the visits for the customers more accessible; as a result, it is also a good option for tourists. What's more important that it is not just a place to watch football and drink beverages; our menu has a big choice of different food, so anyone who wants to try a good quality meal can visit the bar. What is more interesting, that different activities will also take a place in our place, as for instance table-football, darts tournament. Therefore, it does not matter for the company if a customer

is a football supporter. Well-trained and educated staff will make the stay of everyone who chooses us better. The staff that is always polite can easily give you the recommendation about the menu and undoubtedly have knowledge in football. Our modern and up to date web site will help to make reservation, with fast response, available photos and the concept of the bar will be described there.

### **Weaknesses**

As the company and concepts are new in the market, what means that there no customers and no reputation. While such places like, Dutch Pub, Dubliner and Hooters are popular within the local people and tourists. It will take some time to prepare team and build good relationships. Parking is also coming as a disadvantage of location. Limited space is also one of the cons of our company.

Director is taking many responsibilities what increases the chances of making a mistake somewhere.

### **Opportunities**

In the future, it will be strategically important to expand branches around the city. The concept and special approach of the organization can make our place most visited among the existent bars with standard attitudes. Prague is starting to become more popular destination for tourists; as a result, hotels/hostels are completely full during the season. For this reason, our customer visit rate can grow.

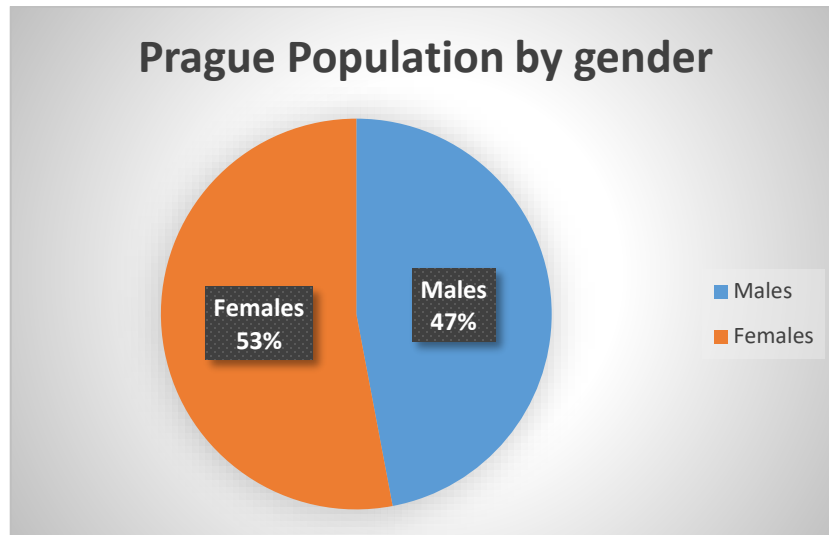
### **Threats**

Potential competitors that are known not only to locals, but also for foreigners, as it is an international company called “Hooters”. The risk that the owner of building will make a sudden decision to sell the place, which our organization rents.

## **4.7 Customer Analysis**

Our customers, on one hand are those people, who are interested in watching football, on the other hand, it can be anyone who just wants to spend good time with a beautiful environment and atmosphere that our team will build. The following chart shows the percentage rate of population by gender in Prague, which is equal to 2,318,000. Where the amount of female is 1,228,000 while the number the opposite gender is a bit less and equals to 1,090,000. The potential customers for our company are males, as this part of population is more interested in sport events from their childhood, especially in football. At the same time, it should be mentioned that some part of females are visiting such places with their husbands, brothers and friends.

Chart 6: Population by Gender



Source: Suburban Stats (2017)

The table below shows the percentage male rate by ages. Potential ages of customers are colored to emphasize their significance as our clients

Table 7: The male rate by ages in Prague

Age	Amount	Percent
Under 5 years	99000	9%
5 to 9 years	81000	7%
10 to 14 years	92000	8%
15 to 17 years	69000	6%
18 and 19 years	23000	2%
20 years	11000	1%
21 years	10000	1%
22 to 24 years	45000	4%
25 to 29 years	62000	6%
30 to 34 years	54000	5%
35 to 39 years	67000	6%
40 to 44 years	71000	7%
45 to 49 years	77000	7%
50 to 54	74000	7%

55 to 59 years	64000	6%
60 and 61 years	20000	2%
62 to 64 years	30000	3%
65 and 66 years	21000	2%
67 to 69 years	16000	1%
70+ years	104000	10%

Source: Suburban Stats (2017)

The company is oriented on the part of population that have either high income or medium/low income. In other words, every single person can come to our place, as he/she doesn't pay for the watching and 1-2 beverages is usually affordable to anyone who is visiting such places.

#### 4.7.1 Questionnaires

Customers of an existing bar have been asked with following questions. Anyone wishing to take a part in questionnaire was answering the following questions:

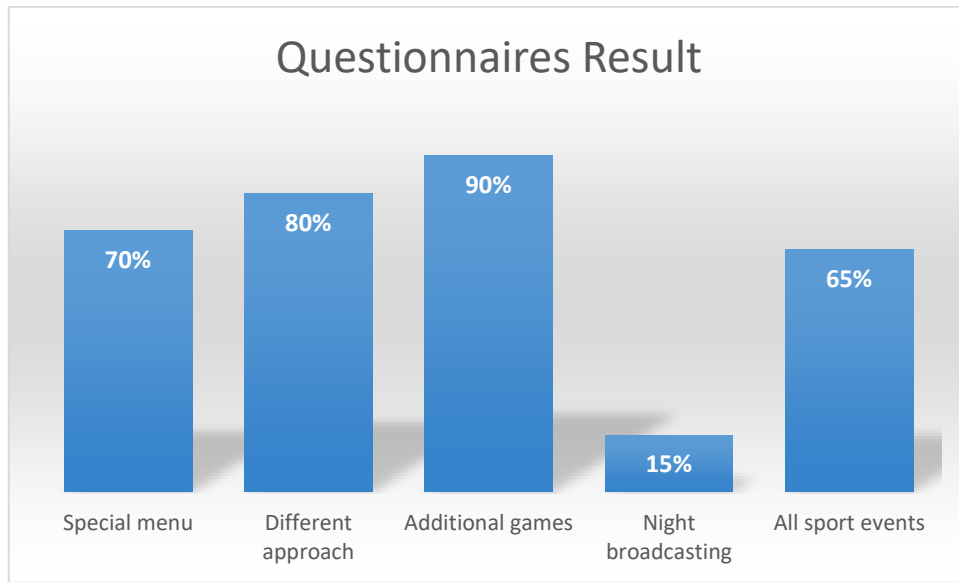
Table 8: Questionnaire

Service/Product/Offer	Yes/No
Do you think that broadcasting of night sport events is a good idea?	
Do you want to have a special approach to customers from the company's side?	
Do you think that sport bars should broadcast all sport events?	
Do you want a special menu with the names of your favorite team to be served with attributes, flags and colors of a particular team?	
Is it important to have additional activities as table football, darts in the bar?	

Source: author



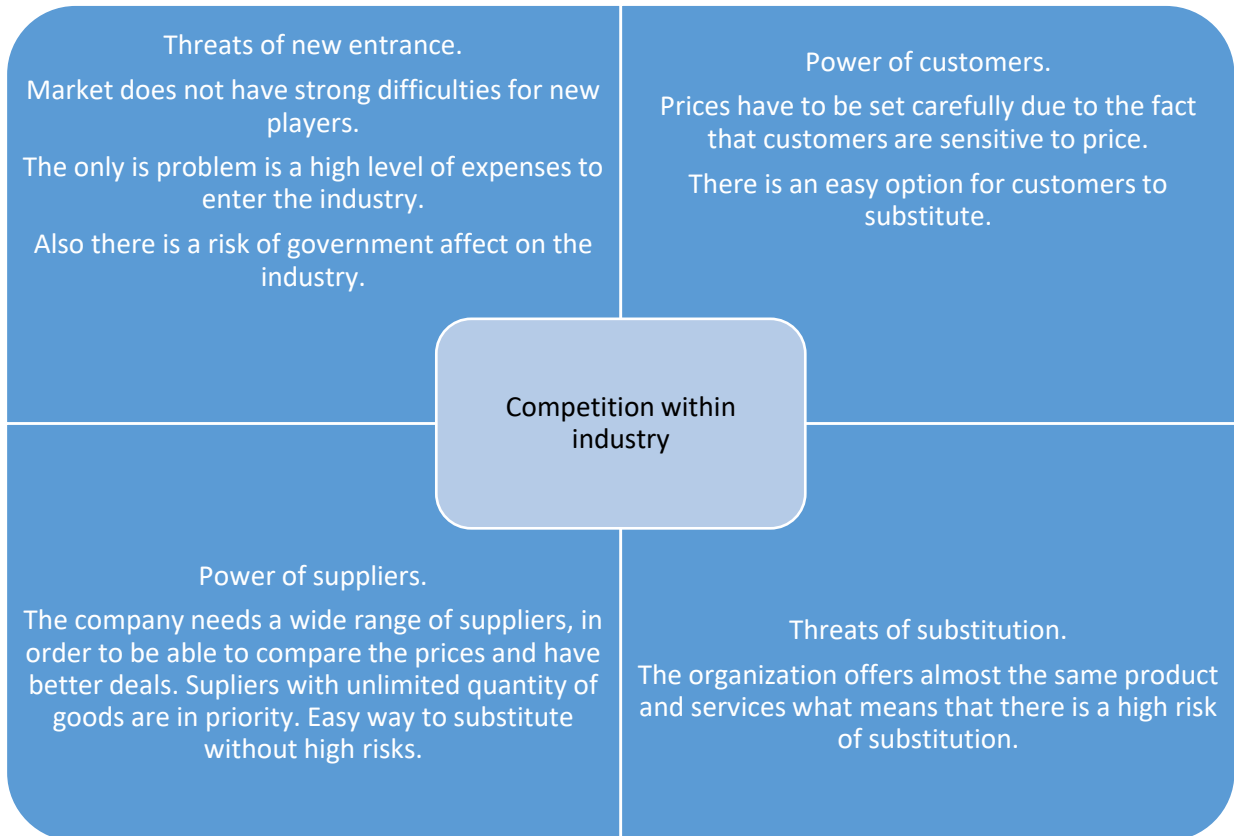
Graph 2: Questionnaires Result



Source: author

As the results of questionnaires, people were interested in having such services as Different approach, additional games, and special menu at most. The company decided not to ignore these factors and tried to take them into the consideration.

## 4.8 Porter Five Forces Analysis.



### 1) Threats of substitutes.

There are wide range of existing substitutes as restaurants, bars and others. This is the reason why the product is easily substituted.

### 2) Competition within industry.

Industry is very competitive as it has a huge number of companies, because a sphere is growing, at the same time everyone is offering the same products and services.

### 3) Threats of new entrance.

The market as it was mentioned is very competitive, moreover it can be said that 80% of the market is occupied by 2-3 competitors (Hooters, Dutch Pub, Dubliner). There is a high risk of entering the market, as the payback period is 1 year or more. Additionally, there is a risk of government affect, different rules can be set by them.

#### **4) Power of customers.**

The company knows the value of customer's loyalty. Concepts of the organization are unique that is why it is expected to have 50% of customers always coming back. Prices have to be set carefully due to the fact that customer is sensitive to price.

#### **5) Power of Suppliers.**

Restaurant should have a wide choice of suppliers with unlimited amount of goods, in order to be able to compare the prices and have better deals.

### **4.8.1 Strategy**

Promoting organizations offers services and concepts. Observe what do the other competitors offer and to be ready for new companies in the market. To work on the development of ideas trying to be innovative and creative in all aspects. To keep making activities with customers in order to attract them. Create a rewarding system for loyal customers. Also, as one of the strategies it is important to get discounts from suppliers.

## **4.9 Competitor Analysis**

It seems to be clear that there is a high rate of competition in such market as restaurant/bar services. A huge amount of restaurants and bars can be found in one city, what makes competition within the industry very difficult especially for those who are new players in the market. Competitor analysis can be divided on one hand to direct competitors, on the other to indirect. Direct competitors of 'FunStop' are 'Hooters', 'Dutch Pub' and 'The Dubliner' the most visited places and mostly famous direction for tourists. These are the main competitors of the company because of having high reputation, big experience, good promotion systems and advertisement. Additionally, these are not the only reasons what makes them best on the market.

- 1. 'Dubliner'** located in the very center of Old Town square (100 meters from the astronomical clock) makes this place attractive mostly to tourists. It has a big capacity inside with the seating places in the courtyard. Large selection of food and beverages what makes this place to be in the top of bar/restaurant industry. What is more important, there are 2 big screens and 11 smaller ones to watch different sport events like football, hockey, basketball, box and others. Moreover, live music is usually offered once a week in this place. The working staff is oriented on tourists especially English speaking audience that is why English is a priority language when one visits this place what makes it more comfortable for tourists. Good working web-

site is also of their strengths. One of the disadvantages that has to be mentioned is that they are oriented on tourists and this is the reason why they have high prices comparing to the other places with the same concept. It is usually hard to find local people inside because of this. To finalize, 'Dubliner' is a good place to spend the time, if there is a sport event it is one of the best places to watch the events as they broadcast not only football but also other sports. Huge space with lots of TV's in there. Prices are a bit high but in total it is a good place to visit.

2. **'Hooters'** is an international brand that was first founded in 1983 in Florida, United States and is well known to people. It is a company that is growing continuously and can be found in 29 different countries. There are 2 branches located in Prague and both of them are in the city center. Hooters restaurants offer casual atmosphere, making it ideal for watching sports matches, mostly football with many TV's inside. Makes this place more famous the taste of **'Hooters chicken wings'**, served with wide selection of sauces of various spiciness. Additionally, there are other meal offers as burgers, shrimps, grilled steaks and fresh salads and wide range of beverages. The staff is well trained and speaks almost perfect English.
3. **'Dutch Pub'** is located the historical center of Prague in 4 minutes from Wenceslas square, offers a delicious STEAK & BURGER menu, an extraordinary interior in the Dutch style, a peaceful garden in the yard and a wide selection of beer. The most famous football matches are always shown in this place as they have 2 huge screens and many seating places. The prices are affordable to anyone, it is not an expensive place but at the same time a place with a high reputation either within locals and tourists.

## 4.10 Marketing Mix

Marketing mix of 4P's is a number of tactics and strategies that the company will use in order to show what the marketing plan will consist of. The company 'FunStop' will be using different strategies based on the product and concept that is offered. The organization has unique concept what make it different on the market.

### 4.10.1 Product

**Food specials** – a high assortment of American food(wings, burgers, shrimps) will be offered to customers. The menu will consist of burgers with unique design and names of the most famous football stadiums. Special burgers will be served with the symbolic of the club it belongs to.

**Drink Specials** – a wide choice of beverages will define the company. As in the situation with burgers, the cocktails will also have unique approach as they will be named after the names of the customer's favorite football team. The cocktails will contain the colors of the team.

**Following signs** - special sidewalk signs will be used in order to attract anyone who is walking by. It might also help those who is trying to find the place.

Contests – during the biggest football matches our customers will have an opportunity to win something. The contests can be the following: prediction of the right score, winning a table football tournament, loyalty and others.

**Website** – it will contain all information about the bar, concepts, menu and beverages menu, additionally it will be possible to make reservations using it. All information (timetable of upcoming events, matches, contests, activities) will be available on the main website. It will have proper links to our social networks.

**Performances** - once a week some local singer will be invited to play a show for our customers(for free).

**Support Local Teams** – our customers have to be sure that big local games will be always played in the bar; we will always have them ready to show them on the big screen.

**Social Media** – the company will be using different social media sources(Facebook, Instagram, Twitter) in order to spread out the knowledge about the bar.

**Flyers** – the company will be promoted by 1-2 people outside the restaurant to spread the information about us among those who are walking by.

**Other Sport Events** – important sport events (basketball, hockey, Olympic games, box, UFC) will be also provided to our customers.

#### 4.10.2 Price

The organization will not set high prices because our aim is to make the visit of our place affordable. Our customer can pay in Czech crowns, euros, US dollars and bitcoin/Litecoin.

The table below will show the prices in CZK.

Table 9: Beverages Price

<p><b>Draft beer</b></p> <ul style="list-style-type: none"> <li>○ Pilsner Urquell - 42</li> <li>○ Staropramen (filtered/non-filtered) -39</li> <li>○ Guinness - 80</li> <li>○ Stella Artois - 40</li> <li>○ Hoegarden - 45</li> </ul>	<p><b>Beer Bottle</b></p> <ul style="list-style-type: none"> <li>○ Corona Extra - 95</li> <li>○ Desperados Tequila Beer - 80</li> <li>○ Cider - 35</li> <li>○ Birell(non alcoholic) - 30</li> </ul>	<p><b>Soft Drinks</b></p> <ul style="list-style-type: none"> <li>○ Coca Cola(Vanilla, Cherry, Zero) - 35</li> <li>○ Fanta - 35</li> <li>○ Sprite - 35</li> <li>○ Nestea - 35</li> <li>○ Juice Cappy - 37</li> <li>○ Toma - 40</li> <li>○ Red Bull - 70</li> <li>○ Home made lemonade - 70</li> </ul>
<p><b>Coffee and Hot drinks</b></p> <ul style="list-style-type: none"> <li>○ Espresso - 40</li> <li>○ Cappuccino - 45</li> <li>○ Latte - 45</li> <li>○ Macchiato - 45</li> <li>○ Irish Coffee - 45</li> <li>○ Frappe - 50</li> <li>○ Americano - 40</li> <li>○ Piccolo latte - 40</li> <li>○ Tea(black, green, fruit, ginger, mint) - 35</li> <li>○ Hot wine - 40</li> </ul>	<p><b>Whiskey</b></p> <ul style="list-style-type: none"> <li>○ Jack Daniels - 75</li> <li>○ Jameson - 65</li> <li>○ Jim Bean - 60</li> <li>○ Chivas - 105</li> <li>○ Ballantie's - 60</li> <li>○ Macallan - 150</li> </ul>	<p><b>Rum</b></p> <ul style="list-style-type: none"> <li>○ Captain Morgan - 55</li> <li>○ Malibu - 50</li> <li>○ Havana - 500</li> </ul>
<p><b>Vodka</b></p> <ul style="list-style-type: none"> <li>○ Absolut - 60</li> <li>○ Finlandia - 60</li> </ul>	<p><b>Gin</b></p> <ul style="list-style-type: none"> <li>○ Beefeater - 60</li> </ul>	<p><b>Tequilla</b></p> <ul style="list-style-type: none"> <li>○ Olmeca - 65</li> </ul>

<ul style="list-style-type: none"> <li>○ Russian Standard - 60</li> </ul>		
<b>Cocktails(125CZK each)</b> <ul style="list-style-type: none"> <li>○ Sparta</li> <li>○ Barcelona</li> <li>○ Real Madrid</li> <li>○ Atletico Madrid</li> <li>○ Bayern Munich</li> <li>○ Borussia Dortmund</li> <li>○ Manchester United</li> <li>○ Manchester city</li> <li>○ Liverpool</li> <li>○ Chelsea</li> <li>○ Arsenal</li> <li>○ Tottenham</li> <li>○ Juventus</li> <li>○ Milan</li> <li>○ Napoli</li> <li>○ PSG</li> </ul>	<b>Wine</b> <ul style="list-style-type: none"> <li>○ Red - 45-80</li> <li>○ White – 45-80</li> </ul>	<b>Champagne</b> <ul style="list-style-type: none"> <li>○ Mumm Cordon Rouge - 1750</li> <li>○ Perrier Jouet Grand Brut - 1870</li> <li>○ Moet Chandon - 5000</li> </ul>

Source: Author

Table 10: Food Prices

<b>Beer snacks</b> <ul style="list-style-type: none"> <li>○ Homemade chips - 90</li> <li>○ Onion rings - 65</li> <li>○ Cheese balls - 95</li> <li>○ Chicken strips - 110</li> <li>○ Nut plate - 105</li> </ul>	<b>Soups</b> <ul style="list-style-type: none"> <li>○ Tomato - 70</li> <li>○ Vegetable - 70</li> <li>○ Beef/Chicken - 90</li> <li>○ Fish - 105</li> </ul>	<b>Salads</b> <ul style="list-style-type: none"> <li>○ Caesar - 150</li> <li>○ Greek - 139</li> <li>○ Vegetable - 135</li> <li>○ Caprese - 135</li> </ul>
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<ul style="list-style-type: none"> <li>○ Dried fish plate - 145</li> <li>○ Anti-pasta - 170</li> <li>○ Nachos - 75</li> </ul>		
<p><b>Wings/Shrimps(served with different sauces) – 180 CZK (10 pieces)</b></p> <ul style="list-style-type: none"> <li>○ Buffalo</li> <li>○ Hot</li> <li>○ Teriyaki</li> <li>○ Barbeque</li> <li>○ Curry</li> <li>○ Honey</li> </ul>	<p><b>Main Dishes</b></p> <ul style="list-style-type: none"> <li>○ Grilled chicken steak - 170</li> <li>○ Rib-eye steak - 400</li> <li>○ Salmon steak - 255</li> <li>○ Grilled pork ribs - 250</li> </ul>	<p><b>Special Burgers ( 180 CZK Small, 220 CZK Medium, 235 CZK Large) served with French fries.</b></p> <ul style="list-style-type: none"> <li>○ Camp Nou</li> <li>○ Santiago Bernabeu</li> <li>○ Old Trafford</li> <li>○ Allianz Arena</li> <li>○ Emirates</li> <li>○ Anfield</li> <li>○ Parc de Princes</li> <li>○ Allianz Stadium</li> <li>○ Vanda Metropolitan</li> </ul>
<p><b>Side dishes</b></p> <ul style="list-style-type: none"> <li>○ French fries - 60</li> <li>○ Grilled vegetables - 70</li> <li>○ Garlic baguette - 45</li> <li>○ Baked potatoes - 50</li> <li>○ Potato puree - 55</li> </ul>	<p><b>Sauces</b></p> <ul style="list-style-type: none"> <li>○ Barbeque - 30</li> <li>○ Garlic - 35</li> <li>○ Cheese - 35</li> <li>○ Honey Mustard - 25</li> <li>○ Salsa - 25</li> <li>○ Hot Chili - 30</li> <li>○ Sweet Chili - 35</li> <li>○ Sweet onion - 30</li> <li>○ Mushroom - 35</li> <li>○ Guacamole – 35</li> </ul>	<p><b>Deserts</b></p> <ul style="list-style-type: none"> <li>○ Chocolate brownie-135</li> <li>○ Cheesecake - 125</li> <li>○ Tiramisu - 110</li> <li>○ Ice cream – 95</li> </ul>

Source: author



### 4.10.3 Place

Location is an important part of business success. It is a 2-floor building leased in the city center surrounded with many hotels and perfect transport accessibility.

### 4.10.4 Promotion

The Company will use promotion tactics in order to attract target customers.

#### 1. Social networks

Social network are playing an important place while promoting some business. Within modern community it became popular to promote a particular place as it is more comfortable and available. That is why the company will use different social media networks like Facebook, Instagram pages in order to update an information about the venture, announcing activity events and others.

#### 2. Promotion people with flyers (with our offers, concept, prices) at the entrance of the restaurant and at the main square.

This type of job position will be used in order to attract people who are walking by. Showing them the company's offers. Convince them to come to the place.

#### 3. Agreements with hotel/hostels and tour firms.

Information about the organization has to be expanded within hotels and hostels. Many tourists are asking reception desk about good places to eat and spend a good time. Commission fee will be provided to hotels and hostels for spreading an information about the company.

## 4.11 Financial Plan

### 4.11.1 Start-up summary

Table 11: Start-up Summary

Company registration	14 000
Rent	84 000
Bail for office	168 000
Money locker	5 900
Safety alarm with camera	25 000
Big screen (2 pieces)	5 500
Screen projectors ( 2 pieces)	45 400

TV (10 pieces)	153 000
Computer	14 000
Printer	8 700
Coffee machine	9 450
Surround Sound System	39 990
Flyers (1000 pieces)	4 000
T-shirts (special design, 100 pieces)	30 000
Repair work (design, banners, posters, paintings, graffiti)	150 000
Telephone	750
Wi-Fi router	1250
Water cooler	3400
Website	5 500
Signboard with company name	20 000
Stationery	4 000
Special attributes (used for special burgers and cocktails)	125 000
License to sell alcohol beverages	12 000
Chanel costs (per year)	2500
<b>Total</b>	<b>931 250</b>

Source: author

\*kitchen equipment is already provided by the owner of building

#### 4.11.2 Employee costs (monthly)

Table 12: Employees Costs

Manager	30 000
Waiter/waitresses (4 people)	70 000
Bartenders (2 people)	30 000
Cleaners (2 people)	27 000
Chef	40 000
Chef assistants (2 people)	30 000

Promoters (2 people)	20 000
Accountant	12 000
<b>Total</b>	<b>259 000</b>

Source: author

#### 4.11.3 Fixed Costs (monthly)

Table 13: Fixed Costs

Rent	84 000
Internet	500
Telephone	299
Safety alarm	1 500
Wages	259 000
Products Purchase	200 000
Sport channels costs	208
<b>Total</b>	<b>545 507</b>

Source: author

\*during the low season (October, November) product purchasing price will be less than it is shown on the table and will cost 100 000 CZK monthly

#### 4.11.4 Variable costs (monthly)

Table 14: Variable Costs

Water	8 295 (79 CZK/ m <sup>3</sup> )
Electricity	45 000 (5 CZK/kWh)
Flyers	4000 CZK per 1000
Attributes	10 000
<b>Total</b>	<b>67 295</b>

Source: author

#### 4.11.5 Sales forecasting

Table 15: Sales Forecast

Month	People	Beverages	Food
June	6920	13 840	10 380
July	6850	13 700	10 275
August	6500	13 000	9 750
September	4500	9 000	6 750
October	3500	7 000	5 250
November	3000	6 000	4 500
December	6800	13 600	10 200
January	5600	11 200	8 400
February	4500	9 000	6 750
March	6000	12 000	9000
April	6500	13 000	9 750
May	6900	13 800	10 350
Total	67 570	135 140	101 295

Source: author

Average price for beverages – 54 CZK

Average price for food – 109 CZK

Table 16: Sales Forecast in CZK

Month	Beverages	Foods	Total
June	747 360	1 131 420	1 878 780
July	739 800	1 119 975	1 859 775
August	702 000	1 062 750	1 764 750
September	486 000	735 750	1 221 750
October	378 000	572 250	950 250
November	324 000	490 500	814 500
December	734 400	1 111 800	1 846 200
January	604 800	915 600	1 520 400

February	486 000	735 750	1 221 750
March	648 000	981 000	1 629 000
April	702 000	1 062 750	1 764 750
May	745 200	1 128 150	1 873 350

Source: author

#### 4.11.6 Positive Scenario of Cash flow Statement (monthly)

Table 17: Positive Cash Flow

	June	July	August	September	October	November
Revenue(CZK)	1 878 780	1 859 775	1 764 750	1 221 750	950 250	814 500
Fixed Costs(CZK)	545 507	545 507	545 507	545 507	445 507	445 507
Variable costs(CZK)	67 295	65 950	61 213	61 213	33 647	26 918
VAT tax (19%)	356 968	353 357	335 302	232 132	180 547	154 755
Cash Flow	909 010	894 961	822 728	382 898	290 549	187 320

	December	January	February	March	April	May
Revenue(CZK)	1 846 200	1 520 400	1 221 750	1 629 000	1 764 750	1 873 350
Fixed Costs(CZK)	545 507	545 507	545 507	545 507	545 507	545 507
Variable Costs(CZK)	65 550	40 377	20 188	54 508	61 238	65 276
VAT tax	350 778	288 876	232 132	309 510	335 302	355 936
Cash Flow	884 365	645 640	423 923	719 675	822 703	906 631

Source: author

Table 18: Positive Cash Flow after Income Tax

Cash flow before income tax	7 890 403
Income tax (15%)	1 183 560
Cash flow for the first year	6 706 842, 55

Source: author

#### 4.11.7 Realistic scenario for cash flow statement

Table 19: Realistic Cash Flow Statement

	June	July	August	September	October	November
Revenue(CZK)	1 127 268	1 115 865	1 058 850	733 050	570 150	488 700
Fixed Costs(CZK)	545 507	545 507	545 507	545 507	445 507	445 507
Variable costs(CZK)	67 295	65 950	61 213	61 213	33 647	26 918
VAT tax (19%)	214 180	212 014	201 181	139 279	108 328	92 853
Cash Flow	300 286	292 394	250 949	-12 949	-17 332	-116 578

	December	January	February	March	April	May
Revenue(CZK)	1 107 720	912 240	733 050	977 400	1 058 850	1 124 010
Fixed Costs(CZK)	545 507	545 507	545 507	545 507	545 507	545 507
Variable Costs(CZK)	65 550	40 377	20 188	54 508	61 238	65 276
VAT tax	210 466	173 325	139 279	185 706	201 181	213 561
Cash Flow	286 197	645 640	207 266	191 679	250 924	299 666

Source: author

Table 20: Realistic Cash Flow after Income Tax

Cash flow before income tax	2 602 805
Income tax (15%)	390 420
Cash flow for the first year	2 212 384

Source: author

\*quantity of purchased beverages was calculated if one person is buying two beverages in average

\*quantity of purchased food was calculated if every 1-2 people take something to eat

\*the amount of people depends on the season of the year, high tourist seasons are April, May, June, July, August, December

## 5. Conclusion

The research examined whether company “FunStop” which is new in restaurant industry does have a clear vision and mission values with high orientation on customer’s satisfaction. Reaching the excellence in all processes of organizational part. Before making the practical analysis for a business plan, author made literature researches based on the studies of those authors who made a big contribution to a guidance of business and marketing planning as Linda Pinson, David Sellars, Philip Kotler, Gary Armstrong and others.

“FunStop” was presented as a company that relates to a restaurant industry. Providing a wide range of services in catering sphere, the company wants to reach a high level of reputation within the Czech market. The venture located in the city center (Betlemske namesti, Stare mesto) belongs to limited services liabilities “Sport Events” s.r.o.

As it was mentioned and shown the company has a services provided in restaurant and bar industry. This includes a wide selection of American food, no less choice of strong and low alcoholic, non-alcoholic beverages. What is most important that live broadcasting of football events will be as a basic principle of company’s concept. In order to regulate the company’s processes external and internal employees were taken into account.

SWOT analysis as a strategic planning technique, which every business uses to find its strengths, weaknesses, opportunities and threats was also applied to the author’s business plan. As a strengths of the company a special and unique menu, with an exceptional approach was mentioned. While low reputation and competitive market is what comes as a weakness of the company. As a potential customers of the company aged in between 20 to 44 years old were considered. Then it goes on with Porter Five Forces analysis which showed that industry is highly competitive, what creates a risk of a new entrance, due to the fact that big players occupied almost 80% in the market and the product is easily substituted, in addition most of the companies have nearly the same product and service offers. The prices in the menu were drafted on the basis of 3 main competitors (Hooters, The Dutch Pub, Dubliner), the price list was done in the way to make it affordable to anyone who visits the bar. The venture will promote its activity through using social networks, promotion people with flyers and agreement with hotels/hostels and tour agencies.

As a result, calculations made in a financial plan showed a start-up summary which is worth 931 250 CZK. It includes rent, company registration, screen projectors, TV, big screens and others.



Profit of the company was calculated using cash flow statement. There are 2 Positive and Realistic approaches used in order to find a profit. In best case, if all goals as promotion, customer expectation, correct observation of target group are done perfectly, then profit after deducting all expenses and taxes will be equal to 6 706 842 CZK after one year. For the reason, that there are lots of pitfalls in business sphere and lots of factors affecting it, a realistic scenario of profit was calculated. In one year it will have a strong profit of 2 212 384 CZK. Finalizing all information provided both in theoretical and practical part it can be said that the company 'FunStop' will be successful and profitable in the market.

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