

Czech University of Life Science Prague

Faculty of Economics and Management

Department of Trade and Accounting



Diploma Thesis

**Establishing a business, business plan and strategy;
a case study of Lucky Party s.r.o.**

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2. Objectives of thesis and methodology
3. Literature overview
4. Establishing business in the Czech Republic - case study of a particular company
5. Business plan and business strategy
6. Conclusions
7. Bibliography
8. Supplements

Declaration

I declare that the diploma thesis “ Establishing a business, business plan and strategy – a case study of Lucky Party s.r.o.” was prepared individually and independently; using explicitly referred resources, and data provided by the company Lucky Party s.r.o.

In Prague

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**Založení společnosti, podnikatelský záměr a strategie –
případová studie společnosti Lucky Party s.r.o.**

**Establishing business, business plan and business
strategy – a case study of Lucky Party s.r.o.**

Souhrn

Tématem diplomové práce „Založení společnosti, podnikatelský záměr a strategie – případová studie společnosti Lucky Party s.r.o.“ je vymezení a následný výběr vhodné právní formy pro nově vzniklou společnost na trhu, podnikající v odvětví poskytování zábavních služeb a prodeji zábavních předmětů. Na základě nabytých teoretických znalostí, zahrnujících studii akademických materiálů a českých zákonů, je definována vyhovující právní forma pro danou firmu. Hlavním cílem práce je detailní zpracování podnikatelského plánu, který bude posléze použit v praxi. Tudiž je zapotřebí, aby vypracování podnikatelského plánu obsahovala různé analýzy a studie jako např. představení konkrétní společnosti, analýzu trhu a potenciálních zákazníků, propagační, cenové a prodejní strategie nebo finanční analýzy. To vede k vytvoření co nejdůstojnějšího a účelného podnikatelského plánu, zachovávající jistou flexibilitu pro případné změny, které mohou a pravděpodobně také nastanou. Závěrem je vyznačena podnikatelská strategie, jejímž pilířem je právě podnikatelský plán.

Klíčová slova: podnikatelský plán, právní forma společnosti, Česká republika, zábavní průmysl, operační plán, obchodní strategie, marketingový plán, finanční analýza, vnitřní a vnější prostředí

Summary

The theme of the diploma thesis “Establishing a business, a business plan and a business strategy – case study of Lucky Party s.r.o.” is to define and choose the appropriate legal framework for a new company in the market dealing in the branch of providing entertainment services and products for entertainment. Based on the theoretical background, which comprises of the study of academic materials and Czech Legal Acts and their synthesis, the suitable one is defined. The main aim is to prepare a comprehensive business plan that is going to be use in practice for the newly established company. Therefore it is necessary that the study of the business plan of the thesis contains numerous analyses as the presentation of the particular company, the market environment, the customer market, the promotion, price and sale strategy, or the financial analysis. These lead to create the most accurate and efficient business plan possible, yet being flexible to potential changes that may occur. As a conclusion of the business plan the business strategy for the firm is identified as well.

Key words: business plan, business legal framework, The Czech Republic, field of entertainment, operational plan, sales strategy, marketing plan, financial analysis, internal and external environment

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1. Introduction

Based on the nature of the business we want to run, and based on the goals which we want to achieve, it is necessary to choose the right legal framework for the business. We have to analyze what kind of legal entity has the most advantages for the particular business. The proposed Diploma Thesis presents the way to establish the chosen legal framework and the main part promotes and discusses the business plan, which is often missed out when setting up the business. The final part of the thesis, proposed business strategy, is going to be derived from analysis of the business plan.

The evaluation of the legal form of the business, the writing of a business plan and the conclusion, which would consist of proposed business strategy, will be demonstrated for an existing company Lucky Party s.r.o. This company was established in the year 2009, and its main business is the sale of party products such as costumes, masks, balloons, tableware, etc., organizing parties for children, and the creation of balloon decorations. It is a young company with the intention of introducing new trends in celebrating and providing entertainment. The reason of why this company was chosen is the fact that I personally own and run this business, which is definitely a great benefit to the content of this thesis, because it contains the exact and detailed information about the company.

The crucial part of the thesis is the elaboration of business plan of Lucky Party s.r.o. containing all necessary information with the aim to defend that this particularly kind of a business has its potential on the Czech market. Regarding on what is defined in the theoretical part of the thesis, the business plan in practical one is executed, following the recommended structure, which contains in general three main issues – operational information about the company, marketing strategy, and financial analysis.

The final part of the Thesis is the suggested business strategy for the future development of the company in the market which results from the profound analysis of the business plan. The purpose of the business strategy is to implement all the necessary

business activities in practice, which will assure positive business development and aid meaningful and successful decision-making. It will be a tool for the company to strengthen its position on the market. The information obtained will be useful in this respect for years.

2. Objectives

Besides concise way of defining the process of choosing the suitable legal framework for particular business and starting it up, the main objective of this Thesis is to promote meaningful and efficient business plan that is meant to be practically used in the sphere of Czech business environment with. Together with the business plan the business strategy is derived, defining the tactics for the future business development.

The core of the thesis is a business plan, defined as a document that summarizes the operational, marketing, sales and financial objectives of a business and contains the detailed plans and budgets showing how these are to be realized. It is usually elaborated only in those cases, when external circumstances intimidate it – e.g. in the case of missing financial resources, need for partners for strategic reasons, or a request for a grant. The purpose of this thesis is to put forward what the positive aspects of future planning are and how exactly can the business plan facilitate the operation of the business. This indeed leads to the resolution whether the particular business has a realistic chance to succeed on the market. It is the aim of the paper to confront all possible aspects of the business analysis in order to state what the prospects of the company Lucky Party s.r.o. are.

As well as it is assumed that the business plan has indeed positive influence on the company's operations, it is going to be used for external users also. The business plan will be promoted in front of the committee of several competitions, with the aim of succeed and gain investors to enable the company to reach for the entire plans it has.

3. Hypotheses

Considering the choice of convenient legal framework, it is anticipated that based on the advantages and disadvantages of various entities and also in regards to available means, the widely used arrangement of limited liability company will be selected.

It is presumed, that a detailed business plan with a thorough analysis of the market, customer base, competition and other propositions, is going to facilitate the entry of a company into the market and make its future development more sustainable. Comprehensive business plan should lead to easier way of conducting business and smooth the process of the formation of business strategy and corporate directives. Besides these, it is presumed that if properly elaborated, it enables the company to be successfully presented in front of the potential lenders or investors.

4. Methodology

The beginning of the Thesis deals with the choice and successively the definition of a suitable legal framework for the business. This part will be elaborated based on the literature review of academic materials dealing with the questions of establishing the new company, supported with the examination of Czech legal acts, mainly by the interpretation of the Czech Commercial Code.

The proposal of a business plan will be designed based on the previous analysis of various segments. A detailed description of the company, its business intention, product and service characteristics, personnel structure, etc. will be gained from the company's internal documentation and sources. The market with its customers, who play a key role in the business, will be analyzed as well, using the technique of market and customer segmentation. Subsequently, there will be a study of competitors in the market; the first step will be the competitors' determination, followed by research of particular domains, concluded by the evaluation of each and comparison to Lucky Party s.r.o. An important section will be financial analysis, which will describe the total budget of the project. By interpreting financial statements such as Balance Sheet, Income Statement and Cash Flow, we will be able to forecast the future development of the company and state some recommendations regarding its financial situation. Finally, the expectations and possible risks will be evaluated from the outcomes of SWOT analysis.

The business strategy will be derived based on the profound analysis and elaboration of the business plan and will present the possible tactics which the company should follow to stay competitive and be successful in its field of business.

5. Literature Overview

5.1. Business activity

Business Activity (also referred to as “entrepreneurial activity”) is understood to be systematic activity which is independently carried on the purpose of making profit by an entrepreneur in his own name, and at his own liability and responsibility.

First attempt of legal framework was introduced in the 19th century as the distribution of labour and work and its specialization was developing, which has lead to the introduction of new forms of business next to just sole traders. Nowadays the corporations may have various legal framework based on the nature of business that is performing, conceptions of the entrepreneur, or any kind of requirements.

5.2. Criteria for the choice of the legal framework

The choice of the legal framework is a long-term decisions, therefore all the possible criteria leading to the right selection, must be wisely concerned. It is necessary to evaluate to what extent it is feasible for the entrepreneur to bear the risk, whether he wants to be liable for the company’s obligations in limited or unlimited way and also whether the nature of the business that he wants to run needs any specific competences, which might be regulated by law. Another issue to be solved is the number of founders and the division of their power within the company as well as the proportion of the company they will owe. This is related also with the financial possibility regarding the registered capital and the amount of which has to be paid by each founder. It is also important to have on mind the administrative burden that can occur with specific legal framework, concerning the start-up of the business, concluding all necessary document in the beginning, but also meanwhile the company is running, and other administrative tasks, which might have be done during the years such as audit. The tax point of view is very

considerable when deciding about the frame of the future company. It is important to realize what kinds of taxes and under what kinds of conditions have to be paid.

5.3. Small and medium enterprises

5.3.1. Conception of small and medium enterprises

Since always people tend to trade among themselves and creating small and medium business units was just a result of natural development. The official determination of small and medium enterprises might be given from the recommendation of European Commission 2003/361/EC from 6th May 2003, where the inducted methodology for the classification of enterprises uses next quantitative criterions: the number of employees, the annual turnover and the value of assets. Classification is following:

Figure 1: Small and medium-sized enterprises criteria

Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
small	< 50	≤ € 10 million		≤ € 10 million
micro	< 10	≤ € 2 million		≤ € 2 million

Source: European Commission – Enterprise and Industry

5.3.2. Function of small and medium enterprises

The existence of small and medium sized companies is substantiated in the case, when it satisfies specific functions in the society and economy, with the fact that it cannot be restricted due to political interference.

One of the elementary rights, considering politically free countries and societies, is the right to carry the business. As well as it is reducing the danger of potential radical and

monopolistic trends, and therefore is ensuring the stability within the society. In structurally weak and far-gone regions they provide material and technical supply of the inhabitants together with the employment, thereby performing a socially-political role.

Inherent principles of a market economy are protection of private ownership, freedom of enterprise's manufacturing, freedom of household's consumption and a provision of economic competition on the market. Small and medium sized enterprises are contributing towards lowering the risks inside particular sector (or among the sectors) leading to the increased economical stability, and together with households they ensure the decentralization of decisions, which are coordinated by the market.

The variety and quality of the supply of goods and especially services in the conceptual level is crucially dependent on the small and medium companies, which results in an influence of every economy. The stronger the changes in supply and demands in the economy are, the more it is important that the small and medium sized enterprises are flexible and adaptable. On the other hand the oscillation of the demand does not affect these companies as much as the big corporations due to the flexibility, creativity and engagement of the entrepreneur.

These companies have a huge impact on the creation of job positions, because over 99% of all European enterprises fall within small and medium enterprises and employ over 70% of all employers from the European Union. The micro enterprises in general (the business plan of one will be elaborated in the practical part of the thesis) encompass 85% of all enterprises and employ around 30% of employees¹.

¹ Data from the Commission Staff Working Document on the implementation of Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprise released in Brussels in October 2009

5.4. Limited liability company

After the political changes in 1989 an insistent need for the renovation of trade economy occurred, which has led to the restoration of traditional forms of entrepreneurships. This has rebounded by passage of a bill no. 103/1990 coll., which had with the effect of 1 May 1990 retrieved the limited liability company. The limited liability company was revised in only six sections; more than legislative revision it was about legal admittance of the possibility of establishing new companies in the legal frame of Limited Liability Company.

New legal framework of Limited Liability Company was passed with ha bill no. 513/1991 Coll., Commercial Code, with an effect of 1 January 1992. Limited liability company is revised in the Part Two, Chapter I, Division III (§ 105 - § 153e); besides that there are numerous general provisions about business entities and other provision that are affecting it.

Limited Liability Company is a business company and legal entity, therefore as a legal entity it has its own legal subjectivity and obligations on the one hand and legal capacity, in which such rights and obligations become, on the other. A company as a legal entity is characterized by conceptual characteristics as establishment, existence and liquidation based on law and in the harmony with law; legal subjectivity; legal capacity; tort competence; organizational structure of legal entity; property independency of legal entity; name of legal entity; seat of legal entity; nationality of legal entity.

5.4.1. How to establish limited liability company

The process of establishing a limited liability company is quite long and requires number of documents and competencies, but it is necessary to accomplish those requirements in accordance to law. All the following steps are defining the necessities, which have to be proven before the company is registered in the Commercial Register and can freely operate as a Ltd. company on the Czech and foreign market.

At the very beginning it is needed to conclude a Deed of foundation (Partnership Deed in the case of more founders of one company), which defines:

- Name of legal entity, its seat and subject of entrepreneurship
- Amount of the registered capital
- Amount of deposits of each founder
- The way of constituting general assembly and other administrative issues
- Method of dividing the profit

The deed must be signed and the verification of signature (or signatures) must be done by notary.

To obtain the trade license, it is needed to prove several things: at first you have to be (one of) the founder of the company, which is stated in the Deed of foundation; you have to submit the clear record from crime register; you have to be adult according to the Czech law, which means to over 18 years old; you have to be caused of the legal capacity; you must have no tax liabilities to the Czech state. The core of the trade license then is to identify the area of the business where the future company will operate in.

As was appointed in the Deed of foundation, the entrepreneur has to substantiate the registered capital. If the registered capital is just financial, he establishes the bank account and consign the there. The registered capital of a company shall mean total of all its members' monetary and non-monetary investment contributions to such capital. It must be expressed in units of Czech currency (pecuniary terms). If the registered capital is partly non-financial, the authorized expert has to evaluate it at first. The registered capital is a part of equity. Until the end of 2000, the registered capital of a limited liability company was required to be at least CZK 100,000 whereas as of 1 January 2001 the amount of any newly-formed limited liability company's registered capital may not be less than CZK 200,000.

The entrepreneur also has to document the proprietary relationship towards the realty, where the company has its seat. Either it is own realty, or it has to have an agreement from the owner accounting for the fact that the particular company shall have the seat at his place.

All the above stated documents – Deed of foundation, Trade license, Confirmation form bank about the consignment, Deed of the situation of the seat, together with personal document of the entrepreneur has to be submitted to the Commercial Register of the appropriate judicial verge and in two weeks it decides whether the company will or not will not be registered as rightful business unit. If yes, the identification number is given to it and it can start to run the business. Everybody who gets the right to carry the business is obliged within 30 days to register the company at the tax office, where the tax identification number is entitled to the business unit and serves it for tax and fee registry purposes. Before even beginning with the business, it is also wise to make a break-even analysis, where it is obviously defined, how much of products and services has to be sold out to cover the costs and make the profit.

5.5. Theory about business plan

Business plan is a written document carried out by the entrepreneur, describing all key internal and external factors related with an establishment and run of a company.

Business plan enables to compare business visions and plans with reality – and if they differ, it helps to identify where, in what volume and why. It helps to forecast costs and therefore to improve the conditions from suppliers. If the company is doing well, the business plan shows, when the increased sales needs also increase running capital. Whereas if the company is not doing as expected, the plan shows that there is urgent time to solve it, so the company can run effectively.

Business plan is a document, which serves for owners, their managers, but also for external investors. It helps for example in creating viability of a business, gives the owner

a hint for his future forecasts, serves as a mean of getting financial funds and to the control over the business activities.

5.6. Structure of the business plan

The business plan should be virtually divided into three main parts along with the title, introduction and conclusion – introduction or also called Executive Summary, Organizational plan, Marketing plan and Financial plan, concluded in the end by an outcome which leads towards comprehensive business strategy, future predictions for the business and weighting up possible risks (Pinson, 2005).

The organizational plan consists of the description of the company, its interpretation on the market, its business operations and business opportunities, team which is involving both entrepreneur and his employees. As well it is defining the products and services which are offered together with their characteristics such as the exclusivity on the market, value to the customer, but also how we obtain the inputs to create the service or deliver the goods on the market.

The second part is dealing with marketing and sales of the products and services offered by the company. After we define who our target customers are, the market on which the company is going to operate has to be properly analyzed, using the market segmentation analysis. Tightly interrelated to it is the competitors' analysis, which should make out the competitive advantage of the products and services, provided by the company among others. Based on the customers on whom the business is focused, clear sales and advertising strategy has to be specified.

Last part is dealing with the number of the company. Starting with the investment capital and defining what has to be placed at the very beginning, the company has to keep the accounts and therefore state the Balance Sheet and Income Statement. It is said by the law that this has to be show to the Commercial Register after each fiscal year. To be aware of the floating money while carrying the business, it is highly recommended to follow up

the cash Flow and even more to proceed Forecasts regularly. These statements are good not just of the current or future days, but also to compare what was predicted to what actually occurred. All the financial analyses and statements are good not only for the internal purposes of the company, but also for external, when for example asking for a loan, investment etc.

As a conclusion, the possible risks on one hand and future aims on the other are discussed. Is the entrepreneur ready to bear the risk and work for free at the beginning; is the business intention viable even in the times of financial crisis, what are the other aspects that may influence running the business?

5.6.1.1. Title

In the case the entrepreneur or manager wants to present the business plan in front of the audience of possible lenders or investors, the business plan has to have a representative title page, if the business plan is made only for internal purpose, it naturally does not have to have it. Generally, every modest document should have a title page, including the name of the project, eventually subtitle describing the characteristics of the document for example the name of the establishing company and its logo, the name of the author and place where it was composed.

5.6.1.2. Executive Summary

The Executive Summary should constitute sort of an abstract of the whole business plan, therefore it should provide the reader a concise and comprehensive form, containing as much of substantial information as possible. It should refer to the business intention and the characteristics of the business, what is it all about, what are the aims, how they will be approached and realized, how much will it cost, what and when will it bring to the owner / investor, hence a short financial review, etc. The Executive Summary is a miniature of the business plan, comprised in one chapter, which shortly, but precisely defines:

- the owner or managing team of the company with the arguments for why under those people it is anticipated to successfully manage the business intention and to highlight the work and personal skills and experience in the particular area
- products and services, underlying for what are they unique in the market,
- market with the identification of potential opportunities,
- strengths and advantages of the new company among others,
- success factors, to highlight the benefits of the project, describing the competitive advantage and added value to the customer,
- key financial data in a synoptic table (volume of sales, predicted profit, cash-flow of the near future, etc.),
- required financial resources,
- to specify a business vision and strategy to reach it, set a long-term and short-term business objectives.

The Executive Summary is advised to be written after the entire business plan is finished, in order to create reliable sources for potential lenders or investors, for whom it is the key document and the evaluation of the business intention is derived from it (Koráb, 2007) . Therefore the quality of the Executive Summary is often decisive for the investor's statement of whether he is going to occupy himself with the rest of the plan, or if he denies it just on the feeling gained from the Executive Summary.

5.6.1.3. Summary and description of the business

The business plan has to begin with the proper description of the company, which identifies the structural characteristics and enables the potential investors, lenders, or executives of the company to obtain a clear image about the firm and its business vision. It is useful to state the basic information in a table in order to make it more explicit.

At the beginning of the business plan it is necessary to introduce the concept of the business intention and the person / people, who is / are behind the project, that means both personal and professional information.

It is recommended to state the business vision and mission, where the business vision formulates the general directions, basic beliefs and aspirations of the organizations; it describes the overall framework for the company's strategic planning. The major importance of the statement appears in the ability to distinguish the purpose of our organization from the competitors.

Legal framework

The structure of the business, namely the legal framework must be discussed as well, with respect to advantages of the particular one depending on the number of owners, organizational structure, business intention, or number of employees.

Location

The choice of a location of the company and its commercial establishments has a grave impact on the business, hence there must be maximum attention paid on it. We recognize both the official seat of the company, which is submitted to the Commercial Register as a headquarters and then the addresses of the other company establishments. To select this kind of an object, it is important to consider both the accessibility for potential customers and financial capabilities.

As well as the concrete place of business location and its establishments, it is important to state what are the property issues regarding them, and defining what are the rights and duties towards them.

Accounting, insurance

With regard to selected legal framework, the executives of the company have to keep on mind the obligatory administrative tasks, which have to be done as to keep the accounts – either to do the bookkeeping by its own or have external accountants to manage it. It is also important to realize what are the obligatory insurances that have to be paid by the employer (e.g. the statutory employer liability insurance for work injuries or illness), whether there are any other non-compulsory but suitable insurances to reduce business risks, and what are the compulsory directives the employer has present to his employees.

Business intention

A closer sight should be given to the business intention and its opportunity, to focus on the existing market, or conversely a gap in the market and find something what may bring to customers either something innovative, or what can solve their currently unsolved problems. Along with satisfying customers' needs and wants, it is necessary to consider also the added value for the investor, which may not be purely financial. Overall the most important point here is to clearly state relevant arguments for the explanation of why this team is going to successfully promote the presented business idea and make the most of it possible.

Products and services

The Alpha and Omega of the entire business is the variance of products and services, by virtue of whom the company wants to realize its revenues and profit. Besides the characteristics of them, it is good to point out the reasons of why those will be attractive for the market and stay competitive in long-term run. Already here the potential customers to whom the product or service will be offered should be considered in order to customize the products and services. Then it is recommended to be able to answer the questions such as: What is special about the product / service? What kind of concrete need does it solve for the customer? How it is being solved until today – what are the pros / cons

of solving it on contemporary market? What the service will provide and what do you need for equipment, staffing?

Suppliers

In order to ensure smooth process of selling the question of convenient suppliers has to be solved. In the long run the company should find those suppliers, who are the most beneficial for their business in more aspects, not only that they should supply the demanded goods or services under the best ratio price-performance possible, but also they should be helpful in solving unexpected events, be willing to keep good relationships, provide knowledgeableness, cooperation, and discretion. It is preferable to not rely just on one of suppliers, but to have some back ups in the case that the major one will be disabled to supply us with wanted products for any reason.

5.6.1.4. Marketing strategy and plan

To achieve the business objective, company has to set its comprehensive marketing strategy, which will persuade customers to buy the product or service from our company and not another. Marketing strategy integrates the activities involved sales, marketing, advertising and public relations, and to work efficiently, all those components must stick and work together in order to build strong brand and customer image, which will make the company different from the competitors.

It is necessary to define goals which are going to be accomplished by the marketing strategy. Those may be for example strengthening the company brand, increasing product and service sales, creating a solid customer base, or developing susceptible advertising campaign. According to Pinson there are “five fundamental questions, which should be answered in order to identify our marketing goal: Who, what, where, when, and how? Specifically:

1. Who are your customers? Who are your competitors?
2. What are you selling? What quantities and prices of your products will you sell?
3. Where is your target market located? Where can you reach your target market?
4. When are your customers most likely to buy? When are your busy seasons?
5. How will you reach your customers (stores, offices, Web site, catalogs)

“Marketing plan is a written document that summarizes what the marketer has learned about the marketplace, indicates how the firm plans to reach its marketing objectives, and helps direct and coordinate the marketing effort.” (Kotler, 2006) It is a tool for analyzing marketing opportunities, selecting target markets, designing marketing strategies and developing marketing programs. Two levels on which the marketing operates can be distinguished – strategic and tactical. The strategic lays out the target markets and identifies the market opportunities based on a profound market analysis of the macroenvironment, and the tactical marketing plan specifies product features, advertising, pricing, sales and service.

Market analysis

This section should analyze various forces in the macroenvironment and answer questions like how big and dynamic is the market, who are our customers and whether we are prepared to satisfy their needs. Besides customers and the particular market, it should also recognize the direct and indirect competition.

Customers

Customers are crucial for every company from the point of view that these people are those, who are buying our products and services, therefore creating revenues, which lead to the profit. At first it is important to recognize what are the customer needs and wants and how we can satisfy them. Based on this we can define who our customers are and it facilitates the other step to find how many potential customers are there in the

market where the business operates. We cannot omit the fact that customer behaviour might change, so the business has to be sensitive on any possible change in the trend and be flexible in order to provide the customer the best service.

Market

In order to discover opportunities and threats for our market in the macroenvironment, it is needed to determine the potential and obtainable market with its basic characteristics and trends. The basic aim is to find those customers, who have a remarkable utility and benefits from the product or service, who have an easy access to the business and who are willing to pay for the product or service. By discovering them, the marketing strategy is then open to the following targeting and positioning decisions.

It is a general experience that it is impossible to satisfy needs and wants of each customer, therefore it is not worth it to adapt the product or promotion to every single one. That is the reason, why market segmentation is recommended, from where the group of seriously potential customers can be easily chosen. At first the particular segments have to be identified based on specific criterions, which can help to find those customers that have similar wants and buying behaviour patterns. The target market also has to be big enough in order to afford the opportunity of the profit. Basically we can segment the market by the field of application; by the customers' requirements referred to the price and quality of the products and services; by the region and demographics; by the buying behaviour patterns of the social group; etc. From those segments we choose just few, which are the most important for our business and therefore can bring the biggest utility. When analyzing various segments, we should think of those criterions: the size of the target market; the growth of the target market; conformity of the products with customers' needs; the capabilities to diversify from the competitive products; the strength of the competition; the attainability of customers.

Competition

Before the entry into the market, the possible competition has to be identified and analyzed and even more important, it has to be done regularly to be able to change the marketing strategy along with the change of competitors' behaviour. It is important to determine what other companies are offering same or similar goods and services and seeking for the same customers. What are the competitors' strengths and weaknesses and how can we learn from or make the best of it? As well as finding out who our competitors are and whether they are competing with us on the market directly or indirectly, it is necessary to analyze their behavior on the market. What might be their business strategy – how do they address potential customers, what features and benefits do they promote, how they set up their prices, do they offer any special discounts or loyalty programs, what are their preferential distribution channels, etc. The aim is to turn the knowledge about the competitors into our profit.

Besides that we should look at the competition from the customer's point of view. Why would you buy some product in that shop than in another? What convince you to decide to make your shopping elsewhere? The company should always think of the differences that the competitors are offering, because it might create the competitive advantage for them. The clue is that our business has to be the one who promotes better whatever, therefore offers the competitive advantage to the customer, who decides to buy at ours.

Promotion

In order to attract the customers, it is necessary to create catchy marketing campaign persuading people to buy offered products and services. The promotion is any form of propagation of them, or the company, brand, etc. leading to increase sales and revenues. The forms of promotion are numerous.

Recognizable kinds of promotion are:

- Television advertisement
- Printed advertisement (classified advertisement, leaflets)
- Neon sign advertisement
- Radio commercials
- Mobile advertisement (on cars, public transport, etc.)
- Outdoor advertisement (Posters, Billboards, advertisement on the shields of houses, fences, etc.)
- Alternative advertisement (walking commercials, plane adds, city mobiliary)
- Promotion articles (T-shirts, pens, etc.)

5.6.1.5. Sales Strategy

Sales strategy should lead to highest profit, because not just that we analyze the product placement, advertisement and other sales activities, but also thanks to the proper marketing strategy we are able to aim it on the potential buyers. The company has to know, with which instruments it can reach its target groups for a certainty and that is why there is the key to it – the strategy of marketing mix, which can be flexibly optimized due to the selected target group. The manager's role is to find the appropriate alternation of the components of marketing mix, for a concrete case there might be different extent of contribution of particular components, sometimes it might be even risky, but overall it has to lead to the achievement of business goals within the marketing strategy.

The Sales strategy should also determine numbers of forecasted sales in specific time period; predictions of possible black-outs, which might occur due to the seasonality; the after-sales service if any; and also discuss if there are any future ambitions to expand out of the current market elsewhere.

The Marketing mix is known as a set of tactical marketing instruments, enabling the company to create the supply based on the customer's requests and wants on the target

market and it is a good tool for reviewing, whether the company uses efficiency of all aspects leading to higher revenues and profit. Basic components of marketing mix as defined by McCarthy are made of product, price, promotion and place; also known as 4P's. Even though the marketing mix is often doubted these days and new theories are attacking it and improving as how the market is changing, for small companies it still stays as great framework with seizable approach towards the marketing strategy. It is an outlook linking the product characteristics, price policy, promotion as a tool to make the company visible, and distribution in order to find out the way of the most suitable product placement to the customer.

Regarding the four main aspects of marketing mix, it should be perceived especially those conditions: product – quality, technical level, progressivity, brand, packaging, size, service, design, guarantee conditions, place – selling, suppliers, inventories, logistics, price – price policy, discounts, rebates, payment conditions, and promotion – advertisement, direct marketing, sales promotion, publicity, public relations.

Operational plan of the sales strategy

Operational plan of the sales strategy in the business is need always when some project is come about to be implied. It facilitates its realization, because it clearly states mutual coherences and sequences of the operational details. The operational plan is practically a project elaboration of the realization of the business plan. It is possible to simply point on the milestones of critical parts or phases of the plan, but also a more sophisticated method of Gantt's diagrams can be use. Gantt chart is a type of bar-chart that shows both the scheduled and completed work over a period. A time-scale is given on the chart's horizontal axis and each activity is shown as a separate horizontal rectangle (bar) whose length is proportional to the time required (or taken) for the activity's completion. In project planning, these charts show start and finish dates, critical and non-critical activities, slack time, and predecessor-successor relationships.

5.6.1.6. Financial plan

Allocation of financial sources as well as the financial planning is an integral part when running the business not only because of the nature of the business itself, but also because it is obligatory to submit the financial statements to the Commercial Register after every fiscal and economic year.

Summary of Financial Needs

Before the company is established, the entrepreneur has to have a Summary of Financial Needs for the start-up of his business to be able to achieve the business intention with the financial resources. If he has got limited finance, it is a question of borrowing money from a bank or a different lender, or to find out an investor, who has an interest in embark his money in the given industry. This Summary should also indicate the primary investments and spending of the company, and the basic diversification of the means of circulation.

Costs and revenues; break-even analysis

Costs are the amounts of company's consumption, which were expounded purposefully for retaining the revenues, which are representing the accomplishments over a given period of time. The difference between costs and revenues is known as a profit or loss, depending on a fact, whether the result is positive or negative.

For specific reasons of managing the business, the Profit Loss statement, which is entitling all costs and revenues together is not sufficient, that is why the special assortment of costs and revenues is done within the managerial accounting using various calculations.

An interesting method, which is useful especially when the company is about to be launched, is the break-even analysis, defining the volume of sales needed to reach in order to cover all costs that were created to make the revenues which is at that time equal. To

compute this, it is necessary to derive a function of revenues and costs depending upon the volume of production and sales.

Cash Flow Statement

Cash Flow Statement provides the flow of money in and out of the company as a real picture of company's incomes and expenditures. It is not obligatory statement for financial institutions, unless the subject is not liable to have an external audit. This statement presents the cash available in the beginning of the counted period (usually a month, or week in larger companies); than incomes from different sources of incomes specific for a given business; expenditures by nature; and the rest of the cash afterwards. It is good for knowing, when in fact you have money on the account or cash and you can dispose with them.

Balance Sheet

Balance Sheet is a fact sheet giving the image of the structure of assets, liabilities and capital at one moment of a time, usually elaborated in the end of an accounting period. It describes in detail the structure of the assets and on the other hand it gives us the structure of liabilities and capital which are the sources of those assets.

Profit & Loss Statement

An official annual financial document published by a public company, showing earnings, expenses, and net profit. Net income is determined from this financial report by subtracting total expenses from total revenue. (www.investorwords.com). The statement is divided into three sections: operating, financial and other in order to better analyze changes over the periods of time and to see the nature of earnings and expenses.

SWOT analysis

The efficient tool for the identification of the overall strategic position of the firm and its environment is the SWOT analysis, which describes the Strengths, Weaknesses of

the company and Opportunities and Threats of the business environment. It gives the views to both positive and negative factors inside and outside the company in order to create business strategy that will best align firm's resources and capabilities to the requirements of the environment in which it operates.

Considering the internal qualities it is important to analyze strengths of the company, which might be used for further competitive advantage in the market. All the tangible and intangible characteristics as product quality, or quality of provided service, personnel, customer relationship, financial resources, know how etc. should be considered. On the other hand it is highly recommended to define the strengths from the similar point of view as the strengths and to try to come up with a strategy of how to either prevent them or deteriorate them, so they cause minimal damage to the company.

The company also has to recognize the opportunities and threats of the environment in which it operates, so it might benefit or jeopardize them and turn into efficiency. Both might arise from the market, competition, industrial or economical development or slump. The clue is to predict the implications of them and to get prepared for the future operation.

5.6.1.7. Risks evaluation

Every business plan, despite the fact it is accompanied with thorough and reliable analyses, has some amount of uncertainty, hence a risk that the result will vary from what was anticipated. This is a reason for why the management besides constituting a business plan should also analyze possible risks.

According to Koráb (2007) there are three key steps to managing risks:

- Risk factor identification – systematic examination of reasons and causes that may destroy or interrupt our business intention,
- Risk quantification – using common sense or suitable techniques to estimate the rate of risk possibility,

- Crisis scenario planning – development of strategies in the case that the critical points come true, especially the financial predictions should be made in order not to affect seriously any branch of the company, which might be defective for the future operations.

Possible risk factors in the business might be seen in areas of product (overpricing, lower demand), sales (non-profitable agreements, not fulfilling the sales objectives), quality (poor quality, bad references), personnel (responsibilities, disloyalty), market (competitors expands, change in macroenvironment), customers behaviour (change of buying pattern), location (accessibility of potential customers), etc.

5.7. Business Strategy

The results from the business plan create a competent background for the formulation of the business strategy, which encompasses the geographical strategy, strategy from the market share point of view, strategy from the viewpoint of bond product/service-market, and marketing strategy.

In order to create both realistic and competitive position on the market the company has to identify its relevant market – its current and potential customers, derived on the geographical origin. Basic types of geographical project is aimed on all segments on geographically limited market; chosen segments on geographically limited market; and chosen product group on national and international markets.

Then it is necessary to stipulate market position or in other words the strategy from the viewpoint of market share that is planned to be achieved. The strategy of cost leadership, whose focal point is the achievement and validity of lower costs than the competition has, is one of component strategies. The cost advantage provides a sort of shelter from the competition and is accomplished through attaining cheap raw materials, effective but inexpensive distributional system, etc. The strategy of differentiation focuses

on the distinctness of offered products and services from the competitor's, which should be done by setting unique features on them. Differentiation protects the company from the competitors by binding the customer on the label or brand of the company. Another substantial strategy is the niche strategy, which is based on the fact that aiming on a concrete goal is more effective than an operation over wider competitive field. The emphasis should be pointed on a restricted group of customers or somehow limited geographical market. Even though it is possible to combine the three strategies, it is recommended to choose one of them.

The strategy from the viewpoint of bond product-market (or service-market) is generally divided into four types:

- Strategy of penetration, targeted on the extension of actual products on the market
- Strategy of product development aimed on the discovery or innovation of new or current ones
- Strategy of market development oriented on the infiltration of present company's products to new customers and new markets
- Strategy of diversification focused the penetration of new products to new markets

Marketing strategy might be influenced by the way of how the volume of sales is planned to be achieved; even by suppression of competition during stable or decreasing demand, or by an expansion of the market with sustainable market share. Derived from these assumption two strategies might be implemented. The strategy which is aimed on the competition must specify ways of possible increases of market share to the prejudice off the competition. This involves aggressive price strategy, imitation strategy (the aim is to get better off competitor's marketing activities), and profile strategy (not focused on price, but quality). The strategy of the market expansion is primarily oriented on the enlargement of an existing market meaning increasing the demand from the present group of customers, and secondary on creating new markets with new potential customers.

It is necessary to analyze above mentioned strategies and evaluate them from the aspect of goal feasibility, financial impacts, ecological or political risks, etc. Together with it is needed to specify basic knowledge and acquirements that are essential for achieving the project success regarding both real and potential competitors, but also to identify if the market position is attainable by own forces or if there exists a possibility of efficient and profitable cooperation.

6. Business Plan and Business Strategy of Lucky Party s.r.o.

6.1. Business Plan

6.1.1. Executive summary

The presented business plan is carried on a particular business of Lucky Party s.r.o. (later only “Lucky Party”), which is a newly established company running its business in the branch of entertainment. Particularly it runs a party shop with the supplies for birthday parties, anniversaries, weddings, carnivals and other occasions, then it organizes parties for children and lastly it offers extraordinary balloon decorations. The main vision of the company is to enable the people to celebrate with premium supplies and therefore bring to their important occasions something special.



Lucky Party logo

Source: Internal documents of the Lucky Party s.r.o.

The business plan shows a detailed organizational plan with the description of the company, its team, products and services underlying the competitive advantage, but it also proposes a marketing plan, which should be implemented in order to ensure high revenues. Another part is concerned with the sales strategy and shows in detail the price strategy, price creation and defends the reasons for the particular strategy that has been implemented. The third important part of the business plan is the analysis of the company’s efficiency based on its financial performance. The complete financial analysis includes the

presentation of fixed and variable costs, break-even point analysis, balance sheet from the end of the first accounting period and from the same period also the income statement, last part is the cash flow statement for next two years. The aim of the financial analysis of Lucky Party is to present the present situation and future perspectives of the company in numbers. The whole business plan is ended up with the SWOT analysis helping to develop the risk awareness, which might occur during the business operations.

This business plan summarizes all important facts and factors that are in general stating that this kind of a business has a future on the Czech market. However it is clear that it is not like a recipe, therefore things can change and the firm should be enough flexible in order to sustain, or otherwise it would face the failure.

6.1.2. Summary and description of the business

The company Lucky Party s.r.o. is carrying the business in the sector of amusement and decoration. Particularly it is engaged in running a party shop that offers a wide range of party supplies, being supported by the e-shop; together with it, it is providing an organization of parties for children, which are special for their unique concept of program; and the third main sphere of the business is the creation of extraordinary balloon decorations suitable for private anniversaries and public events or promotions as well.

The business vision of Lucky Party is to offer services and products for amusement in a great quality in order to create for the customers an extraordinary experience. The firm turns into account the fact that it has three main business plots, enabling to provide complex services regarding the amusement sector for each customer.

The company Lucky Party s.r.o. was established on 27th July 2009 by Lucie Kubizňáková, born on 13th October 1987 in Prague, as the only founder and owner. After graduating from High School in Prague (Gymnázium Jana Keplera), meanwhile she studied for one semester in the United States, she started to study at the University of Life Sciences in Prague at the Faculty of Economics and Management. Regarding to the

professional experience, she have worked in various jobs since she was fifteen years old. Starting from part-time jobs to more sophisticated positions in finance and accounting field in both Czech but also international companies (YMCA, Holmes Place, Johnson & Johnson Global Business Services, Sieza, Mattel). From the cooperation with the international association YMCA she obtained lots of experience regarding the cooperation with children and their parents, which is helpful when organizing kids' parties. The experience from financial and accounting sphere in the number of different companies enable her to organize the company from the financial point of view as well. But overall all the time spent working elsewhere ensured me that she is highly motivated to work on own and dedicate most of the time to her own business.

6.1.2.1. Legal framework

The Lucky Party company was legally established as a Limited Liability Company from the reasons as the holding the liability only up to the registered capital, the professionalism in front of potential customers or trust of mainly international suppliers. There were some issues to be solved instead of when running the business just a sole trader, but the advantages of having a limited liability company overweight them, especially the fact that the risk over the company which the entrepreneur has to bear is limited. The possibility of establishing join-stock company was absolutely out of the question, primarily because there is no practical need of it, but secondary there would not be even sufficient financial sources. Concerning the legal framework, there is one more advantage which is effective at the time during which the executive is a student, hence does not have to pay neither the social nor the health insurance.

The process of settling up the business took not more then two months. After signing the Deed for establishing the company, creating a special bank account for the lodgment of money and getting all necessary documents such as agreement with the location of the business seat, the trade license together with the extract from the police records, the request for establishing a limited liability company might be handed to an

appropriate Commercial Court and Register, which decides within two weeks whether the person who applied for it is going to have the business unit. If any problems occur, the applier is obliged to bestow any supplementary documents which he was asked for.

Considering the specification given by law no. 455/1991 coll. the main activities of Lucky Party are following:

- Mediation of trade and services
- Wholesale and retail
- Operation of cultural, culturally-educational and amusement facilities, organization of cultural productions, amusement, exhibitions, fairs, sales and other similar events

6.1.2.2. Location of the business and property conditions

The company official seat is today at the address Africká 664/1, Praha 6, 160 00, but will be relocated soon to the new official address of the company owner. Both of the seats are though in the same district, therefore there is no need of change of financial or other authority.

There is one commercial establishment located in the Prague 6 at one of the main streets and access roads Evropská house number 53/1727, which is concerned as one of the most lucrative locations in Prague, due to the fact that it is in a residential suburb, therefore the wealthier clients live there. Another advantage is the presence of number of international kindergartens, elementary schools and high schools, which are attended by kids and students from abroad who are more likely to organize such events as birthday parties and other events. The shop is open from Monday to Friday from 2 p.m. to 6 p.m., where lately we would like to have prolonged open hours at least for six hours a day plus four hours on Saturday.

The shop is very easily accessible by public transport, because it is situated right on the tram station and nearby bus station as well. More to that, there is a metro station of the metro line A being build and should be open in two or maximum three years only 600 meters from the shop. A disadvantage is the fact that there are only 6 parking lots next to the shop that are common for approximately 8 houses in the street, hence it is almost impossible to park during the opening hours right in front of the shop and the customer has to find better place to park in surrounding street, which is time consuming and quite uncomfortable.

Considering the property conditions, the object where the commercial establishment is seated is own by private owners living abroad, to whom it was recently given back in the process of restitution. Thanks to the fact they do not live in the Czech Republic, the house is under the administration of company Horren s.r.o. The commercial unit is a part of area rented by a company Velstav spol s r.o., from which Lucky Party is renting it as a lease. The whole area of the shop together with the storeroom is 44 m² and the monthly amount of the rent is CZK 9,580 including VAT. The term for the rent of the non-residential premises is stated in the agreement until 31st December 2013.

6.1.2.3. Accounting, insurance

From the statutory point of view the limited liability company is obliged to keep double-entry accounting. Besides this rule is given by law, the double-entry accounting is definitely more probative and disposes with highly predicative abilities to compare with simple tax records, especially regarding the possibility of further financial and prediction analyses.

The bookkeeping is progressed internally using the economic system EKONOM, an economic system provided by company KORBEL CZ s.r.o., which coordinates various actions such as the invoice management, cash management, inventories, VAT statements, tax registers, consolidates double-entry accounting, etc. The final choice of this particular program has been forgone by examining number of different systems available on the

market and suitable for small and medium sized enterprises. The criterions when choosing the most convenient one were: the fulfilment of all necessary accounting issues, the friendly software environment, the reliable and helpful support and definitely also the price for the complete software and its annual upgrades.

As mentioned, it is also important to realize what the obligatory insurances for the company are in general. When company employs at least one employee, it is obliged by law to be insured for the case of own liability for damage caused to the employee by work injuries or diseases from work occupation. Mandatory insurance is applicable to all employees, regardless of the number of employees employed in the company. There is a possibility of another insurances that include insurance on the robbery, natural disasters, etc., but due to the fact that the shop is rented from the party, which is insured already as the main leaser of the object, and the company is not owing any costly equipment, it was decided not to get any extra insurance at the moment.

6.1.2.4. Business intention

The company Lucky Party has three main sections in which it operates – running a party shop, organizing parties for children and creation of balloon decorations.

Regarding the party shop, it is not an absolute novelty, there are some shops offering kinds of party supplies in Prague and some number of e-shops as well, but yet thanks to the small number of them and a big number of potential customers, establishing a shop with alike product still fills a gap in the market. Moreover with the fact that there exist a big number of manufactures, who produce a wide variety of different product, therefore the offer to the Czech market with the low number of existing shops in this area might be varied. This is the point where Lucky Party wants to diversify itself from the others – it wants to offer a huge range of different products, even though in lower amounts at the moment. This is a question for finding suitable suppliers with initial big offer to the company.

The organization of kids' parties from the invitations, to the catering, the original program during the party, gifts, the cleaning and etc. is kind of a unique service offered in the Czech market. Although it is needed to be aware of the fact that there is no patent on new services, hence if the organization of children's parties will be successful and will have a big financial potential to the future, it is likely that the competition will also rise. Therefore the team of Lucky Party has an objective to create both enthusiastic and unique programs of the parties in order to protect itself from the competition in words of quality and know-how.

Using balloons for decoration is not anything new, but what the market might not know that there are new trends in creating extraordinary balloon decorations. Balloons are very attractive for both kids and adults as well, and thanks to the bulk volume they cover in a place, it is rather cheap decoration to compare to others. The use of them does not have to be just for private purposes, actually it is anticipated that the biggest customers will be from the side of restaurants, clubs, hotels, balls, and other companies for their evening parties, conferences, proms, presentations, advertisements, etc.

Besides particular products and services, which are offered, the value added for the customer is the complexity of the touted articles, consultancy in the field and proactive orientation on the customer and his needs.

For the investor is an outright advantage that it is a new combination of services and products not offered anywhere else in the Czech market yet. And as the living standard in the Czech Republic still increases, the demand for this kind of services increases as well.

6.1.2.5. Products and services

The competitive advantage of the products and services offered is without a doubt the complexity the fact that all the articles are in a way complementary with each other. Moreover the company is open to new trends and ideas and is magnifying the range of

product in the shop, as well as the equipment for the parties. The team also pays a big attention to the customer relationships, in order to satisfy his wants on the best level, considering the permanent improve of services provided, or for example opening the shop in other than scheduled time.

Party supplies

The party shop offers variety of products for children's, family's or business celebrations, theme parties, feasts or garden parties. Together with it it offers supplementary goods for carnivals, balls, decoration, creative workshops, children camps etc. in a word for everything, where the entertainment play the main role. The assortment touts a wide range of balloons, possibly filled with helium, theme tableware, cake decorations, masks, costumes, face-painting, and many other extraordinary accessories. The offer mostly considers products that are new to the market or are offered just on small scale and with poor variety selection. Another small section consists of products regarding the decoration and equipment for weddings.

Everybody who enjoys any kind of entertainment and festivities can choose in the party shop the right equipment to add to the specific event more of the amusement. But preferably the products are oriented on a younger age group. On parents, who want to create for their kids a birthday party, or get them some costumes for school carnival; on high school and university students, who celebrate all the time something and enjoy funny and outrageous accessories; and on young working people up to approximately 30 to 35 years, who are celebrating with their colleagues and friends. Talking about the people in the middle-ages or retired, they might be interested in the assorted goods when approaching some important jubilee or as others during famous feasts as Easters, Halloween, or New Year's Eve.

Until today, it was possible to buy some basic articles for special events as birthdays or some, but even with the introduction of the big supermarkets, which brought products also in this sector, the range of the possibilities is beyond compare with the range

of products offered in Lucky Party's party shop. Besides the variety of the products, we are setting reasonable prices on them in order to satisfy majority of the consumers, out of what we may say that both of those facts bring us competitive advantage in long-term run. "

Children's parties

The activity, thanks to which the whole business intention came up, was the contemplation of organizing parties for kids on turnkey. To provide complex service starting from the invitation, to decoration, catering, hostesses, unique programs, animators, games and plays, cleanings up, taking pictures, etc. The cornerstone of each party is its program, which is always created upon the parents' requests and children wishes. At first the theme of the party is chosen (pirates, princesses, football, animals, etc.), based on what all the games and creative workshops are made. An emphasis is placed on easygoing and calm course of the party and that is why there are always at least two hostesses present on the event, so they can look after all kids. Besides the program and many additional features, there is also a possibility to order what so called an adult table, which includes catering, music and other activities for parents to let them enjoy the party together without taking care about their children; however the attendance of them during the games is welcomed and on request it is possible to create special games being played with kids and parents together. In order to prepare an extraordinary party, it is recommended for parents to order the date and theme of the party at least three weeks before it is going to be performed not just because of the early reservation of the date, but also in order to catch up all the details for the course of the party.

Kids' parties offered by Lucky Party provide an extraordinary experience for both kids, who are amazed by the program and enjoy having fun, and parents who are glad for their entertained kids and for the fact that they can enjoy the time with their friends as well. The variety of activities is wide – kids are going to play different games, do some creative workshop, enjoy a magician, a face-painting, a bouncing castle, trampoline, a caricaturist, play unusual game with piñata and more. Lucky Party is going make their birthday date really special. As kids are more demanding and parents are willing to fulfil their wishes to

make them happy, Lucky Party brings a key how to satisfy their needs on that special day of the year.

The concept of kids' parties is a bit financially dependent, relying on the wants and preferences of course. Besides having the party on turnkey, there is a possibility of ordering just particular parts as decoration, program, or catering and so, enabling to lower the final costs of the whole event. Overall the promotion children's parties is aimed on middle and upper-middle income families, who are willing to pay an extra in order to create smile on their kids faces, and on foreign families, who might be more used to celebrating kids birthdays on bigger scale.

Balloon decoration

Balloon decorations are very attractive, but still unusual way of decoration, which enables to occupy friends on the birthday party, wedding or graduation, as well as customers when used as a promotional placard. The decoration with them is very flexible; they can be used for modelling various things and for creation of exceptional settings. Moreover the price of them is to compare with other, regarding the space they can fill up, rather low.

The decorations are preferably promoted for private occasions, company's events, promotional affairs, for the decoration of restaurants, casinos, balls, etc. That is why our goal is to address the potential customers from those areas.

6.1.2.6. Suppliers

In order to ensure the functioning of the shop, children's parties and creation of balloon decoration, it is necessary to have stable inputs, but also a flow of those that might be easily modified regarding the trends and fads. Considering the suppliers of goods and balloons for the decoration or reselling, the strategy is to find the manufacturer of the goods, eventually the supplier providing good quality products on low prices, preferably

not further than in Europe due to lower transportation costs. The supply of equipment for kids' parties is mostly driven by trends and wants of customers, but usually these can be used many times in a row, so there is no need to buy it regularly in large volume. All in all the inputs are perceived particularly from their quality and price conditions, trust of the supplier and location of him (preferably states of the EU due to the transportation costs and business-legal issues).

Nowadays Lucky Party is cooperating mostly with international suppliers. The biggest supplier, supplying most of the products in number and variety, is Polish distributor and manufacturer GoDan, seated in Warsaw. Then Unique Party, a British manufacturer of theme and licensed articles; Rifco balloon worldstore, an Italian company specializing in the production of balloons of all kinds; Era-pack, which is a Czech distributor of branded balloons Qualatex, which is considered as one of the best quality balloon producer. Lucky Party cooperates as well with Czech companies, who distribute or manufacture party products, as Anděl Přerov s.r.o., R-kontakt s.r.o., Wimex s.r.o., or Rappa s.r.o., but with all those on considerably smaller scale than with the international ones especially due to the price difference. On the other hand the ordering is more comfortable regarding the fact that you get the products fast (usually one or two days after the order) and payable by cash on delivery or on an invoice, where the cross-boarder order must be paid in advance. Also the time of delivery is longer, usually two to four weeks, depending on the speed of the communication, negotiation of details on the order, money transfer and the transportation.

The strategy is also to have multiple suppliers to keep smooth course even when some of them appears not to be able delivering the goods, and also for possibility of wider choice of products.

6.1.3. Marketing strategy and plan

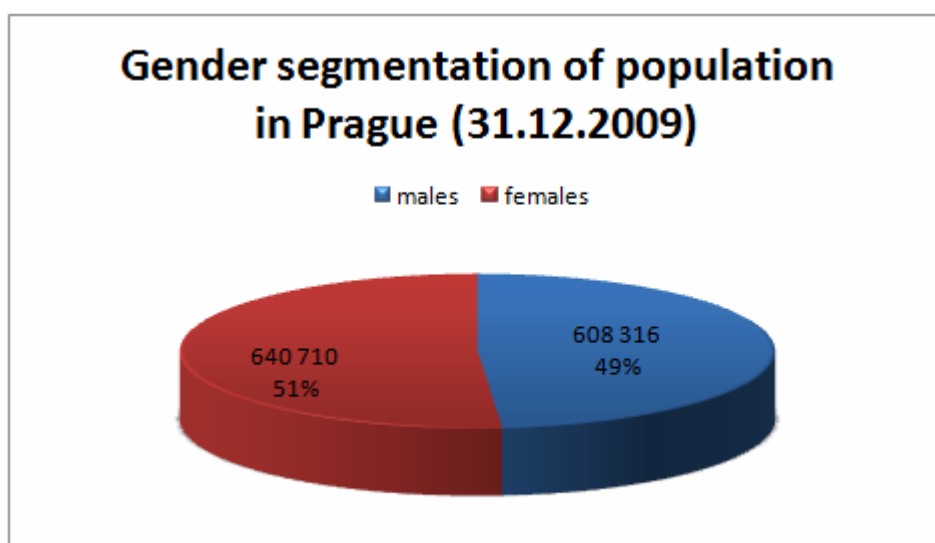
According to achieve the business objectives of Lucky Party, there has to be a marketing strategy made up upon which the company will act. In order to create effective

strategy, leading to increased sales, it is needed to properly analyze the existing market, involving the marketplace, customers and competitors. Then it is possible to define the sales strategy and marketing mix in within the firm.

6.1.3.1. Customer and market analysis

The size of the market is defined by the number of potential customers, who will be attracted in the offered products and services. It is useful do divide the customers based on the product or services, as they vary – party supplies offer, kids parties, and balloon decorations. The outcome of the customer analysis is useful for marketing and selling strategy, because the projects and plans can be adjusted in order to recognize the customer differences. For the customer and market identification, the region of the capital of The Czech republic was taken due to the fact that the company is nowadays operating just in this area and is not about to broad its operation in next two years. The scheme for the customer analysis is taken from the summary of Major Segmentation Variables for Consumer Markets (Kotler, 2006). The total population of Prague by the end of the year 2009 was 1,249,026 people, density characteristics is urban and regarding the gender the Prague is divided almost fairly half to half (exactly 51% of women to 49% of men).

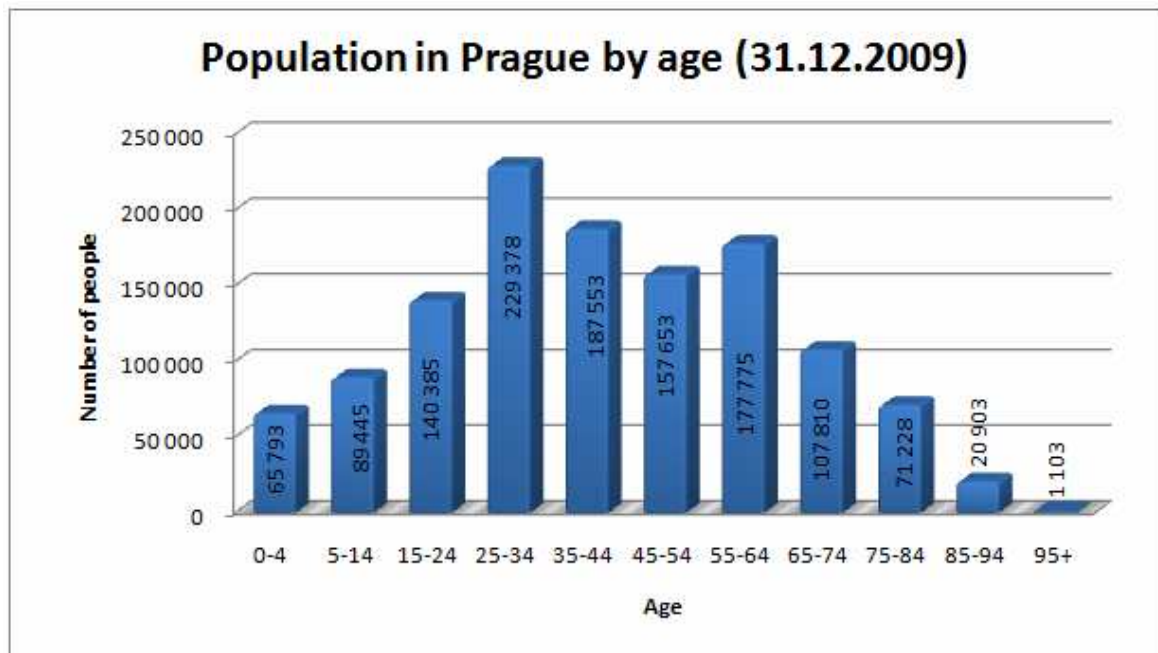
Figure 2: Gender segmentation of population in Prague (31.12.2009)



Source: Czech Statistical Office, 2009, Own processing

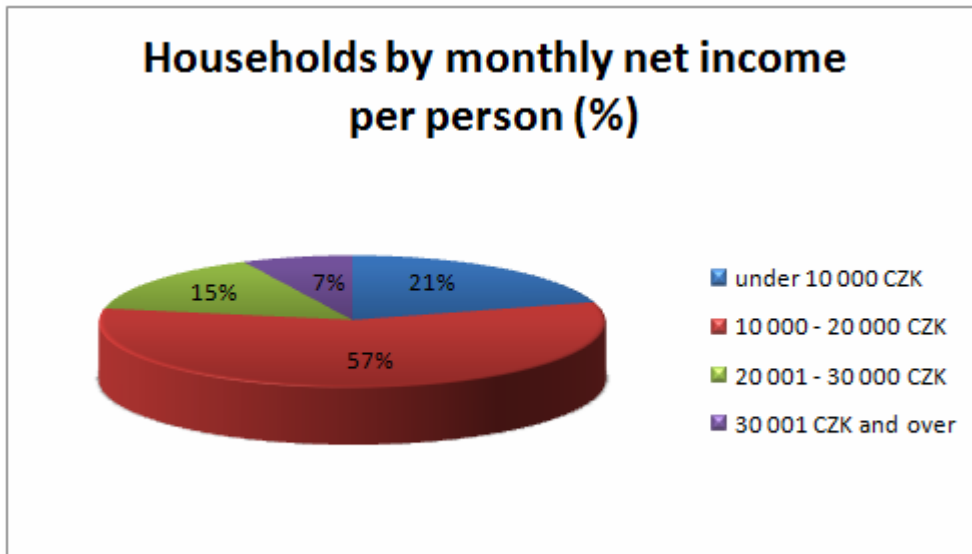
As shown in the graphs below the age structure of the population shows that there are more younger people (in the age of 0-44 than 45+), which is in favor with the sample of the business that has been carried. And also the net monthly income is the highest with compare to other parts of The Czech republic. The graph Households by monthly net income per person clearly shows that there are 7% of households, where the monthly income exceeds CZK 60,000 regarding the fact that the average family in Prague has 2.2 members. This is highly in favor to the offer of kids parties, because as was already mentioned it is rather luxury service and the target customers are those family from medium and high society.

Figure 3: Population in Prague by age (31.12.2009)



Source: Czech Statistical Office, 2009, Own processing

Figure 4: Households by monthly net income per person (%)



Source: Czech Statistical Office, 2009, Own processing

In regards to the number of businesses, whose principal activity is in the area of food service activity (restaurants, bars), or art, entertainment and recreation (clubs, children playgrounds, etc.) the search was taken on the number of potential customers in the business sphere, who might be interested in the service of balloon decoration. As the total number of those two categories was 28,961 by the end of 2009², we can consider that 25% of them, which means around 7,000 might be interested in this service. The reason for taking out 25% is that we have to get off the restaurants of 3rd and 4th price category, small accommodation places, due to the fact that not all of them fulfil the requirements of being attracted in such product.

6.1.3.2. Competition

The competition might be divided into two categories – direct and indirect. Among the direct we count the shops or agencies, which sell the same or similar products and offer alike services as Lucky Party is. The indirect competition is being distinguished as an enterprise offering those products or services as supplementary to compare with other ones they sell; therefore it is not there prime business.

² Data from Czech Statistical Office Yearbook 2009

Direct competition

In Prague, it is possible to find about five shops that are offering party supplies and can be seen as direct competition to Lucky Party. The list of them is supported by analysis of their location, main business intention, evaluation of possible threat to Lucky Party, etc. One of them is also offering a possibility of organizing kids parties, and the list of competitors from this field follows.

MojeParty.cz s.r.o.

The company MojeParty.cz s.r.o. was established in 2007 by Krňáková family and the same year they opened a party shop in Prague 10 nearby the Strašnická metro station. Today, there are two shops – one specialized on party supplies and one on wedding accessories plus they just have opened a party shop designed for wholesale purposes in Prague 10 at Hornoměřcholupská street. When visiting these shops, they look very fancy and neat, even though a bit crowded and feeling as enclosed ground.

Besides party supplies they offer also various balloon decorations, wedding decorations and children's parties. They do the first two by themselves, but when calling for the information about parties for kids the coordinator said that these are made by another agencies rented by them, therefore they do not organize them purely by themselves, just providing the decoration. A big plus are their web pages including party portal with number of information about how to create own party, decoration, where to get animators, cakes, etc. Overall feel of this company is very good and definitely inspiring for Lucky Party.

Pro-party s.r.o.

The shop of company Pro-party s.r.o. is located in the shopping center Galerie Butovice in Prague 5 and to the size it is one of the biggest in Prague. The assortment is huge and they offer lots of supplementary products for number of themes. The shop is

well-arranged and it is very easy to find the things person is looking for. A big disadvantage is actually the location of this shop, because the shopping center in which it is situated is ranked among the less visited one in the whole Prague and quite a lot shops had to be closed already. The accessible financial documents, found on the server www.justice.cz are pointing on the fact that the firm is not in good financial manners and especially due to low sales to compare with high costs it is struggling with a loss.

Balonservis

The company Balonservis owned by Kateřina Rozsivalová runs a shop that is the nearest one to the Lucky Party's – on the street of Milada Horáková in Prague 7; and besides party supplies it also offers balloon decorations. The shop is though very badly organized and feels like full of weird things. The shelves are old and most of the products are being sold from the boxes and next to it they sell fashioned top-boots, which are nice, but have nothing to do with party supplies. In last days the company started to offer delivery of balloons, which might be interesting and inspiring for Lucky Party as well.

Shoppingparadise.cz s.r.o.

The company Shoppingparadise.cz s.r.o. is running e-shop with party supplies and small stand-shop in the shopping center Letňany in Prague 8. Its assortment is specialized mainly on big variety of wigs. What is interesting, they offer a possibility of sewing a costume based on whatever customer's wish is.

Karneval-ptakoviny.cz

The shop with supplies on parties, carnivals and joke stuff is situated in the center of the Prague nearby the Charles Bridge. According to the assortment and prices it is clear that the shop aims mainly on tourists and young foreigners who are visiting surrounded clubs and are looking for some interspersions.

Beckiland, McDonald's, KFC

Regarding the organization of parties for children, we cannot omit the above mentioned. Beckiland is an amusement park in Prague 5 near IKEA and Tesco stores, where the kids can enjoy their free time, but also book a date and have a birthday party there. If we look at the way how McDonald's and KFC are making their parties, they usually just hire a hostess who takes care about the kids, paint with them, gives them balloons, but none of those offer a complete program based on a theme and plot, which is the main priority of Lucky Party's events.

Balondekor s.r.o.

The firm Balondekor s.r.o. is a production company providing various services, but also entertainment for kid's activities as the face-painting, the balloon-modeling, decorations from balloons, magicians, etc. It was established already in 1997, hence it benefits from the long tradition on the market.

The difference of this or any other production company, which provides programs and animators for kids, to Lucky Party is the one that Lucky Party wants to aim on different target group of customers. As these are aiming on big production activities in schools, shopping centers and other event of larger scale, Lucky Party wants to promote small, private parties for families and their friends. This is where the gap on the Czech market is and where the company wants to root in.

Indirect competition

As the indirect competition such businesses might be impeached as costume rentals, stationery stores, toy stores, where often it is possible to find a concrete stand with party supplies; the disadvantage is very small choice and quite high prices to compare with what Lucky Party offers. Surprisingly the same obstruction is in the big supermarket and hypermarkets, where the lowest prices are anticipated. This is actually good for Lucky Party

business, because there is no fear that those enterprises would attack small specialized shops with their price policy, or at least in few following seasons.

As an another indirect competition might be seen the production companies, which have in their offer magicians, face-painting sessions, decorations, etc. but rarely they have a complete service of children parties as Lucky Party has.

Besides companies that have their real store, there exist a number of e-shops offering various accessories for parties, carnivals, etc. These shops are definitely a countable competition and when Lucky Party decides to earn more money through its e-shop too, it should not underestimate the competition here. Still it is an advantage to have both – internet and real store; therefore it should get better of it.

6.1.3.3. Promotion

Party supplies

Nowadays almost the only advertisement of party supplies sold in the shop, which is located in Prague 6, is the shop itself, relying on the fact that it is situated on the main street, which is its substantial part of promotion, but definitely unsatisfactory and deficient. That is the reason for creating an efficient, but on the other hand also inexpensive advertisement, as there are not big financial sources in the beginning of running the business.

One of the first steps is to enlarge the advertisement on the shop, exactly on its side, which is facing the street more likely than the side, where is the entrance, so it is assumed that all the cars and people waiting for the tram will observe it more easily. The form of the advertisement should be a set of party themes painted on the wall – it should be colorful and happy, just describing what you can find inside the store plus to be catchy from the first side.

Then it was needed to design the posters and leaflets for both party shop and kid's parties, which will be then distributed to nearest elementary schools and kindergartens as well as to other household in Prague 6, 5, 7 and the suburb of those districts. Later on, it is in plan to address more potential customers, but this is a plan for next half a year. The design of the posters has been made with the cooperation of a printing studio Karnetcopy s.r.o. seated in Prague 5, and after some discussion, the final version were posted. The examples of them are to be found in the attachment, where the second version was finally chosen. This printing studio did also the banners of the front-store.

To lower the costs for the promotion, there are alternative ways of the advertisement being used. One of them is the presentation directly to the parents, addressing them when taking care of the kids on the play-ground for example. Another way of commercial is to handing out of the leaflets to the people in metro corridors, but to be somehow special from the other advertisers, the hostesses are dressed in a costume to emphasize on the fact that the shop is offering costumes, masks and other party stuff.

Recently the e-shop is running too, presenting the party supplies on the webpage: www.luckyparty.cz. At an early date the servers for mothers, parents, but also students and young people will be address with the request of internet commercials or mutual exchange of banners. The potential of e-shop is big, because it spreads its distribution way around the whole Czech Republic and thanks to the tool Google analytics, we will be able to discover from where we get the connections onto the webpage. The e-shop, but also the presentation of whole Lucky Party company is also presented on social site facebook.com.

Children's parties

In the attachment there are also the visualizations of poster and leaflets for children's parties. The fact is that due to the high prices of print-outs, it had to be strictly given, where the posters will be given and handed out in order to not spare money in it unnecessarily. And as it is assumed that the direct promotion is the most valuable, the team of Lucky Party is promoting the set of its offer directly on the places, where it is

anticipated the potential demand, therefore the elementary schools and kindergartens were addressed. The point in this case was mostly on the private institutions, because it is more presumable that the parents can afford such an event being organized as party for their kid. In most of the cases, the interest was shown, but the struggle was that some of the schools started to organize children parties on their own, being inspired by Lucky Party's offer. However this will not affect the possibility to offer them at least the supplies needed for the birthday party.

Other promotions for kid's parties were introduced at places, where a probability that parents is will spend their time in, such as fitness and wellness centres. We had barter with international provider of wellness and fitness Holmes Place, where we could promote the parties for decoration on specific event. Next cooperation appeared with one private gynaecology, then seller of cloths and accessories for mothers and babies, or with International School of Prague, where Lucky Party was one of the partners supporting International Food Festival.

Balloon decoration

Every time people can see a balloon decoration standing or handed in the party shop, being always somehow typical for the particular season. It might be a big flower in spring, a witch for 30th April, a black cat for Halloween, a Christmas tree for Christmas, etc. The complete portfolio is available in the shop or in the electronic version.

The way how to address new customers for balloon decoration is presenting them the possibility of balloon decoration directly. That is why the sales representatives are presenting the portfolio to particular customers, who might be interested in it in the future. Basically these are places, which need to attract their own customers, so we count in it restaurants, bars, clubs, bowling arenas, cinemas, hotels, casinos, sport centres, music clubs, ball rooms, etc. The balloons decoration is also presented on the webpage of Lucky Party and the references together with the pictures from different actions will be presented as well.

6.1.3.4. Price strategy

The key factor of marketing strategy is the adjustment of an optimal price strategy. Lucky Party does not apply one strategy, mainly because of the reason that it offers both products and services and the price tactics then varies. Secondly the flexibility is assured by it, which is important especially in the beginning of the business.

Party supplies

The price of party supplies is defined based on the costs, so on the cost of the particular product, transportation and variable costs including the operational costs. Besides the cost based strategy, it is always observes for how much the competitive company is selling its products or services. If the product is entire new to the market, the price is defined both on the cost of it and also on the relative price, for which the customer is willing to pay.

The price strategy, which is derived from the total costs and than the margin is added to it, is effective especially on those products that are bought from the Czech wholesales. In general the absolute margin on these products is the lowest, because the wholesaler already charged himself some margin. The margin for product bought in Czech areas is usually from 40 to 80 %. But primarily there is a shift to order goods from the foreign suppliers or directly the manufacturers, who can offer us the lowest possible price. Because the goods from those suppliers are really cheaper, the strategy is not based only on a set margin, which is given to those, but also the price is defined based on what the competition offers. However, in order to use a concrete number for the following calculations in the financial plan, the average margin on goods bought abroad is 150%. According to the fact that the proportion of goods from foreign suppliers to compare with Czech suppliers is around 80:20, we can define the average margin on all goods as 120%.

The intention is to keep up big variety of products in order to serve different customer needs and wants, which is reflected also in their price setting. The customer has the option to choose between simple and cheap articles and those that are trendy, have more features, or are somehow special, but the customer has to pay extra for them.

The strategy of cross-selling and up-selling are applied as well – regarding cross-selling there is an offer of a number of supplementary products in one theme – cups, plates napkins, tablecloth from the one theme and then similar candles, garlands, costume features, etc. Up-selling price strategy is introduced to basic part supplies as balloons, party caps, or blowouts, which are sold separately one by one, or there is a possibility to buy them in a pack for better price.

Children's parties

The delimitation of price level regarding the parties for children is rather complicated, due to the fact that it is compounded from several complementary services and products as well. And as it depends upon the customer what he chooses to have included in the event, it is not equally divided and each of them has to be computed individually. The margin to the differed parts of services is following:

Services included in the party and their margins

Service	Ratio of the total price for the event	Margin
Catering	14%	25%
Hostesses	12%	75%
Decoration	8%	150%
Tableware	10%	125%
Animator	12%	100%
Extra supplies rental	12%	100%
Transport	2%	50%
Cleaning	5%	75%
Program creation	15%	100%
Material for games, prizes	10%	100%

Source: Internal documents of Lucky Party s.r.o., Own processing³

³ The table contains particular performance, whose participation is probable in the total price for the event, if all of them are present, and the margin which is added to the cost of particular service (but might be negotiated).

Based on the previous schedule we are able to calculate total anticipated margin for an event, which is approximately 110%, but as was mentioned above the total margin fluctuate based on the composition of exact aspects. However for the following calculation of financial plans this schedule and total margin will be used.

Balloon decoration

The price strategy of balloon decoration is primarily derived from the cost price of the material of balloons, helium gas, a compressor and other decoration material. The decoration work and the transportation are charged above the material depending on the difficulty of the particular decoration. In general the margin of 110% is applied as well as when organizing the party.

6.1.3.5. Operational plan of marketing and selling strategy

To lead the project or plan properly and trying to avoid any predictable errors it has to be well organized. It should have a certain itinerary describing respective phases of operations, together with their specifications and people, who are reliable for the compliance with the original plan. The creation of a precise time schedule makes a transparent guidepost of particular steps and in a case that there appear any incompatibilities with what has been planned, it gives a space to find an alternative solution even being in the process. To ensure well-organized schedule scheme, the method of Gantt's diagrams will be used and it will be applied on the marketing and selling plan, specifically on the propagation by means of internet, on the propagation through printed and outdoor advertisement, and on the selling operations strategy.

Propagation by means of internet

Finishing up the website and e-shop - The webpage of Lucky Party was already created, but it still waits for the major correction of the content and making the full e-shop with all the products available as in the classic shop. This process should take no more than

6 weeks, but as the person who is reliable for it is not an employee of Lucky Party, it is harder to rely on it. Anyway the contract is going to be subscribed and due to the fact that there are then following problems, which need to be solve or installed in the dependence of the complete website, some kind of a fine will be defined to push the IT specialist to finish his work in time.

SEO – in the sequence to the creation of the webpage, it is very useful to set up functional Search Engine Optimization (SEO), which enables the website to be more adjustable by various search browsers and is therefore more attainable by potential customer, who look for party supplies or any service connected with parties and events. The whole process should take not more than two weeks.

Banners – it is necessary to made several banners that could be lately used for the internet promotion. They have to be made in multiple visualizations as they will be aimed on different customers on different promotional places. Both banners and mentioned SEO are in the hands of the IT designer or specialist ad both should be done in about two weeks.

Internet promotion – when the promotional banners will be done, the internet advertisement can begin with finding the suitable internet servers, where the banners would have a chance to attract the right customers. Then it is important to count in time needed for addressing the owners of them, asking for the possibility of having a banner there, negotiating price and other business conditions. This activity can be taken continuously without any mark of an end, because the promotion can be enlarged over the time.

Facebook presentation – Lucky Party already got registered on the Facebook, however they need to be refreshed and also the link has to be set up on the Lucky Party's website, so everyone who visit them and has an account on the Facebook has the chance to become a fan of this page. The social networks as Facebook is have immense power among younger people and are definitely a powerful marketing tool. In the horizon of three months the aim is to get 500 of fans, in a half a year around 1500.

Direct e-mails – from the completion of all functional and design features on the Lucky Party website, it is a good time to present the offered products and services, whose summary will be available on the webpage, to chosen individuals, previous customers, hotels, restaurants, promotion agencies, and others who might be interested in them. This activity is open-ended, because we can address not just the sites within Prague, but all over the country.

Propagation by means of printed and outdoor advertisement

Propagation of the children's parties – printed advertisement

Design of the leaflets – the time from the submission of initial idea of the design to the agreement of the design takes approximately two weeks.

Print of the leaflets – due to the fact that the reprographic studio, which is designing the printed advertisement for Lucky Party actually makes the printable things through a big printing station, it takes around a week to get the leaflets ready.

Distribution of the leaflets – the distribution will be done by part-time workers, who will be hired for this job and they will be distributing the leaflets in previously chosen localities, where is greater probability that the leaflet is received by the potential customer. The distribution of approximately 10,000 pieces of leaflets should take about two to three weeks.

Propagation of the party shop and balloon decoration – printed advertisement

Print of the leaflets – the reprographic studio, which is taking care of the printings, has already the design for the leaflets advertising parties for kids, therefore the whole process is shorten of the time needed for the design. That is why it should take no more than seven days.

Propagation of children's parties – the activity will take respective time depending on the suitable places for presentation. Primarily the private kindergartens or kid's playground in shopping centers will be addressed, offering the possibility of an advertisement for the animator's performance or some kinds of decoration.

Outdoor advertisement

Design of an outdoor advertisement – the design includes both the sketch of the painting that will be done on the side of the shop and the additional banners, which will describe the detailed offer of the shop. The design of the painting has to be done together with an analysis of suitable painting colors that will be used; the design of banners will be done with the cooperation with the reprographic studio Karnetcopy and together with the installation it should take approximately three weeks.

Approval and permission – the object, where the shop is located, is under the administration of a company Horren, from which it is needed to obtain an approval and permission enabling to install the lightings and painting on the front. Under condition that everything will be set into the original state; the whole errand should take no more than a month.

Installation of lightings – it is necessary to find a firm, which will do it – it is assumed that it should take about two weeks and the reliability for it will be given to the firm in the agreement.

Painting on the front of the store – together with the provision of suitable paints it is necessary to find a painter who will do it, or maybe it might be done by the personnel of Lucky Party, in a case that the design will not be too difficult. When everything is prepared, the paint may be done in a day, but it is important to watch the weather, so the colour stays there for long time.

Alternative advertisement

Design and print of sale vouchers – the whole process should not take more than two weeks; the shorter time period to compare with leaflets is given due to the fact that the design of the sale vouchers is not that creatively difficult.

Purchase of inputs – the advertisement will be based on the distribution of flying balloons, which will be weighted down with the sale vouchers with 20% sale and an invitation to the shop. As the assortment of balloons is permanent as well as helium gas, it can be prepared in a day.

Organization of the balloon distribution – it is necessary to find part-time workers and then time and place, where the promotion will be done. This may be done meanwhile the coupons are being made.

Promotion – the promotion event would be done in the frequency of two to three times a week for two months in the public places, where is no need to pay for the advertising place, or to negotiate good business conditions, preferable as a barter.

6.1.4. Financial plan

6.1.4.1. Summary of financial needs

The Summary of financial needs for the beginning of the business was based on the basic needs to run the business. The sources were personal indeed, meaning that no extra loan was made. The total of the equity had to be equal or higher to what the law claims in order to establish Limited liability company, which is CZK 200,000. The total of the equity at the beginning of the entrepreneurship of Lucky Party was CZK 280,000. The main investment was into the goods, advertisement, reconstruction of the shop and other administrative costs.

It is also important to mention that Lucky Party is registered for VAT, but all the calculations are counted without the VAT. The VAT is an instrument affecting only the final consumer, so regarding financial statements of the company; it does not play any role. The only affect it has is in the Cash Flow Statement, but as it will be calculated already with the numbers without VAT, it will not affect the final result.

6.1.4.2. Costs and revenues; break-even analysis

Break-even point defines the amount of sales that has to be made in order to cover the total costs, both fixed and variable, therefore at this point the firm does generate neither profit nor loss. To calculate it, the fixed costs have to be defined and the average margin on goods and products as well.

Among fixed costs there comes the rent of the shop and store, which include the costs for energy, personnel costs and administrative costs connected with the run of the shop and e-shop. The variable costs are connected with the amount of sold products in the shop, balloons for the balloon decorations and the costs connected with party organization. Therefore the aim is to calculate the total amount of sales, so they cover the costs of fixed costs as well as the proportional variable costs, based on the margins calculated in the chapter Price strategy, where the margin for sold products was defined as 120%, for the party organization and balloon decoration as 110%. Regarding the fact that the aim is to have proportionally the same amount of sales on products as on parties and decorations together, it is assumed that the margin of 115% will be suitable for following calculations⁴.

⁴ All the data for break-even calculation were brought from previous calculations and internal documents of Lucky Party s.r.o.

Fixed costs:

Rent of the shop	CZK 10, 000
Personnel costs	CZK 10, 000
Administrative costs	CZK 2, 000

Variable costs:

Costs on products sold and material used for organization of parties and balloon decorations margin is 115%

Break even analysis:

1. Fixed costs (FC) + variable costs (VC) = sales of products and services (S)
2. $S = \text{costs of products and services (variable costs - VC) * margin}$
3. $VC = FC / (\text{margin} - 1)$
4. $VC = 22,000 / (1.15) = 19\,130.45$
5. $S = VC * \text{margin} = 41,130.45$

From this calculation it is clear that the total sales have to exceed the amount of CZK 41,130.45 in order that the company makes profit. Regarding the fact that there is no salary paid to the owner of the company, it has to be encounters that when she will have to

begin to be a regular employee and the social security and health insurance together with the salary will have to be paid to her, the total amount of sales will have to almost double.

6.1.4.3. Cash Flow statement

Cash flow statement is good for the overview of expenses and revenues in over certain time period, usually on monthly basis. It summarizes the financial means disposable at the current time, therefore it is a good tool for decision-making when investing money, paying liabilities, etc. The following Cash flow statement of Lucky Party for the time period of years 2011 and 2012 was calculated based on the data from the year 2009 and 2010 and future expectations regarding to the fact that the productivity will increase.

The statement is calculated from the figures of revenues from different branches of the business (sale of products, party organization, and balloon decoration) and expenses that encounter costs for the particular branches plus fixed cost – operational costs, salaries, advertisement and others.

Revenues reflect the demand for products and services in the past years, the seasonality which is evident in this kind of a business especially in the summer and in the months, where the famous feasts as Valentine, Easters, Witches, Halloween, Christmas or New Years Eve are celebrated. The effect of the investment to advertisement is included in the increasing revenues through the whole period as well. Expenses on sold products and services is calculated based on the margin, then it is necessary to include operational expenses for rent of the office, helium bombs, gas or office supplies; but also salaries to the employees. To prevent any unexpected costs the reserve in 10% of the expenses on sold products and services is made.

Regarding the results of the statement, the predicted situation will enable to pay off the owner at the end of the year 2011 and 2012 profit share of CZK 75,000 and also to make an investment in the amount of approximately CZK 150,000 at the end of the year

2012 with the purpose of an opening of new store in Prague. The challenge is also to find out the solution how to increase the sales in January to prevent the firm's loss in this period.

6.1.4.4. Balance Sheet

Presented Balance Sheet of Lucky Party summarizes the assets, the equity and liabilities at the end of the year 2009.

As the company is at this time running only for half a year, there were no long-term assets bought, but as soon as the company generates profit, there is a plan to buy a company car. It is presumable from the statement that half of the current assets is invested in the material and the rest was either spend on short-term assets as the equipment for parties, shop and others, the rest is in the cash on bank accounts. What will be visible in detail from the Income statement (or Profit & Loss statement), there was a loss made from the beginning of the business in amount of CZK 40,000, which is seemed as a good starting point if we take into account that most of the costs went to the initial start-up. However it is not presumed that the profit will somehow raise immensely in the next year, because the expenses on marketing are planned as well as the impacts of financial crisis might still be feasible.

Below the Balance sheet of company Lucky Party is presented, enclosing the accounting year 2009. The currency is Czech Koruna, round to the thousands and the structure is in the simplified, full one is in the Appendix.

BALANCE SHEET				
Assets	241		Liabilities	241
<i>Long-term assets</i>			<i>Equity</i>	
Tangible			Registered capital	200
Intangible			Funds	80
Financial			Reserve	
			Profit/Loss	-40
<i>Current assets</i>	241		<i>Liabilities</i>	
Material	112		Long-term paybles	
			Short-term payables	
Long-term receivables			Bank loans	
Short-term receivables	20			
Short-term financial assets	108			

Source: Internal documents of Lucky Party s.r.o., Own processing

6.1.4.5. Profit & Loss statement

The statement of Profit & Loss is quantifying the accounting expenses and revenues of the company throughout the year 2009. It shows in detail the revenues from sold products and provided services with the discount of the costs on products and operational costs. It is clear from the statement that there were no taxes paid yet as well as no depreciation counted respecting the fact that Lucky Party does not owe any long-term asset. The operational profit by the end of 2009 was CZK (36,000) and altogether with the financial expenses which were CZK 4,000 the total loss for the given period was CZK 40,000. This is then exposed to the balance sheet, where the loss decreases the total equity. The detailed Income statement is in the Appendix.

INCOME STATEMENT				
Revenues			Expenses	
Revenues from operational activities	140		Expenses from operational activities	176
Revenues from financial activities			Expenses from financial activities	4
Revenues from other activities			Expenses from other activities	
	140			180
	Profit/Loss	-40		

Source: Internal documents of Lucky Party s.r.o., Own processing

6.1.5. SWOT Analysis

Following SWOT analysis evaluate the overall strengths, weaknesses, opportunities and threats of Lucky Party. It monitors both internal and external characteristics of the environment and in this case it will be aimed especially on the marketing, operations, finance, manufacturing and organization scopes of the business.

The internal analysis involves identifying the strengths and weaknesses of the business in order to be able to take advantages of them or regarding the weaknesses to find the solution of how to correct them and turn into the plus. It is useful to make a list of areas, where strengths or weaknesses might be performed – e.g. company reputation, market share, customer satisfaction, product/service quality, distribution effectiveness, cost or availability of capital, cash flow, financial stability, inventories and their capacity, workforce, know-how, leadership, employees, etc. and find out what of the features are more or less influential to the Lucky Party.

Lucky Party should monitor the key macro and micro environmental forces that influence the environment in which it operates as the demographical and economical issues, social-cultural ones, customers, competition, or suppliers. The major purpose of this

analysis of an environment is to find out the opportunities in the market for the company. The SWOT analysis should tell whether the company's benefits can be seen as an advantage in a defined target market, whether Lucky Party delivers the benefits in a more efficient way than competitors in order to be profitable and also if the financial situation meet or exceed company's required threshold.

The scheme below summarizes the particular aspects of SWOT factors:

Strengths	Weaknesses
<ul style="list-style-type: none"> • New products and services introduced • Young, ambitious team • Orientation on the customer • Direct suppliers/manufacturers • Low initial costs • High product and service quality 	<ul style="list-style-type: none"> • Low awareness about products and services • Reserves in straight leadership • No overseas suppliers due to small orders • Location of the store • Small initial capital • Not fully working e-shop
Opportunities	Threats
<ul style="list-style-type: none"> • Big potential market • Increased standard of living • Developing market • Recession is over • Product/service differentiation 	<ul style="list-style-type: none"> • Small market share • Direct and indirect competition • Rapid changes in customers behavior • Working with sensitive customers – kids • Employees' loyalty

Source: Internal documents and analysis of Lucky Party s.r.o., Own processing

6.1.6. Risks evaluation

As mentioned in the theoretical part it is highly recommended to anticipate possible risks that might affect the running of business or operation processes in the company. The efficient risk analysis is at first to identify the danger factors, secondly quantify the rate of risk possibility and finally to propose a crisis scenario. Based on those three steps, the key issues will be analyzed.

- Market and Customer Behavior

Nowadays there is unambiguously higher demand for party supplies, parties for children and also the balloon decoration; the market is not congested yet. However it is important to observe the competition regularly and be aware that the trends are changing rapidly, so the company has to be flexible and response to these changes fast. Otherwise the impact might be eliminative for the firm, while the customers disappear.

- Products and Services

There are new or somehow special products and services in the offer, therefore it needs a time so the customers adapt to them and get used to the fact that there exists such an offer. On the other hand to keep them attracted, the offer of the products has to be innovated through the time. The risk here are lower revenues generated in the beginning of the project, but as soon as the customers realize the possibility and uniqueness of offer products and services, they start to come back for them and make the revenues increased.

- Personnel

In these days the business is run by the owner and there are two shop assistant hired on a part-time basis. They are also employed when the party or balloon decoration is being made. The plan is to extend their responsibilities and promote them to party coordinators, who will have the responsibility for running the flow of events. This might bring risks of wrong decisions, but this should be prevented by proper training before the promotion and ensuring their loyalty towards the company.

- E-shop

E-shop needs almost daily actualization to ensure reliable workout. This should be solved by installing a computer with the internet connection to the shop, where the shopping assistant will be responsible to keep up to date data.

- Location of the shop

The shop is located on the main street; however it is struggling with the lack of parking lots. On the other hand the tram and bus station is next to it and in near future the metro station will be built not far away from the shop. Still there is a threat of the fact that similar shops will be opened either in the center of the city or in shopping centers, which are easier to reach. To ensure that the revenues will not be affected by it, the propagation of this store has to be run and the e-shop should take care of those gaps for which the location may play internal role.

6.2. Business strategy

The business strategy comprises of several mutually correspondent strategies from different areas of the business such as sales, marketing, operations, or customer relationship management. All of these were already mentioned in the proposed business plan. To summarize what is the general or corporate strategy, it is assumed to be delivering to the customers the service of great entertainment, or providing the best supplies that can enable them to create it by them.

The company aims on the group of customers of the age scale from 5 to 45 years; this larger scale is due to the fact that not only it has to be aimed on kids who celebrate birthdays, or enjoy carnivals, but also on their parents who actually buy them the service of a birthday party or equipment for any other celebration. It is also presumable that the firm shall target on the families from middle or upper social class, as the parties for children are usually more expensive and therefore attainable just for them. Regarding the balloon decoration the company should aim on restaurant, bars, music clubs, or other entertainment

places, where the parties are held and which can offer the possibility of balloon decoration to their customers as well.

The most important thing in the beginning of the business is an effective sales strategy. The price strategy will remain unchanged; therefore the prices will be managed according to the price of the suppliers with regards to the price offered by the competitors. What is highly recommended as to be changed or more likely implemented is the more aggressive way of promotion. As concerned that there is no way of investing big amount of money into the advertisement, the biggest role depends on the active sellers, who offer the balloon decoration at various public places, kids parties at kindergartens, and send the advertisement via emails or mail. It would be probably efficient to hire sales representatives, who will be motivated by share on the decoration or party negotiated. To summarize it is needed to increase the sales and the turnover.

Awareness of the business and the products and services that are offered is important to spread among all potential customers. This is interconnected especially with the advertisement and the promotion, but also with the customer interactions. It is important to get and analyze the feedback from customers in order to be developing flexible solutions to various problems.

As well as the directions of the business strategy, it is necessary to analyze and evaluate them from the aspect of their feasibility. In the case of the business strategy that is recommended to be applied in Lucky Party, the initial steps are not as financially expensive as it is important to invest lots of time and effort in contacting numbers of customers, foreseeing competitors, keeping the running of the shop as good as possible, etc. As the first raise ups appear and they turn into profit, the money earned can be invested in further promotion or extension of market share. With the big effort and lots of concentration and work at the beginning it is assumed that Lucky Party succeeds in the current Czech market.

7. Conclusion

Submitted diploma thesis demonstrates the process of establishing a company in The Czech republic together with choosing a proper legal framework for the particular one, which is presented in the practical part of the thesis; it is a company Lucky Party s.r.o. that entered the market in the year 2009 and is operating in the field of an amusement and entertainment. The choice of the suitable legal framework is discussed based on the analysis of academic material targeted on the question of establishing firms and on the examination of Czech legal acts, especially the Czech Commercial Code. It results in stating that the scope of Limited Liability Company is the most suitable regarding the elimination of risks, financial intensity, representation in the market, and communication within the market.

The main body of the thesis identifies the utility of a business plan and its role when setting up the company and developing the business intention. The core of the work was to present a plan, which can be practically used in the real Czech business environment, with the purpose of creating the solid conditions for running the business of Lucky Party. That is why the business plan is aimed in detail to the organizational structure, marketing strategy, financial analysis and risk evaluation. As all those aspects were thoroughly examined, it is possible to conclude that when the company Lucky Party acts both compactly and effectively in all operational units, it has a realistic chance of success. However it needs a huge effort especially in the field of sales and promotion, which is to compare with the competition poor and almost omitted. Nevertheless the market has not been yet overloaded with this particular combination of products and service that Lucky Party offers, though it should make the best of this opportunity and create a stable position in the Czech market.

A considerable weak point of this company is the financial situation and low initial investment due to which the company struggles and cannot effort need promotion. As the owner does not want to face the risk of bank loan, she wants to try to address the external investors for an additional investment. One of the ways how to achieve it was to present

the business plan in front of the audience of the various competitions that are announced for new or innovative business ideas. The business plan of Lucky Party was promoted to two of similar competitions – “Milionový nápad” and “Start-up roku”, where the first was promoted under the recognition of the University of Economics, Prague and the second one under the business angel Kamil Vacek and his company Glocal Consulting a.s. In the first competition, which took place in June 2010 the promotion of Lucky Party’s business plan was not successful; however in the later competition the presented business intention was promoted into the TOP 10 of the best business ideas. Even though it did not win either the student or best business idea category, the Lucky Party team remains in contact with the investment group, which supports it with a promotion on social networks, or its web site, as well as there is a possibility for the executives of the company to participate on various debates and conferences related to the topics of business operations and management. Here it is obvious to state that the business plan was definitely prosperous referring to the experience gained from either the participation in the competitions and lately the opportunity of cooperation with experienced professionals.

As the thesis presents a company Lucky Party and promotes a business plan that is designed to be used in real word of the business, particularly in the Czech market, it comes up with a proposed business strategy as well. Based on the findings, analysis and synthesis of the business plan, the recommended strategy is posed.

Overall the thesis confirms the hypothesis that the presented plan facilitated the entry to the market, especially in regards to the knowledge of the particular market environment, however it does not create an easy way of running the business. It is yet a tool that only facilitates the flow of the business and enables the management to be aware of possibilities that market offers or on the other hand about the constraints that might occur. Therefore it supports the idea that the creation of the company’s business plan makes the future development of the company more sustainable and more likely to succeed in the business environment.

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9. Appendices

Appendix 1 – Cash Flow Statement for 2011 and 2012

Cash Flow statement for the year 2011												
Months	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.
Cash at the beginning	20 000 CZK	12 729 CZK	12 223 CZK	14 628 CZK	21 913 CZK	31 699 CZK	43 866 CZK	58 413 CZK	68 199 CZK	78 247 CZK	98 175 CZK	117 985 CZK
Revenues												
Goods	15 000 CZK	25 000 CZK	25 000 CZK	30 000 CZK	36 000 CZK	45 000 CZK	45 000 CZK	45 000 CZK	40 000 CZK	55 000 CZK	50 000 CZK	60 000 CZK
Parties	10 000 CZK	10 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	25 000 CZK	30 000 CZK
Balloon decorations	2 500 CZK	5 000 CZK	5 000 CZK	10 000 CZK	10 000 CZK	15 000 CZK	20 000 CZK	10 000 CZK	20 000 CZK	25 000 CZK	25 000 CZK	30 000 CZK
Total revenues	27 500 CZK	40 000 CZK	50 000 CZK	60 000 CZK	65 000 CZK	80 000 CZK	85 000 CZK	75 000 CZK	80 000 CZK	100 000 CZK	100 000 CZK	120 000 CZK
Expenses												
Goods	6 818 CZK	11 364 CZK	11 364 CZK	13 636 CZK	15 909 CZK	20 455 CZK	20 455 CZK	20 455 CZK	18 182 CZK	25 000 CZK	22 727 CZK	27 273 CZK
Parties	4 762 CZK	4 762 CZK	9 524 CZK	9 524 CZK	9 524 CZK	9 524 CZK	9 524 CZK	9 524 CZK	9 524 CZK	9 524 CZK	11 905 CZK	14 286 CZK
Balloon decorations	1 190 CZK	2 381 CZK	2 381 CZK	4 762 CZK	4 762 CZK	7 143 CZK	9 524 CZK	4 762 CZK	9 524 CZK	11 905 CZK	11 905 CZK	14 286 CZK
Advertisement	- CZK	- CZK	- CZK	- CZK	- CZK	5 000 CZK	5 000 CZK	5 000 CZK	5 000 CZK	5 000 CZK	5 000 CZK	- CZK
Salaries	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK
Operation costs	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK
Other costs	- CZK	- CZK	2 327 CZK	2 792 CZK	3 019 CZK	3 712 CZK	3 950 CZK	3 474 CZK	3 723 CZK	4 643 CZK	4 654 CZK	5 584 CZK
Total expenses	34 771 CZK	40 505 CZK	47 595 CZK	52 714 CZK	55 214 CZK	67 833 CZK	70 452 CZK	65 214 CZK	69 952 CZK	80 071 CZK	80 190 CZK	85 429 CZK
Total profit or loss	- 7 271 CZK	506 CZK	2 405 CZK	7 286 CZK	9 786 CZK	12 167 CZK	14 548 CZK	9 786 CZK	10 048 CZK	19 929 CZK	19 810 CZK	34 571 CZK
TOTAL	12 729 CZK	12 223 CZK	14 628 CZK	21 913 CZK	31 699 CZK	43 866 CZK	58 413 CZK	68 199 CZK	78 247 CZK	98 175 CZK	117 985 CZK	152 556 CZK

Cash Flow statement for the year 2012												
Months	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.
Cash at the beginning	77 566 CZK	75 342 CZK	83 009 CZK	90 675 CZK	108 104 CZK	117 413 CZK	134 104 CZK	153 294 CZK	172 485 CZK	181 913 CZK	201 104 CZK	215 294 CZK
Revenues												
Goods	25 000 CZK	40 000 CZK	40 000 CZK	50 000 CZK	55 000 CZK	65 000 CZK	70 000 CZK	70 000 CZK	70 000 CZK	80 000 CZK	70 000 CZK	100 000 CZK
Parties	20 000 CZK	20 000 CZK	25 000 CZK	25 000 CZK	30 000 CZK	30 000 CZK	30 000 CZK	30 000 CZK	25 000 CZK	25 000 CZK	30 000 CZK	40 000 CZK
Balloon decorations	10 000 CZK	15 000 CZK	10 000 CZK	20 000 CZK	20 000 CZK	25 000 CZK	25 000 CZK	25 000 CZK	20 000 CZK	30 000 CZK	25 000 CZK	40 000 CZK
Total revenues	55 000 CZK	75 000 CZK	75 000 CZK	95 000 CZK	105 000 CZK	120 000 CZK	125 000 CZK	125 000 CZK	115 000 CZK	135 000 CZK	125 000 CZK	180 000 CZK
Expenses												
Goods	11 364 CZK	18 182 CZK	18 182 CZK	22 727 CZK	25 000 CZK	29 545 CZK	31 818 CZK	31 818 CZK	31 818 CZK	36 364 CZK	31 818 CZK	45 455 CZK
Parties	9 524 CZK	9 524 CZK	11 905 CZK	11 905 CZK	14 286 CZK	14 286 CZK	14 286 CZK	14 286 CZK	11 905 CZK	11 905 CZK	14 286 CZK	19 048 CZK
Balloon decorations	4 762 CZK	7 143 CZK	4 762 CZK	9 524 CZK	9 524 CZK	11 905 CZK	11 905 CZK	11 905 CZK	9 524 CZK	14 286 CZK	11 905 CZK	19 048 CZK
Advertisement	5 000 CZK	5 000 CZK	5 000 CZK	5 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	10 000 CZK	15 000 CZK	15 000 CZK	15 000 CZK	15 000 CZK
Salaries	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK	20 000 CZK
Operation costs	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK	12 000 CZK
Other costs	2 565 CZK	3 485 CZK	3 485 CZK	4 416 CZK	4 881 CZK	5 574 CZK	5 801 CZK	5 801 CZK	5 325 CZK	6 255 CZK	5 801 CZK	8 355 CZK
Total expenses	57 214 CZK	67 333 CZK	67 333 CZK	77 571 CZK	95 690 CZK	103 310 CZK	105 810 CZK	105 810 CZK	105 571 CZK	115 810 CZK	110 810 CZK	138 905 CZK
Total profit or loss	2 214 CZK	7 667 CZK	7 667 CZK	17 429 CZK	9 310 CZK	16 690 CZK	19 190 CZK	19 190 CZK	9 429 CZK	19 190 CZK	14 190 CZK	41 095 CZK
TOTAL	75 342 CZK	83 009 CZK	90 675 CZK	108 104 CZK	117 413 CZK	134 104 CZK	153 294 CZK	172 485 CZK	181 913 CZK	201 104 CZK	215 294 CZK	256 390 CZK

Appendix 2 – Balance Sheet for the year 2009

<p>Minimální závazný výčet informací podle vyhlášky č. 500/2002 Sb.</p> <p>Účetní jednotka doručí účetní závěrku současně s doručením daňového přiznání za daň z příjmu</p> <p>1x příslušnému finančnímu úřadu</p>	<p>ROZVAHA ve zjednodušeném rozsahu</p> <p>ke dni 31.12.2009</p> <p>(v celých tisících Kč)</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <th style="padding: 2px;">Rok</th> <th style="padding: 2px;">Měsíc</th> <th style="padding: 2px;">IČ</th> </tr> <tr> <td style="text-align: center; padding: 2px;">2009</td> <td style="text-align: center; padding: 2px;">12</td> <td style="text-align: center; padding: 2px;">28935888</td> </tr> </table>	Rok	Měsíc	IČ	2009	12	28935888	<p>Obchodní firma nebo jiný název účetní jednotky Lucky Party s.r.o.</p> <p>Sídlo nebo bydliště účetní jednotky a místo podnikání liší-li se od bydliště Evropská 648/102</p> <p>160 00 Praha 6</p>
Rok	Měsíc	IČ						
2009	12	28935888						

Označ.	AKTIVA	Číslo řádku	Běžné účetní období			Minulé úč. období
			Brutto 1	Korekce 2	Netto 3	Netto 4
a	b	c				
	AKTIVA CELKEM (ř. 02+03+07+12)	001	241		241	
A.	Pohledávky za upsaný základní kapitál	002				
B.	Dlouhodobý majetek (ř. 04 až 06)	003				
B. I.	Dlouhodobý nehmotný majetek	004				
B. II.	Dlouhodobý hmotný majetek	005				
B. III.	Dlouhodobý finanční majetek	006				
C.	Oběžná aktiva (ř. 08 až 11)	007	241		241	
C. I.	Zásoby	008	112		112	
C. II.	Dlouhodobé pohledávky	009				
C. III.	Krátkodobé pohledávky	010	20		20	
C. IV.	Krátkodobý finanční majetek	011	108		108	
D. I.	Časové rozlišení	012				

Označ. a	PASIVA b	Číslo řádku c	Stav v běžném účet. období 5	Stav v minulém účet. období 6
	PASIVA CELKEM (ř. 14+20+25)	013	241	
A.	Vlastní kapitál (ř. 15 až 19)	014	240	
A. I.	Základní kapitál	015	200	
A. II.	Kapitálové fondy	016	80	
A. III.	Rezervní fondy, neodělitelný fond a ostatní fondy ze zisku	017		
A. IV.	Výsledek hospodaření minulých let	018		
A. V.	Výsledek hospodaření běžného účetního období (+/-) (ř. 01-15-16-17-18-20-25)	019	-40	
B.	Cizí zdroje (ř. 21 až 24)	020		
B. I.	Rezervy	021		
B. II.	Dlouhodobé závazky	022		
B. III.	Krátkodobé závazky	023		
B. IV.	Bankovní úvěry a výpomoci	024		
C. I.	Časové rozlišení	025		

Seřazeno dne 14.10.2010 čas 19:36	Podpisový záznam statutárního orgánu účetní jednotky nebo podpisový záznam fyzické osoby, která je účetní jednotkou
Právní forma účetní jednotky společnost s ručením omezeným	Osoba odpovědná za účetní závěrku Bc. Lucie Kubizňáková tel. +420739668809
Předmět podnikání zprostředkování obchodu a služeb	

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Appendix 3 – Income Statement for the year 2009

<p>Minimální závazný výčet informací podle vyhlášky č.500/2002 Sb</p> <p>Účetní jednotka doručí účetní závěrku současně s doručením daňového přiznání za daň z příjmu</p> <p>1x příslušnému finančnímu úřadu</p>	<p>VÝKAZ ZISKŮ A ZTRÁTY ve zjednodušeném rozsahu</p> <p>ke dni 31.12.2009</p> <p>(v celých tisících Kč)</p> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <th style="width: 33%;">Rok</th> <th style="width: 33%;">Měsíc</th> <th style="width: 33%;">IČ</th> </tr> <tr> <td style="text-align: center;">2009</td> <td style="text-align: center;">12</td> <td style="text-align: center;">28935888</td> </tr> </table>	Rok	Měsíc	IČ	2009	12	28935888	<p>Obchodní firma nebo jiný název účetní jednotky Lucky Party s.r.o.</p> <p>Stádo nebo bydliště účetní jednotky a místo podnikání liší-li se od bydliště Evropská 648/102 160 00 Praha 6</p>
Rok	Měsíc	IČ						
2009	12	28935888						

Označení	TEXT	Číslo řádku	Skutečnost v účetním období	
			běžném 1	minulém 2
a	b	c		
I.	Tržby za prodej zboží	01	128	
A.	Náklady vynaložené na prodané zboží	02	66	
+	Obchodní marže (ř. 01-02)	03	63	
II.	Výkony	04	12	
B.	Výkonová spotřeba	05	111	
+	Přidaná hodnota (ř. 03+04-05)	06	-36	
C.	Osobní náklady	07		
D.	Daně a poplatky	08		
E.	Odpisy dlouhodobého nehmotného a hmotného majetku	09		
III.	Tržby z prodeje dlouhodobého majetku a materiálu	10		
F.	Zůstatková cena prodaného dlouhodobého majetku a materiálu	11		
G.	Změna stavu rezerv a opravných položek v provozní oblasti a komplexních nákladů příštích období	12		
IV.	Ostatní provozní výnosy	13		
H.	Ostatní provozní náklady	14		
V.	Převod provozních výnosů	15		
I.	Převod provozních nákladů	16		
*	Provozní výsledek hospodaření (ř. 06-07-08-09+10-11-12+13-14+(-15)-(-16))	17	-36	

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
VI.	Tržby z prodeje cenných papírů a podílů	18		
J.	Prodané cenné papíry a podíly	19		
VII.	Výnosy z dlouhodobého finančního majetku	20		
VIII.	Výnosy z krátkodobého finančního majetku	21		
K.	Náklady z finančního majetku	22		
IX.	Výnosy z přecenění cenných papírů a derivátů	23		
L.	Náklady z přecenění cenných papírů a derivátů	24		
M.	Změna stavu rezerv a opravných položek ve finanční oblasti	25		
X.	Výnosové úroky	26		
N.	Nákladové úroky	27		
XI.	Ostatní finanční výnosy	28		
O.	Ostatní finanční náklady	29	4	
XII.	Převod finančních výnosů	30		
P.	Převod finančních nákladů	31		
*	Finanční výsledek hospodaření (ř. 18-19+20+21-22+23-24-25+26-27+28-29+(-30)-(-31))	32	-4	
Q	Daň z příjmů za běžnou činnost	33		
**	Výsledek hospodaření za běžnou činnost (ř. 17+32-33)	34	-40	
XIII.	Mimořádné výnosy	35		
R.	Mimořádné náklady	36		
S.	Daň z příjmů z mimořádné činnosti	37		
*	Mimořádný výsledek hospodaření (ř. 35-36-37)	38		
T.	Převod podílu na výsledku hospodaření společníkům (+/-)	39		
***	Výsledek hospodaření za účetní období (+/-) (ř. 34+38-39)	40	-40	
****	Výsledek hospodaření před zdaněním (+/-) (ř.40+33+37+39)	41	-40	

Sešaveno dne 14.10.2010	čas 19:37	Podpisový záznam statutárního orgánu účetní jednotky nebo podpisový záznam fyzické osoby, která je účetní jednotkou
Právní forma účetní jednotky společnost s ručením omezeným	Osoba odpovědná za účetní závěrku	
Předmět podnikání zprostředkování obchodu a služeb		Bc. Lucie Kubizňáková tel.+420739668809

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Appendix 4 – Design of brochure promoting Children’s parties

Is your child celebrating Birthday soon and you’d like to surprise him with a unique and enjoyable party?

Would you like to arrange a celebration on the occasion of 1st day of school (Back to School), Halloween, Christmas, Easter holiday or any other extraordinary event?

If you'd like to have everything perfectly organized and you don't have enough time or inspiration, don't hesitate and use our service!

The only thing you have to do is to reserve a date of the party at least three weeks before (four weeks recommended), number of kids and their parents, special inquiries and that's it!

Let us to do the rest and enjoy the party with your kids!



Each party

- is coordinated in one style according to your choice (princess, pirate, football, western party, etc.)
- includes - entire decoration (balloons, garlands, tableware, ...); catering (snacks, beverages, Bday cake); theme games; hostess who take care about the perfect course of the party; a special table for parents

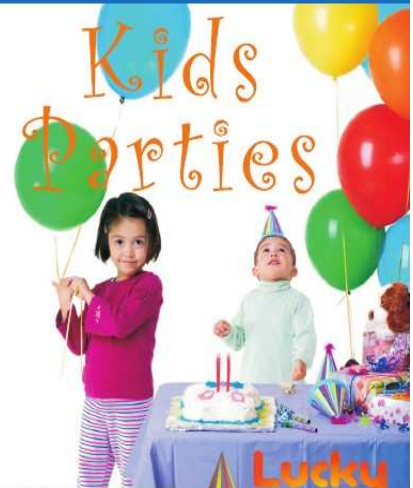
In case, that you would like to have a party for your kids in huge style, have a look on **our extra offers** - we rent you bouncing castle, trampoline, karaoke set, we organize a facepainting session, or we can provide a professional magician.

Contact us for further information and booking on:
phone: +420 739 666 809
(Lucie Kubizňáková - party coordinator)
e-mail: info@luckyparty.cz
web: www.luckyparty.cz

Price for the party relies on the number of all participants (kids, adults) and special request. It's up to you, whether you want to invest more in decoration, catering, Bday cake, party image, or whether you want to have some of our extra offers included.

www.luckyparty.cz

Create
for your kids
an unforgettable
experience



Lucky Party

We'll organize
a kid's party
of their dreams



**CREATE FOR YOUR
KIDS
UNFORGETTABLE EXPERIENCE**

**KIDS
PARTIES**

**WE'LL ORGANIZE A KID'S PARTY
OF THEIR DREAMS**

**ON THE OCCASION OF BIRTHDAY,
HOLIDAY, OR ANY OTHER
EXTRAORDINARY EVENT**

**FROM INVITATIONS TO THE CLEAN-UP
- LET US TO DO IT AND
ENJOY THE PARTY!**

CONTACT:
Lucie Kubizňáková
party coordinator

Evropská 53
Praha 6
Tel.: 739 666 809

www.luckyparty.cz