

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Bachelor Thesis

Business plan: pasta production in Czech Republic

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Valeriia Kalinkova

Economics and Management
Economics and Management

Thesis title

Business Model and Plan of a Pasta Production Company in the Czech Republic

Objectives of thesis

The objective of the thesis is to formulate, based on the research findings, a conceptual proposal of a business model and a business plan of the given company.

Methodology

The thesis will consist of two parts. The first part should deal with an elementary theoretical overview. It should deal with the theory of business model, business planning, and project planning, including principles, models and evaluation. The theoretical part of the thesis will be based on the critical review of the information gained from the study and the comparison of relevant resources. The fundamental, empiric part will focus on the business analysis and planning understanding in a given company. Data for the empiric part will be gained using appropriate data collection techniques – observation, interviews, and questionnaires. Based on the research, the relevant conclusions of the thesis must be drawn.

Recommended structure of the thesis:

1. Introduction – explanation of the topic importance.
2. Thesis objectives and methodology – the main objective of the thesis will be divided into partial objectives, based on the knowledge gained from the study of the relevant academic sources. Appropriate methods of data collection and analysis will be explained in the methodology of the thesis.
3. Literature review – a critical review of current knowledge in the field of business modelling and planning and its application.
4. Specification of the selected organization – profile of the given company.
5. Practical part – analysis of data gained from own research according to the methodology.
6. Evaluation of results and recommendations – formulation of the own proposal of improvements.

7. Conclusion – review of main results and evaluation of the contribution of the theses.

8. References

9. Appendices



The proposed extent of the thesis

30-40 pages

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business plan, business analysis,

Recommended information sources

- ABRAMS, Rhonda, 2019. Successful business plan: secrets & strategies. 7th edition. Palo Alto, California: PlanningShop. 483 p. ISBN 978-1-933895-82-6.
- ANANDARAJAN, M, & HARRISON, TD (eds). 2018. Aligning Business Strategies and Analytics : Bridging Between Theory and Practice, Springer International Publishing AG, Cham. 222 p. ISBN: 9783319932996
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- MCDONALD, Malcolm a Hugh WILSON, 2016. Marketing plans: how to prepare them, how to profit from them. Eighth Edition. Hoboken: Wiley. 643 p. ISBN 9781119217138.
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- WEESE, S, & WAGNER, T 2017, CBAP / CCBA Certified Business Analysis Study Guide, John Wiley & Sons, Incorporated, Somerset. 555 p. ISBN: 9781119248842
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Declaration

I declare that I have worked on my bachelor thesis titled "Business plan: pasta production in Czech Republic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any other person.

In Prague on 15.03.2021

Acknowledgement

I would like to thank Ing. Lenka Platilová Vorlíčková and all other persons, for their advice and support during my work on this thesis.

Business plan: pasta production in Czech Republic

Abstract

The topic of this thesis is "Business plan: pasta production in the Czech Republic". In my thesis, I will try to explain how to properly create and implement business plan. The theoretical part of my thesis explains what a business plan is, the main methods of its development, basic concepts regarding marketing and promoting product, as well as economic aspects regarding the budget, costs and profits of this business plan.

The practical part begins with the development of the business plan itself and its structuring. The main idea for the business plan of my thesis is the production of pasta in the Czech Republic, considering all aspects, conditions and norms of production of this product in this country. Also, in the practical part, I will talk about all the calculations regarding the budget for starting a business, about all costs, and about the further turnover of funds in my business. Everything from creating a business plan to the first production profit. Many of the collected and analyzed data are also presented in the form of graphs, tables and figures for illustrative examples.

Keywords: business plan, budget, pasta, production, company, financial plan, business, competition analysis, marketing plan, product, producer, consumer.

Podnikatelský plán: výroba těstovin v České Republice

Abstrakt

Téma mé diplomové práce: „Podnikatelský plán: výroba těstovin v České republice.“ Ve své diplomové práci se pokusím vysvětlit, jak správně vytvořit a implementovat váš podnikatelský plán. Teoretická část mé práce vysvětluje, co je podnikatelský plán, hlavní metody jeho vývoje, základní pojmy týkající se marketingu a propagace vašeho produktu, jakož i ekonomické aspekty týkající se rozpočtu, nákladů a zisku tohoto podnikatelského plánu.

Praktická část začíná vývojem samotného podnikatelského plánu a jeho strukturováním. Hlavní myšlenkou podnikatelského plánu mé práce je výroba těstovin v České republice s přihlédnutím ke všem aspektům, podmínkám a standardům výroby tohoto produktu v této zemi. Také v praktické části budu hovořit o všech výpočtech týkajících se rozpočtu na zahájení podnikání, o všech nákladech a dalším obratu finančních prostředků v mém podnikání. Vše od vytvoření podnikatelského plánu až po první zisk z výroby. Mnoho shromážděných a analyzovaných dat je také uvedeno ve formě grafů, tabulek a obrázků pro ilustrativní příklady.

Klíčová slova: podnikatelský plán, rozpočet, těstoviny, výroba, společnost, finanční plán, podnikání, analýza konkurence, marketingový plán, produkt, výrobce, spotřebitel.

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List of abbreviations

BEP – break even point

CPC – cost per klik

CPM – cost per mille

CZK – czech kroun

HRM – human resource management

PESTLE – political, economical, social, technological, legal, environment

s.r.o. – společnost s ručením omezeným

SWOT – strenghts, weaknesses, opportunities, threths

1 Introduction

A successful business requires a good business idea. A business idea thought out to the smallest detail, when there is no doubt that it will be a sensation (in the good sense of the word), will undoubtedly bring the desired result. But...

Many start-up entrepreneurs rush headlong into their new, as it seems to them, projects doomed to success in advance, take risks, sometimes forgetting about many nuances and aspects that can become turning points in the development of their business. And at such moments, in order not to burn out, to really succeed in business, a business plan comes to the rescue.

A business plan is what is probably crucial for the future of the business and the entrepreneur himself. Distribute finances, think over the marketing of the company, make calculations, assess all possible risks, and consider many other aspects related to creating a business - all this can be done with his help. Someone may think that this is a waste of time, resources, etc., neglect to draw up it, but this person will be very mistaken, since 90% of business success depends on a well-thought-out business plan. But sometimes, even a perfectly composed business plan can have flaws. Therefore, the task is not only in its competent compilation, but also in its competent application.

The business plan presented in this thesis is designed for the pasta production in the Czech Republic. The production of pasta is a profitable business, again, if the company is properly built, all the nuances of this industry are taken into account, the company and the owners are correctly recommended in the market, if the consumer is correctly informed that the product of this producer is in no way inferior to those that have been in a given industry so long - it's all a well-written business plan. Manufacturing in this industry is not one of the easy options for a startup, but there are many options for taking this business to the global level and excelling in it.

“The secret of business is to know something that nobody else knows”

Aristotle Onassis

2 Objectives and Methodology

2.1 Objectives

The aim of this thesis is to study the theoretical aspects of developing a business plan, study the structure and content of the business plan, applying scientific methods to write a business plan for the pasta production in the Czech Republic, and to evaluate this business plan. Having achieved these goals, in the future, all the information provided in this work can be applied to the implementation of the business, with the aim of further expanding it, in case of a successful start. And all this with the help of a well-thought-out and well-designed business plan. For this, the market in which the product will be analyzed; an assessment of all possible risks will be made; all costs will be calculated; distribution of finances will be carefully considered, and options for marketing the company will be considered.

The business plan and its analysis will give a relatively clear understanding of how profitable it is to start a business in this industry, how to start such a business, what are the chances of a profitable production, in what time frame can expect "net profit" (when profit exceeds expenses), and how to develop production.

The implementation of a business plan always has several stages, from financial planning to the launch of production. The stages do not always go sequentially one after another, but it is very important to have a clear understanding of the time frame for a specific business plan to be implemented. The implementation of the business plan for this thesis is designed for a period of 2 years (until full payback).

2.2 Methodology

The main goal of this thesis is the competent drawing up of a business plan to produce pasta in the Czech Republic. Accordingly, this requires a large amount of data that will help to better understand the course of drawing up a plan, data that can be applied in production. In this case, business plan needs both quantitative and qualitative data, and, accordingly, these data are collected and obtained both personally and using ready-made information.

Various data that are needed in the process of creating a business plan are collected and obtained using Surveys, Experiments, Existing data (quantitative methods) and Interviews with existing manufacturers that have been on the market for a long time, Participant observation, Existing data (qualitative methods). Also used information that is publicly available in various Internet sources, scientific materials, printed publications, etc. That is, both methods were used to obtain data. Both methods are called mixed methods. In this thesis, this method is best suited for high-quality data collection, since data is needed from different areas, different volumes of data, etc.

PESTLE analysis is used to understand the company's external environment. For PESTLE (political, economic, social, technology, legal, environment) analysis, data collected from reliable sources are used, such as: “Statista.com”, “mfcz.cz” (ministry of finance in Czech Republic), “eagri.cz” (ministry of agriculture of Czech Republic), “szpi .gov.cz ”(Czech agriculture and food inspection authority), “czso.cz” (Czech statistical office) who have the information needed to create and evaluate a specific business plan. To analyze the work of a company from the inside and understand how and what to do better, SWOT analysis is used. For the marketing plan, competition is assessed and options for better company promotion are developed. The financial plan includes the costs, expenses, and profits of the company's funds. Break Even analysis is used to bring the company to a stable profit level - Break-even analysis is a useful tool to study the relationship between fixed costs, variable costs and returns. BEP is where sales revenues less variable and fixed costs produce zero profits (Švagr, Kampf, & Majerčák, 2016). Most of the calculations were made in Microsoft Excel. At the end of the thesis, the assessment of the prepared business plan and advice on its further application are given.

3 Literature Review

The theoretical part will describe the basic terminology associated with starting own business, and of course, with creating a business plan. The basic knowledge for starting pasta production (the topic of this thesis) will also be described in subsequent chapters.

3.1 Business

A business is any activity that provides goods or services to consumers for the purpose of making a profit (Stephen, 2016). In other words, business is an activity, an economic activity, the purpose of which is the production of various products or services to meet the needs of consumers.

3.1.1 Main business participants

A lot of people are involved in creating, developing, and maintaining a business. But all of them can be divided into specific categories. This way can identify the three most important stakeholders: owners, employees, and consumers. These are three main stakeholders, each of which is assigned specific roles in a particular business. But despite the many industries in which this or that business can develop, the tasks and roles of these groups will be almost everywhere the same.

Business owners are people who initially propose an idea for creating a business, and invest money in this very business, for its start and the first forced costs. The owners hone the business idea and hone it until it is as clear as possible in implementation. Then the owners collect people and funds to translate the very idea into reality, and the long-awaited start of the business.

Employees are hired by owners to grow their business. The number of employees can vary from 1 to several thousand (depending on the size, direction, and industry of the business). Owners always try to hire specialists in their field, because they know exactly how to do their work related to this or that aspect of a given business for that business to flourish and develop. A specialist is able to perform exactly one task, while a generalist is able to perform more of them (Mulyar & van, 2005). But sometimes having universal employees is much more practical and less costly for the business and its development, because from such a universal employee, in the future, can make the same top specialist.

But also, any business is largely dependent on *consumers*. *Consumers* are key players, production of goods and services, and business development. Each production, each industry, has a separate consumer group. They may differ depending on the direction of the business, the goods or services provided. Of course, every business value its consumer because consumer = profit. Increasing the number of consumers is the main task for successful business development. A good product brings good profit, as every consumer is looking for the very best product for himself. And of course, producers must listen to consumers: what they like more, what they prefer. After all, when the consumer product is more popular, and more and more people will willingly purchase it. Customer participation also enables firms to draw customers closer to in the pursuit of long-term and profitable relationships (Bendapudi & Leone, 2003), (Payne, Storbacka, Frow, & Knox, 2009).

It is important to note here: yes, there are so-called three main categories of stakeholders in business, but there are also links that will constitute a separate stakeholder. One of these links is *managers*. He is a full-time employee of the company, but who plays an active role in drawing up, implementing and developing the business plan. The manager is the person who connects all other stakeholders. Control and management of the company's operations and employees; performing tasks that will ensure the efficiency and productivity of the company, this also includes the implementation of business strategies. When a business plan is only at the stage of implementation, it is also important for business owners already at this stage to have a good manager in the team, since he, in turn, is responsible for the implementation of business planning processes, for the development of strategic plans, various improvements, as well as control business plan implementation.

Investors are another important link that constitutes a separate stakeholder. Investors are people without whom it is possible to start a business, as they provide the initial (start-up) capital for the business. The main task and goal for investors is to minimize risks and increase the return on money. When investing their money in any business, investors want and must be sure that this investment will pay off, and the task for business owners will be to convince investors (in most cases with their well-thought-out and clear business plan) that their investments will return to them, and of course also doubled or tripled.

Each stakeholder plays an important role, both in the implementation and in the further development of the business itself. That is, one of the most basic tasks for a business, not only the production of a good product or the creation of a good service, but also well-coordinated and high-quality work within the production (continuous development and improvement, due to the high-quality work of employees and owners), as well as feedback from consumers, when all wishes and comments are taken into account, and everything is done to improve the quality of production.

3.1.2 Functional areas of business

To improve business performance, companies divide work (business tasks) into different departments, or, as it is also called, functional areas. Accordingly, each of these areas has its own specific tasks, the solution of which contributes to the good work of the company and the prosperity of the business.

There are 5 functional areas:

- *Marketing*
- *Management*
- *Finance*
- *Accounting*
- *Operations*

3.1.2.1 Marketing

Marketing is the process via which a firm creates value for its chosen customers. Value is created by meeting customer needs. Thus, a firm must define itself not by the product it sells, but by the customer benefit provided (Silk, 2006). That is, marketing specialists (marketers) study the market, consumer needs and preferences to bring the product to the first place in the market. Also, marketers are engaged in product promotion (today, social media marketing is one of the fastest growing sectors within the marketing function (Stephen, 2016)) to attract new customers and generate interest from regular customers.

3.1.2.2 Management

The main role of managers in the company is to control the role of the work performed. Managers' responsibilities also include organizing, planning, setting goals and developing strategies to achieve those goals. The role of managers can be divided into 4 categories: *organizing, controlling, planning and leading*.

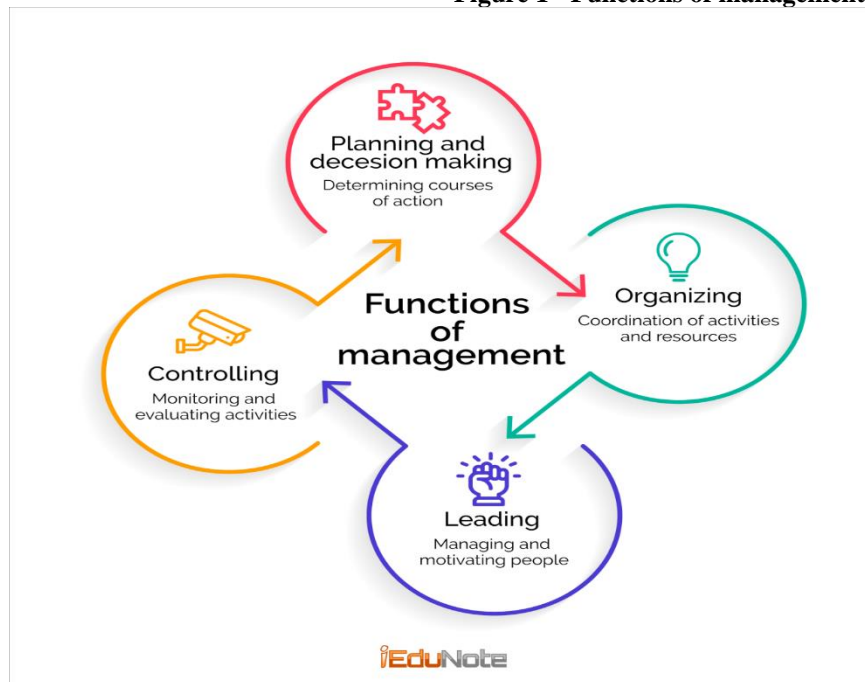
Planning – the task is to plan both short-term and long-term business goals of the company, as well as strategies for achieving them.

Organizing – the task is to organize the activities of a business in a way that will be most effective for the development of that very business, using all possible resources.

Leading – the task is to manage the company's work processes, make important decisions, help in various matters to all interested parties. Also, interaction with all stakeholders (consumers, suppliers, investors, employees, owners, etc.)

Controlling – the task is to control all processes both within the business and external processes. Personnel control, quality control of their work, product control, feedback control, control of the market situation, control of all aspects related to the specific business.

Figure 1 "Functions of management"



Source: Iedunote.com

That is, managers are people who are responsible for the quality of the company's work and production, people who make all decisions regarding the business (what will help the business to succeed or vice versa, will save it from big losses).

3.1.2.3 Finance

Finance area involves planning for obtaining and managing a company's finance . Financial managers address such questions as the following: How much money does the company need? How and where will it get the necessary money? How and when will it pay the money back? What investments should be made in plant and equipment? How much should be spent on research and development? (Stephen, 2016).

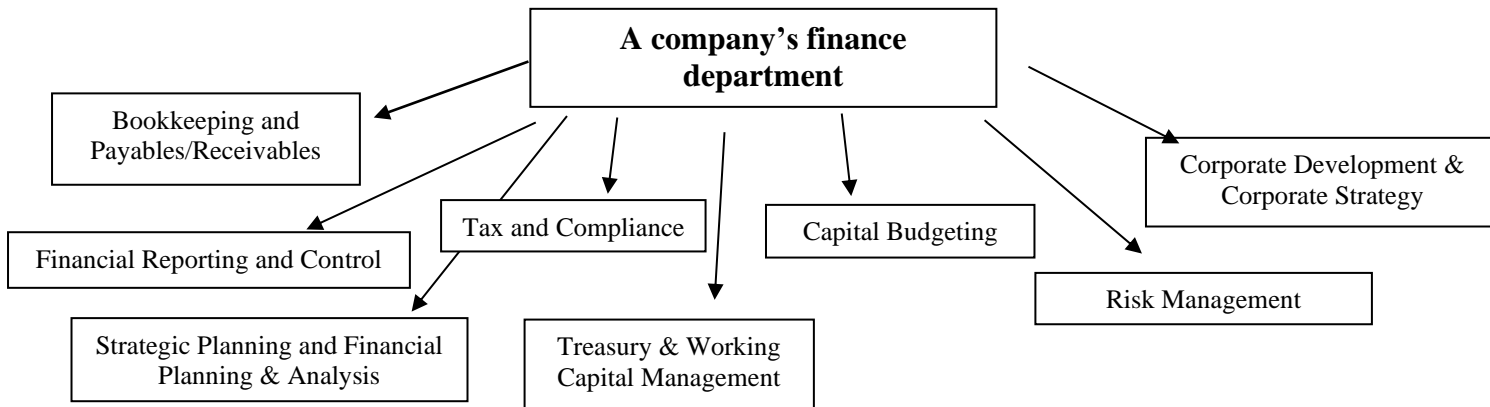


Figure 2 "A company's finance department"
Source: created by author

Financial specialists are responsible for the circulation of all company money (planning, receiving, and managing company funds). Perhaps this is one of the most difficult functional areas of business, because a lot depends on the correct planning, obtaining and managing of the company's money.

3.1.2.4 Accounting

Managers need accurate, relevant and timely financial information, which is provided by accountants. Accountants measure, summarize, and communicate financial and managerial information and advise other managers on financial matters. There are two fields of accounting. Financial accountants prepare financial statements to help users, both - inside and outside the organization, assess the financial strength of the company. Managerial accountants prepare information, such as reports on the cost of materials used in the production process, for internal use only (Stephen, 2016). The main difference between the area of accounting and the area of finance, is that the area of finance is focused on the management and planning of the company's finances, its various transactions. And the area of accounting, in turn, is focused on any kind of reporting on these finances and transactions. That is, accounting provides information related to finance.

3.1.2.5 Operations

Operations – inputs are converted to outputs (resources of production are converted into goods and services). Operations managers are the people who oversee this entire transformation process and are also responsible for a high-quality product or service that will satisfy customers.

This area explains all the goals, deadlines, tasks and procedures of the company. Also, a very important part is the description of the so-called physical needs for the business (location, equipment, premises, etc.). Many of the components of this area that should be described here depend on the type of business. For example, for a manufacturing business (as in this thesis), information about the production process, suppliers, inventory (how it is stored, how it is supplied, etc.) is important. This specific data is managed by the logistics department, which belongs to the area of operations.

Logistics - the main goal (specifically in the manufacturing business) is to deliver goods to the right place and at a specific time. But logistics also includes many other important functions: supplier coordination, order fulfillment, inventory management, warehousing, purchasing, customer service, etc.

For the manufacturing business are very important specific delivery times, who is the supplier, where do the deliveries come from, where do the deliveries go, production time, the number of materials, equipment, the number of consumers, consumer requests, etc. The speed of production, quality, cost, etc., depends on all these data. And all this data is located and processed in the area of operations.

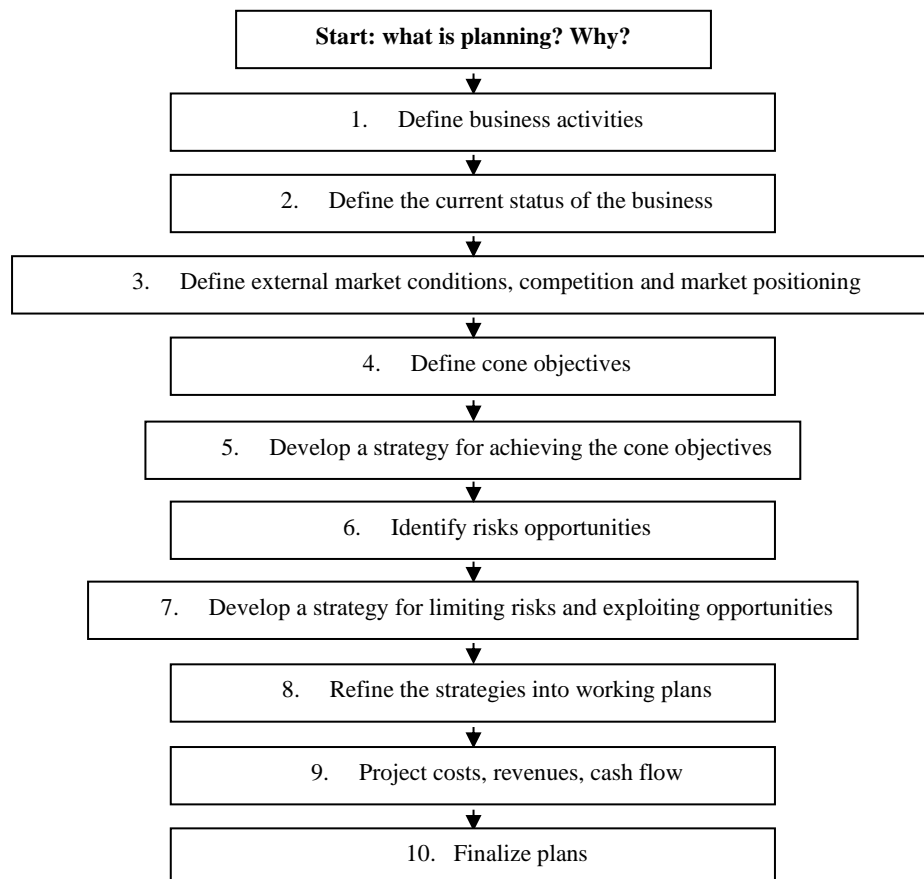
When reading a business plan, the most important thing that the reader should see in this section is what has already been done to start and run a business, and that the owners absolutely understand the production process, its goals, and that there is a clear understanding of how it should be the product and its place in the market.

3.2 Business plan

A business plan is a basic model and description of a new venture. It is used internally to provide parameters for the firm's owners and employees and to solidify its goals. It is also used externally to attract investors and other potential stakeholders such as customers (Wall & Envick, 2008). The business plan is a crucial component in planning a new enterprise or in evaluating an existing one. It serves as an essential tool when contemplating major strategic changes or introducing new innovations in a business (Dan, Lior, & Daphna, 2016). The business plan is consequently a written document that describes the nature of business,

target, market, business advantages that the business will have on competitors as well as the resources and skills available to business owners (Guță, 2014). The business plan is a tool that can be used to start and run a business that requires material, financial and human resources (Guță, 2014).

Table 1 "Ten steps to a successful plan"



Source: *"The definitive business plan"*, 2002, Richard Stutely

The business plan can be achieved by carrying out all the necessary analyzes and assessments: risk assessment, financial and non-financial; an assessment of the time frame for developing and launching a business; an understanding of legal and formal issues ... Also, in achieving a business plan, economic analysis of profit is very important. The most important part of this analysis is the Break-Even Point. When this point is reached, the goal is to make a profit.

The business plan must be clear, logical, truthful, structured, and workable. Each business plan has a certain, in almost all cases, the same structure. Here is an example of such a structure:

- *The executive summary*
- *Company description*
- *Business structure*
- *Industry analysis & trend*
- *Market analysis & trend*
- *Marketing plan & sales strategy*
- *Operations*
- *Technology plan*
- *Management & organization*
- *Community involvement & social responsibilities*
- *Development, milestones & exit plan*
- *The financials*
- *The plan's appendix* (Abrams, *The Successful Business Plan: Secrets & Strategies* (4th ed.), 2003), (Haag, 2013)

3.2.1 The executive summary

The executive summary captures the essence of the business plan. This section is an abstract of the company's present status and future direction but is prepared after the plan is completed. The executive summary is the most important section of the business plan.

The executive summary:

1. *Summarizes the basic concepts and highlights key points.*
2. *Identifies the company's main concept, objectives, and purpose.*
3. *Identifies the target or niche market and competitive advantage and position.*
4. *Outlines the marketing and sales strategy.*
5. *Identifies growth opportunities.*
6. *Highlights benchmarks (e.g., financial, and non-financial targets).*
7. *Quantifies resources.*

8. *Describes work and management experience and past successes of the management team.*

The executive summary is usually no longer than 2 to 3 pages, although a 1-page executive summary is acceptable. Bullet points are effective and make the executive summary more appealing to the reader. A busy funder should be able to read the executive summary in 5 minutes (Haag, 2013), (Abrams, 2010).

3.2.2 Company description

Company description communicates the basic details of business in a brief form. From the Company description section, a reader gets a clear idea of what company is about, its legal status, how far along company has developed, and what company plans to do. The statement of mission shows understanding the focus of company and can articulate objectives concisely (Abrams, *The Successful Business Plan: Secrets & Strategies* (4th ed.), 2003).

Table 2 "Company description"

Main topics of Company Description	Description
Company name	The business will need a name; naming a business requires a legal name search. The name of the business should be memorable and easy to spell and include information about what the business does. The name of the company is usually the first introduction investors and prospects have to the company (Haag, 2013).
Company objectives/statement of mission	This topic should be able to sum up the basic objectives and philosophy of company in just a few sentences. A statement of mission provides focus for company and should be the defining concept of business for at least the next few years. It should be the result of a meaningful examination of the foundations of

	company, and virtually every word should be important (Abrams, The Successful Business Plan: Secrets & Strategies (4th ed.), 2003).
Legal issues	A varied array of legal issues. The main question of them is: what type of corporation will have business?
Products and services	This part clearly identifies and describe the nature of the products or services company provide (Abrams, The Successful Business Plan: Secrets & Strategies (4th ed.), 2003).
Management/leadership	This part provides information about the people of the company. The main persons (directors / managers), but also people from the team who play an important role in the development of the business.
Business location	List the location of company's headquarters, main place of business (if different), and any branch locations (Abrams, The Successful Business Plan: Secrets & Strategies (4th ed.), 2003).
Development stage and milestones achieved to date	In this part, the person reading the business plan should have a clear idea of how far the company has come and how much progress has been made in developing the business.
Financial status	Brief idea of the status of company in financial and personal terms. How company have been funded to date and any major financial obligations. Indicate any loans or investments company has received and on what terms.

Source: created by author

3.2.3 Business structure

In this section of the plan, owners include historical facts supporting any request for financing or acquisition objectives. The legal form of the business is listed (i.e., sole proprietorship, partnership, corporation, Subchapter-S corporation, C-corporation, limited liability company). Most new businesses start as sole proprietorships or partnerships. Structural, management, or ownership changes are documented. Present or past successes are recorded (Haag, 2013).

3.2.4 Industry analysis & trends

Industry analysis is the analysis that is needed for every business, for every company that wants to enter the market with its new product or service. The analysis provides a clear understanding of the industry and market where producer want to conduct his business. Using this analysis, producer can identify all the opportunities and all the risks that a company may face when entering the market. With all this data, the company can develop a strategy to avoid (reduce) all these risks, aiming at the rapid growth and development of its business. When writing this part of a business plan, it is best to divide it into two parts: an analysis of the industry of business and the position of business in the same one.

In this part are given tools to examine industry. Need to focus on:

- *A description of industry* - this part includes all possible information about expected trends, about changes that will take place in the market, about possible changes in consumer demand, about the projected growth of the company, all information that can somehow affect the production and manufactured product.
- *Trends in business industry* - data about the company for a specific period about changes, progresschange, dynamics of growth and production of this business, the analysis of which will help in making strategic decisions.
- *Strategic opportunities that exist in industry* - some understanding of what will happen in the future (regarding business), and how it will be possible to improve strengths and get rid of weaknesses (SWOT analysis). (Abrams, The Successful Business Plan: Secrets & Strategies (4th ed.), 2003).

3.2.5 Market analysis & trends

This segment describes the existing marketplace in which the entrepreneur will introduce the company, its products, and services. It can be viewed as a plan within a plan. At its most basic level, the marketing strategy (plan) sets forth the product's or service's marketing mix and includes product, price, promotion, and place (distribution) for the coming year with projections for at least 5 years. Marketing (including sales) is the revenue-generating part of the company (Haag, 2013).

Main aspects of market analysis:

- *Market research* - for a better understanding of how the new product will be in demand by the consumer, how the product will be viable in the market.
- *Marketing strategy* - the main goal is to attract new potential customers, new consumers.
- *Strengths and Weaknesses*
- *Targeting* - a strategy to identify certain groups of people, certain markets for a specific product, in order to create advertising specifically for such special groups, in order to increase sales, accordingly increase profits, etc.
- *Market Potential—Positioning* - image or identity of the product (company). Position in the market where the manufacturer can influence the consumer's choice.
- *Pricing Strategy* (monopolistic market, oligopolistic market, competitive market) - choosing the most suitable price for the product, taking into account the prices of competitors, prices on the world market, production costs, consumer solvency, etc.
- *Distribution, Advertising, and Promotion:*
Promotion - promotion of advertising on social networks, in newspapers and magazines, in traditional places of mass communication, when advertising is in the public domain.
Distribution - distribution directly to the client or consumer: emails, mail, etc.

3.2.6 Marketing planning & sales strategy

The term marketing planning is used to describe the methods of applying marketing resources to achieve marketing objectives. Marketing planning is used to segment markets, identify market position, forecast market size, and to plan viable market share within each market segment (Westwood, 2013).

Panagopoulos and Avlonitis developed a conceptualization of sales strategy and delineated the differences between marketing strategy and sales strategy. They defined sales strategy as “the extent to which a firm engages in a set of activities and decisions regarding the allocation of scarce sales resources (i.e. people, selling effort, money) to manage customer relationships on the basis of the value of each customer for the firm,, (Aniefre & Fernando, 2019), (Panagopoulos & Avlonitis, 2010).

3.2.7 Operations

The operations section of a business plan explains the day-to-day functions of the company. This section varies, depending on the type of business. Areas included in the operations section are:

- *Facilities* (square footage, acquisition, future needs)
- *Location* (accessibility to clients, suppliers, labor force)
- *Operating costs* (heat, light, phone, Internet, water, general upkeep)
- *Manufacturing capability* (equipment, materials, personnel, space)
- *Processes* (productivity, fabrication, test inspection, inventory control)
- *Suppliers, distribution channels* (includes outsourcing)
- *Labor* (unskilled, skilled, special requirements or talents)
- *Research and development* (creating new products and services or improving on an existing product)
- *Quality control* (Total Quality Management, Continuous Process Improvement philosophy)
- *Contingency planning* (problems addressed and overcome)
- *Customer satisfaction feedback* (Haag, 2013)

3.2.8 Technology plan

Every business needs technology; the owner will need to determine what functions require or could benefit from technology. With the numerous technology systems available today, the owner may benefit greatly by using the services of a technology consultant to assist in choosing the best products and systems to meet business needs (Haag, 2013). Key issues when choosing technology:

- *Function*
- *Ease of use*
- *Cost*
- *Security*
- *Ability to be upgraded and expanded*
- *Integration with existing data and technology systems* (Abrams, The successful business plan: Secrets & strategies (5th ed.), 2010)

3.2.9 Management & organization

The fundamental job of management- creating value for customers by helping people to be more productive and innovative in a common effort... Management is a discipline. Once mastered it will help to navigate the external shifts in the business environment and those internal to own organization (Magretta & Stone, 2012).

The quality of the business, productivity, level - all this and much more often depends on good company management. The most critical issue to be addressed in business may well be that of management. Many potentially profitable operations have failed due to inability to effectively manage the company's overall operation (Pinson, 2008). Gathering a good team of managers is not such an easy task, since a lot in the work of business and production really depends on their work. Many businesses could not start their activities or completely failed precisely because at the beginning of the business launch, they did not have good management (due to a lack of funds or the inexperience of existing managers, etc.).

For the most part, management is about people, or rather, about personnel management, about providing good production personnel. For this there is a specific term, a specific area of expertise - *Human Resource Management*. HRM is the correct use of the workforce, the efficient use of the resources of the company's employees, improving the quality of their life, providing them with various opportunities, both inside and outside the company, maintaining employee discipline, providing them with a safe workplace, and much more related to human aspect.

Organizational knowledge is the capability members of an organization have developed to draw distinctions in the process of carrying out their work, in particular concrete contexts, by enacting sets of generalizations whose application depends on historically evolved collective understandings (Tsoukas, 2001).

An organization is a defined structure of actions and responsibilities that employees of a company must fulfill in order to achieve the business goals set for the company. It is also the correct, rational division of various responsibilities among employees, for greater productivity.

Frequently, any production, any company has several organizational units. Organizational entity - a unit that is related to any process related to production and business.

Organizational Chart. After introducing the key participants in venture, it is appropriate to offer an organizational chart that presents the relationships and divisions of responsibility within the organization. In some instances a brief narrative instead of, or in addition to, a chart may be helpful in providing further detail (Ford, Bornstein, & Pruitt, 2007).

3.2.10 Community involvement & social responsibility

“Increasingly, companies judge their performance not merely on profit, but on the concept of the ‘triple bottom line’—or people, planet, profile” (Abrams, *The successful business plan: Secrets & strategies* (5th ed.), 2010):

- *People* (How do owners or managers affect other people (employees, community, specific groups like the disadvantaged, or society as a whole)?)
- *Planet* (How do individuals’ actions affect the environment, not just now but in the future?)
- *Profit* (How do owners achieve financial sustainability, as the company must be profitable to remain in business? Without focusing on profits, no company can long meet any of its other goals).

As the business and business plan are constructed, the owner must consider the triple bottom line and not just the financial bottom line. Being socially responsible brings many

benefits to a company. It will attract employees and gain visibility for the company (Haag, 2013).

3.2.11 Development, milestones & exit plan

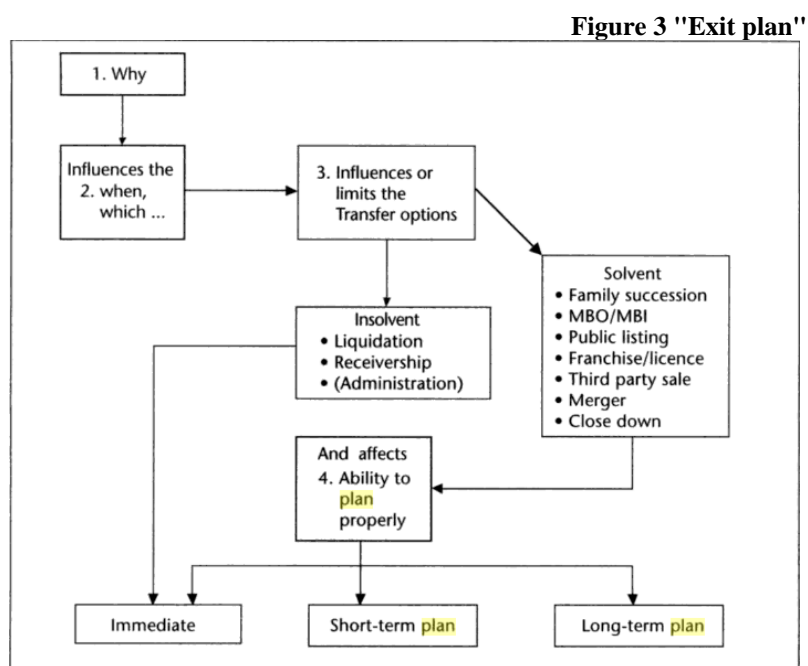
Development: Even start-up companies often have a record of accomplishments. Company may has already developed technology, raised seed funding, lined up strategic partnerships, or secured indications of interest from key customers. Showing the progress, company has achieved to date inspires confidence in company's ability to develop this company further and indicates the level of commitment producers have make their business. Producers will need to clearly indicate any positives company has achieved.

Begin by starting when the company was founded. Net indicates company's phase of development; a seed company (with a business concept but with our product or service finalized); a start-up (in early stages of operation); expansion (adding new products, services, or branches); retrenchment (consolidating or repositioning product lines); or established (maintaining market share and product positioning) (Abrams, *The Successful Business Plan: Secrets & Strategies* (4th ed.), 2003).

Milestones: describing the enterprise's milestones, the major events in life of venture by listing the timetable/deadlines for completion of phases of venture. Be sure to demonstrate the relationship of events and to keep the milestones, financial requirements, personnel requirements, etc. consistent. The format presenting the milestones will vary but include a brief description in the main content and then followed by a detailed schedule as an attached appendix (Thompson, 2005).

Exit plan: business exit plan - a plan in which the owner of a business, or a share of a business, has the opportunity to sell these two units to another company, or, for example, to sell to investors, that is, to completely exit the business, or to reduce his share there in the same way, but this being able to get a large profit from such a transaction. Business owners' resort to this plan when the business stops or does not make any profit at all in order to reduce the losses that the company may incur. But this plan can also be used by investors who have invested their money in this business. After observing the trend of business growth and development and realizing that it was not a very successful

investment, which does not bring the desired profit, the investor also uses the exit plan. Therefore, it is very important that the business owner has such a plan developed and visible even in the initial version of the business plan, so that each interested party understands what opportunities they have. What such an exit plan will look like depends on the size of the business itself.



Source: "Exit strategy planning: grooming business for sale or succession", 2002, John Hawkey

Business owners decide to leave their business for completely different reasons: retirement age, illness, relocation, although to open a new business, they no longer see this business as profitable, for political reasons, taxes, etc. And accordingly, when exiting a business, two aspects are very important: how the exit will take place and when. The reason for the decision to leave the business depends on how the exit will take place. If the exit from the business must be immediate, then this is done through the MBO, transfer of authority to a relative, placement of a sale on public sources, etc. If the reason for the exit is insolvency, lack of funds for the maintenance of the business, then the exit option will be liquidation. The time to exit the business must also be chosen correctly, since profit from the sale of the business or its share depends on it. And of course, all aspects must be considered, what is the economic situation in the country now, how long owners can go out of business (urgency), and so on.

3.2.12 Financial plan

This section contains a set of financials, including income and expense statements (i.e., profit and loss), balance sheet, and cash flow statement. These reports are standard for most companies. The business owner must understand how each of these documents is developed... Financial forecasts in the business plan should be conservative, realistic, and supported with actual orders, client demographic information, and accurate production costs. (Haag, 2013).

3.2.13 The plan's appendix

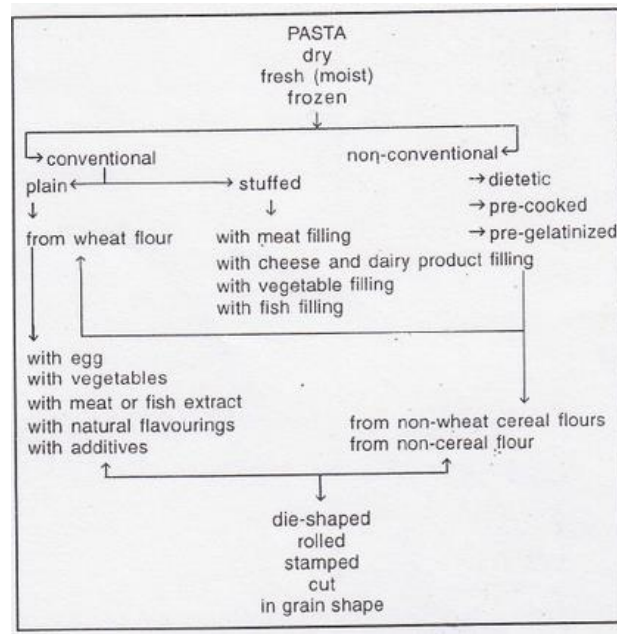
The appendix is used to reinforce the content of the business plan. The appendix includes the conclusions outlined in the plan. Information that can be provided in this section includes:

- *Letters of intent*
- *Key contacts*
- *Endorsements and testimonials*
- *Definitions of technical words*
- *Client listings*
- *Photographs*
- *News articles*
- *Résumés of key management personnel and consultants*
- *Contracts*
- *Trademarks or copyrights*
- *Marketing materials (e.g., brochures)* (Haag, 2013)

3.3 Pasta Production

"Pasta" is derived from the word "paste" and so pasta is a food derived from a paste made almost exclusively from wheat flour. Pasta, at its most basic, is nothing more than flour and water, rolled out and cut into shapes or extruded. Pasta is a collective term that refers to grain products such as spaghetti, noodles, macaroni and vermicelli. Traditionally, the raw materials for these products are: durum wheat semolina, water and eggs (Balasubramanian, 2006).

Figure 4 "Pasta making"



Source: "Pasta: process mechanism and its production technology", 2006, S. Balasubramanian

3.3.1 The manufacturing process

- *Mixing and kneading*

The semolina is stored in giant silos that can hold up to 150,000 pounds (68,100 kg). Pipes move the flour to a mixing machine equipped with rotating blades. Warm water is also piped into the mixing machine. The mixture is kneaded to a lumpy consistency.

- *Flavoring and coloring*

Eggs are added to the mixture if the product is an egg noodle. If pasta is to be a flavored variety, vegetable juices are added here. A tomato or beet mixture is added for red pasta, spinach for green pasta, carrots for orange pasta. Herbs and spices can also be folded in for additional flavoring.

- *Rolling*

The mixture moves to a laminator where it is pressed into sheets by large cylinders. A vacuum mixer-machine further flattens the dough while pressing air bubbles and excess water from the dough to reach the optimum water content of 12%.

- *Pasteurization*

The roll of dough moves through a steamer, which heats the dough to 220°F (104°C) in order to kill any existing bacteria.

- *Cutting*

Depending on the type of noodle to be produced, the dough is either cut or pushed through dies.

- *Drying*

The pasta is placed in a drying tank in which heat, moisture, and drying time are strictly regulated. The drying period differs for the various types of pasta. It can range from three hours for elbow macaroni and egg noodles to as much as 12 hours for spaghetti. The drying time is critical because if the pasta is dried too quickly it will break and if it is dried too slowly, the chance for spoilage increases. The oxygen level in the tank is also regulated, and lab technicians test frequently for salmonella and other bacteria. Careful handling of the pasta during the drying period is also crucial.

- *Packaging*

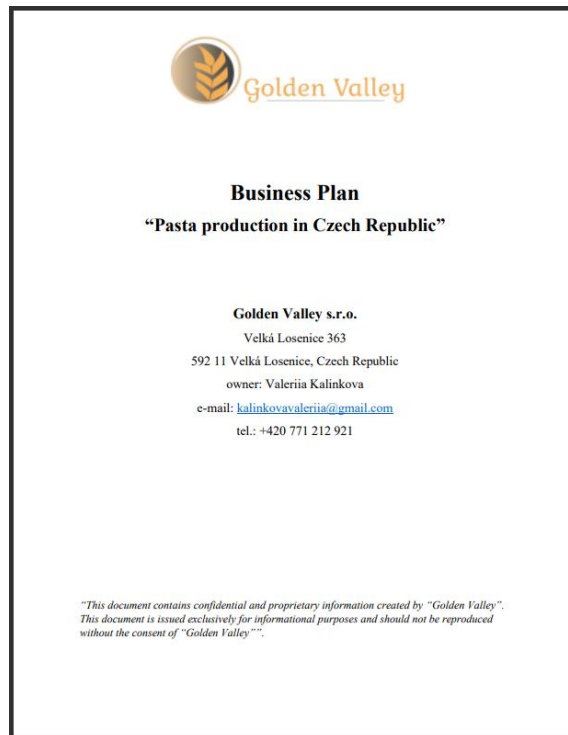
Fresh pasta is folded in pre-measured amounts into clear plastic containers. As the containers move along a conveyer belt, a plastic sheet covers each container and is sealed with a hot press. At the same time, a small tube sucks the air of the container and replaces it with a mixture of carbon dioxide and nitrogen to prolong the product's shelf-life. Labels listing the type of noodle, nutritional information, cooking instructions, and expiration date are attached to the top of the containers. Dried pasta is loaded, either manually or by machine, into stainless steel buckets (usually of heavy gauge type 304) which move along a conveyer belt to the appropriate packaging station. The pasta is measured by machine into pre-printed boxes, which also list the type of noodle, ingredients, preparation, and expiration date. Again, careful handling is important. For example, because lasagna noodles are particularly fragile, workers place them on metal slides that ease the pasta into boxes. The boxes are then sealed by machine. Conveying system can be constructed in "S," "C," or "Z" configurations, or as horizontal conveyer belts. These systems move the pasta

up and down and across the plant at heights up to 10 feet (3 m). Workers at the floor-level stations monitor the packaging process. The mechanism allows for workers to package the pasta manually if necessary (Mylene, 2016).

4 Practical Part

The practical part of this thesis compiled based on the information obtained in the theoretical part (previous chapter). This business plan is drawn up for a specific business, specific "sizes", with the production of a specific product, and is aimed at implementing this project in the future, since now, during the period associated with Covid-19, the situation in the world is not the most favorable for almost any business, and even more so for its opening. The construction of both a business plan as a whole and its individual, most important parts will be considered.

4.1 Cover page



Source: created by author

4.2 Business description

“Golden Valley” is a new maker of pasta. Production of pasta in compliance with the best production traditions, using only the best ingredients and raw materials, so that this product is suitable for use for every person, regardless of age, tolerance of certain ingredients, allergies, and even taste preferences. This manufacturer is very careful in the production of

his pasta so that none of the consumers remain indifferent. The production is located in Velká Losenice, okres Žďár nad Sázavou, Czech Republic.

4.2.1 Product

The paste produced by “Golden Valley” is a quality product with a good composition and an unforgettable taste. The manufacturer guarantees the same quality to its consumers, since all stages of production, raw materials used in production, etc., absolutely every consumer can track all this on the manufacturer's website.

The color of the pasta is golden amber, which is a sign that no synthetic dyes are present in the composition.

The structure of the pasta should also influence the consumer's choice. “Golden Valley” paste, as mentioned above, has a golden amber color, but also has dark blotches. And this should not repel, but on the contrary, such inclusions indicate the good quality of the flour (whole grain grinding).

And of course, CPFC (calorie content / proteins / fats / carbohydrates). The most basic criterion of these indicators should be the amount of protein per 100 grams. The pasta of this manufacturer contains 13.5 protein per 100 grams. High-quality pasta should contain 13-14 grams of protein per 100 grams; therefore, experts advise refraining from pasta where the amount of protein is <12 grams.

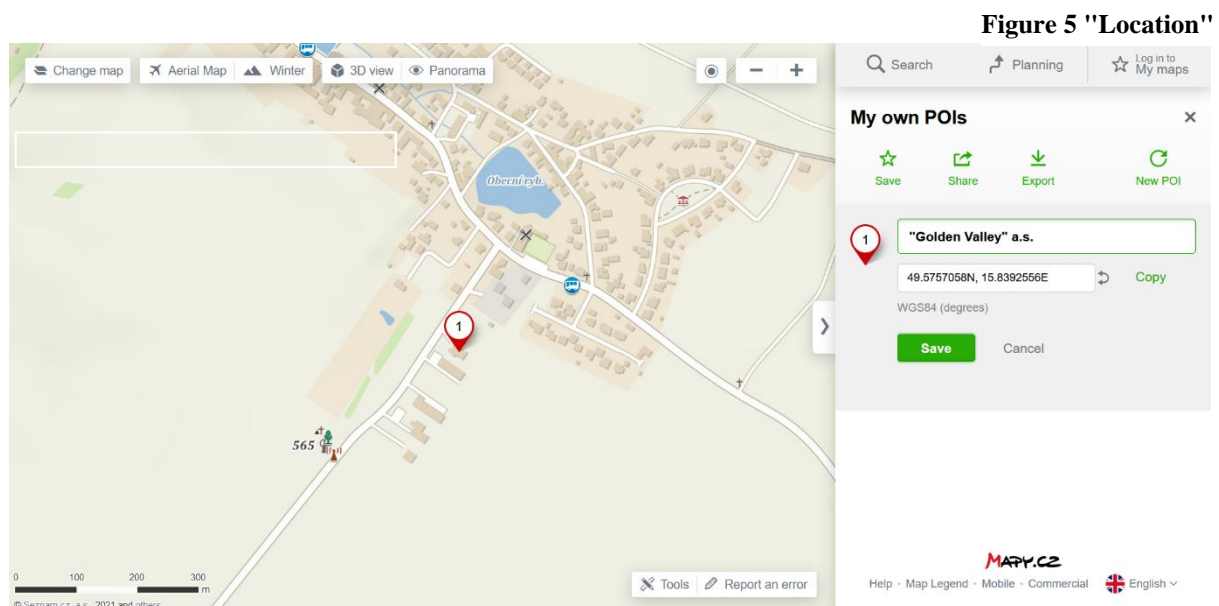
4.2.2 Features

The composition of the pasta of this manufacturer is very simple: semolina flour or durum flour, water and salt. There is nothing else in the composition and should not be for a high-quality pasta. In production, two types of flour are used, since semolina flour is more suitable for hard pasta of a small shape, since after cooking they retain the same shape well. And durum flour is more pliable and therefore more suitable for pasta such as spaghetti or lasagna. High-quality flour also carries with it the general usefulness of this product, since the composition of pasta made from these types of flour includes calcium, potassium, phosphorus, magnesium, iron, B vitamins, including riboflavin, which helps to reduce fatigue.

Production is not so difficult, given the amount of raw materials and ingredients, but this does not exclude the fact that the manufacturer still carefully monitors the quality of his product, its production, the quality of the equipment used in production, etc. And this approach to production makes this product so high quality.

4.2.3 Location and space

“Golden Valley” production is located in Velká Losenice, okres Žďár nad Sázavou, Czech Republic. At the beginning of the production of pasta, a large space is not required (of course, it all depends on the scale of production desire). This manufacturer has an initial production volume of 80 kg of dry product/hour. “Golden Valley” has a 360m² scale to start production (310m² for production; 50m² for an office). Again, space of this scale is leased considering the successful development of the business, with a further increase in production volumes. The space is divided into several rooms: a room for storing finished goods (50 m²), a room with production equipment (200 m²), a room for storing raw materials (60 m²). For such initial production volumes (based on the data obtained by Pasta Impianti s.r.o.), a room of 12*5m is needed, with a ceiling height of 3.2m, ideally (considering the number and size of equipment for such a volume of product production). The production technique includes: RZ100 machine with a capacity of 80 kg/h of dry pasta; 2 static cell dryers (these dryers is suitable for an 8-hour production cycle).



Source: Mapy.cz

4.2.4 Goals

Of course, the main goal of any business is profit from that very business, so that production does not go to zero (when income from production only covers costs) from the financial side. Of course, the producer "Golden Valley" also considers this one of the main goals for its production. But the quality of their products is also important for the company. Good quality will certainly help the producer to find his place (eventually, of course) in the world market. And this is also one of the main goals of the company. The global market is where many manufacturers of food, clothing and various goods are heading. Perhaps, over time, begin to engage not only in the production of pasta, but also other food products. But since the initial production is designed only for a specific region (Vysočina), the next stage will be the distribution of the goods outside the region, to the nearest regions, to large cities of the country, and when the manufacturer takes a stable position in the market, the next step will be to go beyond country.

4.2.5 Business opportunity

As mentioned earlier, the "Golden Valley" pasta includes only high-quality flour (semolina or durum) with many useful microelements, and water. Insanely simple composition. But the quality of the product, despite only two ingredients, is very high, which, of course, gives an advantage over competitors, the composition of the paste of which includes various additives, dyes, etc. Currently, many people around the world are closely monitoring their diet and the products they consume they are trying to remove sugar from the diet, buy only organic products, eat less animal products, and much more. Therefore, consumers certainly pay attention to the composition of the product. And if the product is also of high quality, then it will not be difficult for the producer to really succeed in production. "Golden Valley" guarantees this quality, so the company has great opportunities, despite the large number of competitors. Of course, the price of the product is also important. When a product is good, has a good composition, etc., then it is common and the price matches. A low-quality product will be cheap and will probably buy it more willingly (only at the expense of the price). But then again, "Golden Valley" Pasta does not include an insane amount of ingredients that add value to the product. But also, the producer will not make his product too cheap, as he is sure of the quality of what he offers to the consumer. When price meets quality, it is the best product to put in shopping cart.

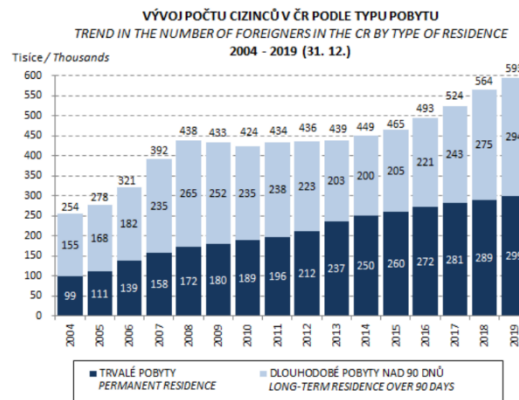
“Golden Valley” is exactly the case. But it will take time for this to become clear to more consumers.

4.3 Segmentation

4.3.1 Geographic

This type of segmentation is based on data on the place of residence of potential consumers, the language they speak, as well as on any ethnic aspects. Regarding the specific production of "Golden Valley", and the specific product - pasta, there are no special important data, since the production is located in the Czech Republic, it is designed (at the initial stages) only for residents of this country and specific settlements. The population of the country is 10 million people, of which 593 thousand (figure 6) are foreigners. Accordingly, the bulk of the population is Czech, and the main language will be Czech.

Figure 6 "Number of foreigners"



Source: Directorate of Foreign Police Service MI CR

Source: CZSO.cz (Foreigners: Number of foreigners, n.d.)

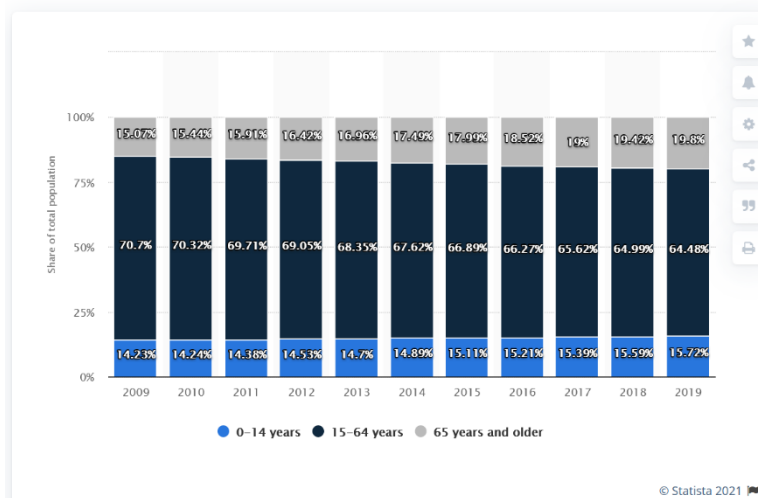
4.3.2 Demographic

This type of segmentation is based on data, which can be obtained, for example, using statistics and data analysis, on certain resources. Age and income in demographic segmentation will be one of the main indicators for understanding consumer groups, and, accordingly, for the most effective product targeting.

- Age

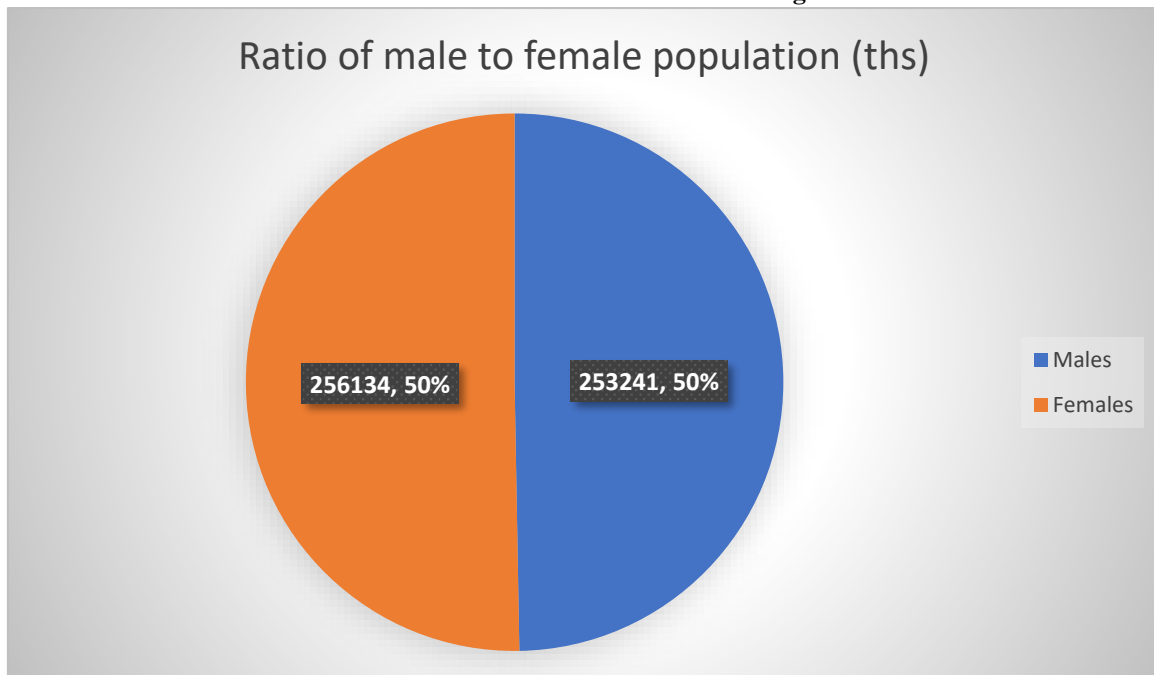
Age is an important element in this type of segmentation since preferences change at different stages of life. Also, different generations use different types of media, and it is important to understand the target age of consumers and what channels they use to consume information. Based on the data from the table below, most of the population of the Czech Republic is between the ages of 15 and 64. It is people of this age who are the main group of pasta consumers (personal observations and research), people who already have a steady income, who have families who make up their own consumer basket. This age category is active social users who actively use phones and computers to obtain information. But also, a large percentage use television for information purposes. It is this data that will help target the product (where exactly to place ads, what age group it should be designed for, etc.), and understand the consumers of the product (age, gender, who buys more often, etc.).

Figure 7 "Age structure"
Czech Republic: Age structure from 2009 to 2019



Source: Statista.com (Czech Republic: Age structure from 2009 to 2019, 2021)

Figure 8 "Ratio of male to female"



Source: czso.cz; create by author

Table 3 "Age groups"

Age	unit	2018	2019
0-14	thousand	78620	79274
15-64	thousand	328141	326274
65+	thousand	102513	104341

Source: czso.cz; create by author

The largest share of the population of the Vysočina region consists of persons aged 15-64, namely 63.9%. Approximately the same share is occupied by children under 14 years (15.5%) and older people over 65 years (20.4%). Table 2 shows the fact that since 2018 there has been a gradual increase in people under 14 and people over 65. In 2019, the average age of men was around 40 years and the average age of women was around 42 years.

- Income

Population income is also an important element in demographic segmentation. The average per capita income in the Czech Republic is \$ 21,453 per year. The income level can also be divided into three groups: high-income groups, low-income groups, and mid-income groups. Approximately 17% of total income goes to food (data for 2016), (Fraňková, n.d.). Which means that at the moment it will be about 24% of income, since the inflation rate has increased by 2.65% (figure 11) since 2016, and the consumer price index has also

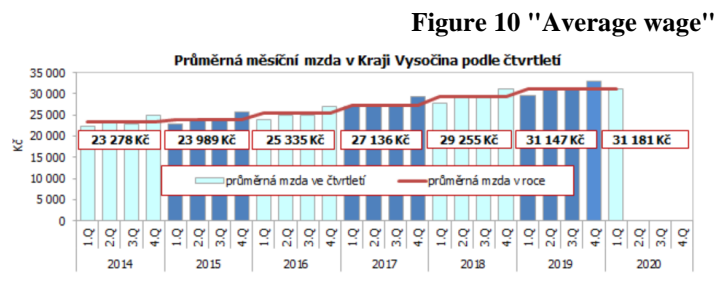
increased by 12.3 units (figure 12). Based on the calculations below, it turns out that per household food costs per month will be approximately 9,489.8 CZK.

Figure 9 "Income&spends"

Average Income \$ (year)	Spends on food per household CZK (monthly)
21453	39540.8 CZK * 24% (spends of food) = <i>9489.8 CZK</i>
	474490 CZK
Average Income \$ (month)	
1787.75	
	39540.8 CZK

Source: create by author

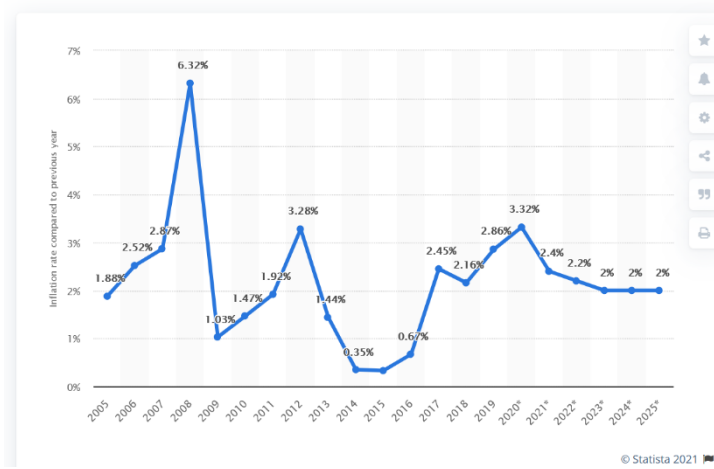
The average income of residents of this region for 2020 was 31,181 CZK (figure 10). Based on these data, you can build a specific pricing policy for the supply of products to store shelves.



Source: czso.cz (Průměrné mzdy na Vysočině, 2021)

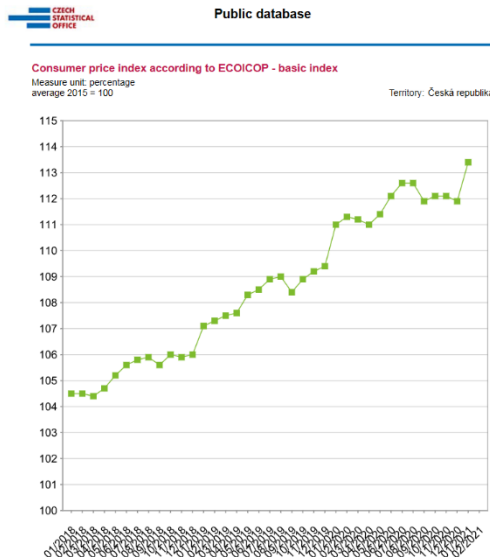
Almost every consumer basket includes pasta, often regardless of the average income. But based on the calculations above, you can calculate and adjust the most acceptable price for the product, which will suit consumers and production.

Figure 11 "Inflation rate"
Czech Republic: Inflation rate from 2005 to 2025
(compared to the previous year)



Source: statista.com

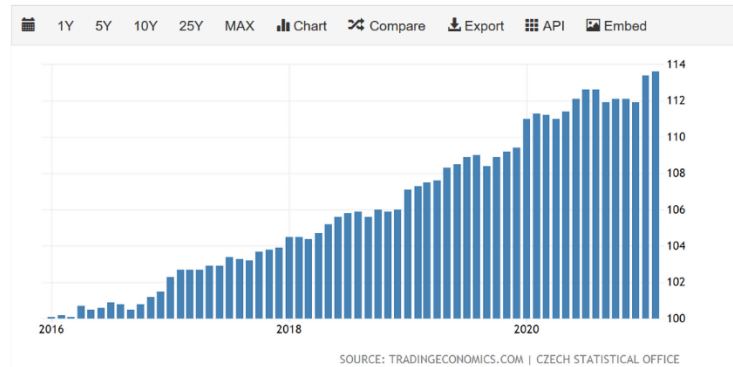
Figure 12 "Consumer price index"



Source: czso.cz

Figure 13 "CPI 2020"

Consumer Price Index CPI in Czech Republic increased to 113.40 points in January from 111.90 points in December of 2020. source: Czech Statistical Office



Source: tradingeconomics.com (Czech Republic Consumer Price Index (CPI), n.d.)

4.3.3 Psychographic

The main factor for psychographic segmentation in relation to pasta in the Czech Republic is that Czechs often value more and tend to buy products and goods from domestic producers (Češi sázejí na lokální potraviny, 2017). That is, for “Golden Valley” it will be a plus among potential consumers, as it is a local producer.

Also, the factor playing an important role will be the lifestyle of consumers. This includes both maintaining a healthy lifestyle through the consumption of quality products and preserving the environment (this is also a lifestyle).

By polling buyers (40 people) in large retail chains, regarding the purchase of pasta, it was concluded that 40% of the surveyed buyers pay attention to the composition of the product. About 2.5% of them look at the packaging (what materials it is made of), and 50% of the buyers look at the country of the pasta manufacturer.

4.3.4 Behavioral

There are several important factors for this type of segmentation, regarding the production and sale of pasta. These include the place of purchase, the frequency of purchase and consumption of the product, as well as consumer experience (buying a product at a discount, etc.).

Also, another important type of segmentation will be segmentation in relation to the places of supply and sale of pasta. For a given manufacturer and product, there are 4 main places: supermarkets, smaller grocery stores, schools and restaurants.

4.3.5 Supermarkets and smaller grocery stores

For the sale of food products will have to go through a number of steps before being presented to potential large or small partners:

- Organization of the working area and the use of quality equipment
- Packaging design and certification

In the Czech Republic, certification can be obtained from several types of internationally recognized standards of food quality and safety systems, such as ISO standards, IFS standards and HACCP.

ISO 9000 series standards. These are standards for quality management systems issued by the International Organization for Standardization (ISO). The European Committee for Standardization (CEN) has approved these standards as European standards.

The International Food Standard (IFS) is a common food safety standard that uses a uniform rating system for the qualification and selection of suppliers. It helps food retailers ensure the safety of the products on offer and monitors the level of quality of branded food product manufacturers.

In the Czech Republic, the HACCP system is part of food legislation and is therefore mandatory under the Food Act. Laying down specific hygiene rules for food of both plant and animal products. The advantage of HACCP is that it can be used not only for health safety, but also for other quality features (appearance, taste, smell, etc.), as well as for quality management according to ČSN ISO 9000 standards.

- Successful attempts to work with small shops (for the largest partners). This step will allow you to build confidence in the quality of the goods, get the first reviews and work on bugs.

The most profitable option, implying the supply of large volumes of products on a regular basis. You need to be ready to provide stores for the entire network at least within your own city, but it is better to rely on the region. The contract specifies penalties for delay and the possibility of terminating the contract after several non-fulfillment of conditions. That is why you need to be ready to increase and decrease production almost instantly at the request of partners. In medium and small networks, the situation is similar, but there is a great loyalty to suppliers.

To deliver your goods to the store, you need to establish contact. The beginning of cooperation is possible in two ways: filing an application through the feedback form and

direct contact to the purchaser. It is worth sending letters to comply with official norms, but in practice they are rarely answered.

Large retail chains are complex. Many of them are already rebuilding their work system, providing better mobility, but it takes a long time to achieve visible results. Retailers often provide newcomers with favorable conditions, do not ask for discounts at first and are accommodating, which greatly simplifies entry. This is due to high production costs, and increased turnover and shelf space quickly fix the problem.

How to deliver goods to stores. Everything is quite simple here: you can buy your own transport or contact companies that are engaged in local cargo transportation. The first option is initially more expensive, but it pays for itself in 1-2 years. The second option is optimal if there is no money to buy several cars and hire drivers.

For example, according to the suppliers contacted, the Kaufland and Lidl retail chains are the worst at negotiating supply terms. This follows from a previously published survey by the Ministry of Agriculture.

4.3.6 Schools

Figure 14 "Education"

Tab. 2.1.2: Základní vzdělávání v krajském srovnání – žáci v základním vzdělávání podle stupně a typu školy, ve školním roce 2019/20

Území	z toho žáci s povinnou školní docházkou				podle stupně základního vzdělávání						podle typu škol						
	Celkem		v zahraničí nebo na zahraniční škole v ČR		formou individuálního vzdělávání ¹⁾		1. stupeň ²⁾		2. stupeň ³⁾ a odpovídající ročníky u gymnázií ⁴⁾ a konzervatoří ⁵⁾		základní školy		víceletá gymnázia ⁶⁾		osmileté konzervatoře ⁷⁾		
	počet	počet	počet	% ⁸⁾	počet	% ⁸⁾	počet	% ⁸⁾	počet	% ⁸⁾	počet	% ⁸⁾	počet	% ⁸⁾	počet	% ⁸⁾	
Česká republika	995 257	9 483	0,95%	3 874	0,39%	563 346	56,60%	431 911	43,40%	952 846	95,79%	41 997	4,22%	314	0,03%		
Hlavní město Praha	117 804	3 076	2,61%	302	0,26%	67 701	57,47%	50 103	42,53%	108 638	92,22%	8 985	7,62%	181	0,15%		
Středočeský kraj	137 480	833	0,60%	859	0,62%	81 138	59,02%	56 342	40,98%	133 141	96,84%	4 339	3,16%	-	-		
Jihočeský kraj	60 165	414	0,69%	45	0,07%	33 986	56,51%	26 167	43,49%	57 645	95,81%	2 519	4,19%	-	-		
Píseňský kraj	54 291	218	0,40%	84	0,15%	30 563	56,29%	23 728	43,71%	51 990	95,76%	2 301	4,24%	-	-		
Karlovarský kraj	26 460	318	1,20%	28	0,11%	14 701	55,56%	11 759	44,44%	25 167	95,11%	1 293	4,89%	-	-		
Ústecký kraj	78 608	872	1,11%	295	0,38%	43 524	55,37%	35 084	44,63%	76 107	96,82%	2 501	3,18%	-	-		
Liberecký kraj	42 959	372	0,87%	183	0,43%	24 373	56,74%	18 586	43,26%	41 663	96,98%	1 296	3,02%	-	-		
Královéhradecký kraj	51 742	252	0,49%	449	0,87%	28 811	55,69%	22 931	44,32%	49 725	96,10%	2 017	3,90%	-	-		
Pardubický kraj	48 912	223	0,46%	148	0,30%	27 504	56,23%	21 408	43,77%	47 028	96,15%	1 884	3,85%	-	-		
Kraj Vysočina	47 072	144	0,31%	89	0,19%	26 032	55,30%	21 040	44,70%	45 179	95,98%	1 893	4,02%	-	-		
Jihomoravský kraj	110 212	715	0,65%	235	0,21%	63 165	57,31%	47 047	42,69%	105 272	95,52%	4 844	4,40%	95	0,09%		
Olomoucký kraj	58 289	395	0,68%	129	0,22%	32 525	55,80%	25 764	44,20%	55 884	95,53%	2 605	4,47%	-	-		
Zlínský kraj	52 378	562	1,07%	870	1,66%	29 062	55,49%	23 316	44,51%	50 760	96,91%	1 618	3,09%	-	-		
Moravskoslezský kraj	108 885	969	0,89%	178	0,16%	69 249	55,32%	48 636	44,67%	104 946	96,39%	3 902	3,58%	37	0,03%		

Source: czso.cz

Schools are where the Golden Valley manufacturer can supply their pasta. Since at the initial stage the production of Golden Valley pasta is designed only for three regions (South Bohemian Region, Pardubecy Region, Vysočina Region). For the beginning, it will be only one region (Vysočina region) since it is a region of production. The statistics of primary schools, or rather the number of primary school students in specific regions of

the Czech Republic, are given below. Primary schools were chosen, since primary school children almost always eat in etc. That is, there will be specific data on production (how many products are needed specifically) for primary schools.

Figure 15 "Pupiles and amount of pasta"

Jihocesky region (pupiles)	Pasta (kg)				
57645	23058			* x1 pasta on the menu during the week	
				* around 4 week in month (20-23 study days)	
Vysočina region (pupiles)					
45179	18071			* 4 times a month pasta on the menu	
				* about 100 grams of pasta per serving	
Pardubice region (pupiles)					
47028	18811				

Source: create by author

Pasta is served to children for lunch, about once a week (Bačáková, 2011), That is, in a month, one student consumes pasta for lunch about 8-9 times. A standard serving per child is 100 grams of pasta (VYHLÁŠKA o školním stravování, 2005), therefore, 400-500 grams per month. Below are approximate calculations but based on data taken from the specified resources. Again, supplies to schools and the production of pasta in such quantities can develop gradually, and it does not have to be at the initial stages, since at the start the production is not yet on such a large scale. You can start with supplying schools for a specific region Schools purchase the product in bulk, that is, the price will be lower than retail in stores (since the product is purchased in large quantities).

4.3.7 Restaurants

Delivering pasta to restaurants and establishments can also bring a good profit to the manufacturer. Again, such deliveries can occur over time, when production has already gained momentum and expanded that same production.

The volume of supplies depends on the size of the establishments to which the supplies are made. To find such customers, you need to have a rather advantageous offer for them, since many establishments have been on the market for a long time and already have their suppliers, with whom they have been cooperating for many years. Or you can find new, recently opened establishments, and offer them favorable terms of cooperation, so that competitors have not so many chances in comparison with the manufacturer “Golden Valley”.

Also, as in the case of schools, deliveries to institutions will be made at a wholesale price (since there is a large amount of pasta). Such deliveries are usually made once a week. That is, the institution calculates how many kg of product they will need for a week, and the manufacturer is already calculating his production turnover in order to supply the required amount of products.

4.4 External factors

4.4.1 Consumers

When drawing up a business plan, it is very important to pay enough attention to consumers: who will be more interested in buying a product, what is most important in choosing a given product for a buyer, etc. The consumer is the most important link in any production because it depends on the consumer whether the manufactured product will successfully exist on the market. A lot depends on the producer (quality of production, quality of the product, etc.), but it is the consumer who is the key figure for whom the products are made, and on whose opinion the future of the business depends.

Regarding this production of pasta, the consumer of this product can be absolutely any person from different age categories (from 1 year to 90+), which is already a plus for the producer. The exception will be consumers who have a certain gluten intolerance, as semolina flour and durum flour contain gluten. But the producer aims to produce gluten-free products (using flour that does not contain gluten), if he is confident that such a product will be popular.

Price. Another important aspect that will influence the consumer's choice. Of course, first, it is important to understand what price category the products will be. But necessarily based on production costs, but of course on what price will be more competitive in the market and which will attract the consumer. On average, good pasta in the Czech Republic costs 25 to 50 CZK per 500 grams. The word good means good composition and amount of protein per 100 grams of product.

Figure 16 "Preference vs consumption"

Tab. 2. Preference versus consumption of selected foods.

Food	Preference/Consumption				p ^a	p ^b
	Total (n = 1615)	Boys (n = 792)	Girls (n = 823)			
Cereal products	64.1/42.9	59.0/41.7	69.1/44.2	< 0.001*	0.092	
Bread	64.3/74.6	63.0/75.6	65.5/73.7	0.033*	0.043*	
Rolls, buns	71.9/79.3	72.2/83.3	71.6/75.3	0.280	< 0.001*	
Rice	66.6/47.7	64.3/47.7	68.9/47.6	< 0.001*	0.991	
Pasta	70.5/47.7	67.0/47.6	73.8/47.7	< 0.001*	0.869	
Dumplings (side dish)	61.2/37.7	62.8/41.3	59.7/34.2	0.012*	< 0.001*	
Fruit dumplings and other flour foods	62.7/28.6	65.2/32.1	60.4/25.2	0.001*	< 0.001*	
Fine pastries	69.5/47.8	70.5/51.3	68.5/44.4	0.123	< 0.001*	
Raw vegetables	69.7/63.6	62.5/61.3	76.6/65.8	< 0.001*	< 0.001*	
Vegetables cooked	49.4/40.8	46.5/42.1	52.1/39.6	< 0.001*	0.048*	
Vegetable juice	36.5/19.4	38.0/22.7	35.0/16.3	0.030*	< 0.001*	
Potatoes cooked	65.4/60.2	64.8/60.3	65.9/60.1	0.506	0.925	
Fresh fruit	79.1/74.4	74.9/72.4	83.2/76.4	< 0.001*	< 0.001*	
Fruit juice 100% (as a fruit)	76.9/48.7	73.3/48.9	80.4/48.4	< 0.001*	0.590	
Fruit canned	65.8/34.9	64.6/37.7	67.0/32.3	0.043*	< 0.001*	
Milk or milk drink	69.7/63.1	69.9/67.4	69.5/59.0	0.821	< 0.001*	
Yoghurt	69.3/61.7	68.1/64.0	70.4/59.6	0.133	< 0.001*	
Curd cheese	59.6/36.4	59.7/40.2	59.5/32.7	0.966	< 0.001*	
Cream cheese	65.7/41.9	66.0/45.3	65.5/38.6	0.682	< 0.001*	
Puddings	65.0/36.6	65.7/40.0	64.3/33.3	0.345	< 0.001*	
Cheese	73.4/68.1	71.6/68.5	75.0/67.8	0.006*	0.419	
Red meat	58.7/47.0	64.1/52.6	53.4/41.6	< 0.001*	< 0.001*	
Smoke meats	61.6/52.1	67.3/57.1	56.2/47.4	< 0.001*	< 0.001*	
Offal	33.3/15.4	37.9/19.6	28.9/11.4	< 0.001*	< 0.001*	
Meat products – pies, preserves	47.4/28.5	52.4/35.4	42.6/22.0	< 0.001*	< 0.001*	
Poultry rabbit	73.2/53.0	72.9/53.9	73.5/52.2	0.521	0.336	
Fish	58.5/30.7	59.0/31.6	58.0/29.8	0.836	0.175	
Eggs	65.6/41.3	66.0/43.9	65.2/38.7	0.315	< 0.001*	
Legumes	56.8/35.2	57.5/38.0	55.7/32.5	0.276	< 0.001*	
Nuts	63.5/34.5	62.8/35.9	64.1/33.2	0.308	0.013*	

Source: czso.cz

4.4.2 Competitors

And then competitors. Below is a table that contains data on the local pasta producers on the Czech market. This table shows a variety of pasta – spaghetti. Price per amount, country of origin, and the amount of protein per 100 grams of product. Based on this data, the producer "Golden Valley" can build its pricing policy, considering its product data (ingredients, amount of protein, production costs, etc.)

Table 4 "Competitors"

Pasta producer	Price CZK (without sales)	Protein (gr/per 100 gr)	Producer
“Benátské těstoviny”	22 CZK/500g	9,7	Czech Republic
“Tradiční české nudle”	22 CZK/400g	10,8	Czech Republic
“Čerstvá pasta”	55 CZK/330g	4	Czech Republic
“Zátkovy”	25.90 CZK/500g	11,9	Czech Republic
“Rosické”	19.90 CZK/500g	12,2	Czech Republic

Source: created by the author

This table provides competitor data for each segment. “Čerstvá pasta” is an example of a competitor in the supply of products to gastronomic establishments. Since the production of Čerstvá pasta is located in Karlovy Vary, in the region of Vysočina (where the initial

production of Golden Valley pasta is aimed), there are almost no such competitors for the production of Golden Valley, that is, mainly, this manufacturer will be the main supplier in gastro in the area. Also, a minus for “Čerstvá pasta”, and accordingly a plus for “Golden Valley”, is that the shelf life of the pasta manufacturer “Čerstvá pasta” is only 10 days. For many gastronomic establishments, this can be a problem, since it is better for them to purchase a dry product that can be stored for much longer. Taking this into account, the price for pasta “Čerstvá pasta” is higher, and also for a smaller quantity, which again will not be a plus for the manufacturer when supplying large quantities.

For supplies to schools and smaller grocery stores, small producers such as “Benátské těstoviny” and “Tradiční české nudle” can compete. Since these are small in relation to production, they deliver their products to such places as schools, gastro, and some smaller grocery stores. As for schools, “Golden Valley” will benefit from the fact that in terms of the amount of protein per 100 grams of production, these two manufacturers are inferior to “Golden Valley”. Accordingly, for children, schools will prefer the products that are most useful for the child's body. But such an aspect as the amount of protein applies to ordinary consumers. As mentioned earlier, for some it is a mark of a product's quality.

For supplies to supermarkets, the competition will be made by not the most popular, but rather large pasta producers such as “Zátkovy” and “Rosické”. And here it all depends on the pricing policy and the quality of the product. The products of these manufacturers are not among the most expensive on the market and are almost as good as others in composition. Therefore, it is important, in competition with such manufacturers, that they know as much as possible about “Golden Valley”, that enough time has passed from the start of production, so that the manufacturer has the quality of his product, and of course, correctly set prices, because this is a really important aspect for a potential buyer.

In the future, when production reaches large rammers, there will be large volumes of sales and production, the product will already be on the market for a long time and will be recognizable, large pasta producers can become competitors.

Table 5 "Competitors 2"

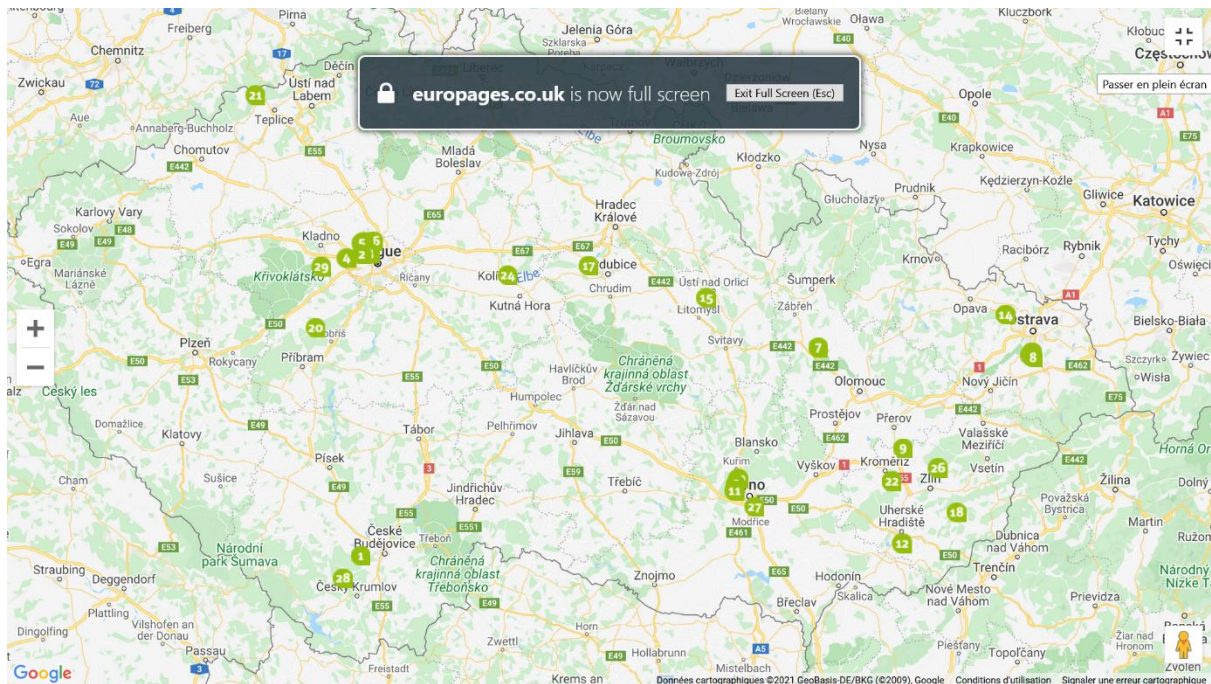
Pasta producer	Price CZK (without sales)	Protein (gr/per 100 gr)	Producer
"Barilla"	87.80 CZK/kg	12,5	Italy
"Adriana"	79.80 CZK/kg	13	Czech Republic
"Panzani"	79.80 CZK/kg	12	France
"Riscossa"	65.80 CZK/kg	12,5	France
"Tesco"	29.80 CZK/kg	11,6	Italy

Source: create by author

Based on this table, many consumers who pay attention to the amount of protein, the ratio of price and quality, most likely would conclude that they would like to buy the products of the company "Adriana", since the amount of protein is the largest of the options offered; it is a local producer, so there will be some special trust; the price, although not the smallest, but based on the two previous aspects, should not frighten the consumer, but should talk about quality. That is, it is the main competitor for the producer "Golden Valley". But the fact is that many consumers often do not care how many grams of protein a product contains, in which country it is produced, what it contains, and so on. First, the price is important to them. And therefore, the choice will often be on the side of one of the cheaper producers. Therefore, when setting a company's pricing policy, it is very important to analyze not only the ratio of price and quality of a product, but also the market, and understand what price will be the most "flexible".

The "Golden Valley" pasta production facility is located in Velká Losenice, okres Žďár nad Sázavou, Czech Republic. This is the region of Vysočina. According to EUROPAGES.CO.UK (figure 17) - there is no pasta manufacturer in this region. That is, for "Golden Valley" it is an excellent opportunity to take a leading position in this region with this product (that is, to supply its product to the settlements of this region, to schools, institutions, etc.). This position of the local market can be very beneficial for the manufacturer.

Figure 17 "Pasta producers in Czech Republic"



Source: europages.co.uk

4.4.3 PESTEL analysis

4.4.3.1 Political factors

To conduct business in the field of food production, the manufacturer must have special production permits (licenses). In this case, the manufacturer "Golden Valley" must have permission from the food inspection that the product has passed the necessary tests, that there are no harmful substances in it, and that it is suitable for use.

All aspects related to the political situation of the country of production (in this case the Czech Republic) do not in any way affect this type of production. No cases were found when political situations, political parties, various bills, etc., somehow could affect the production of pasta.

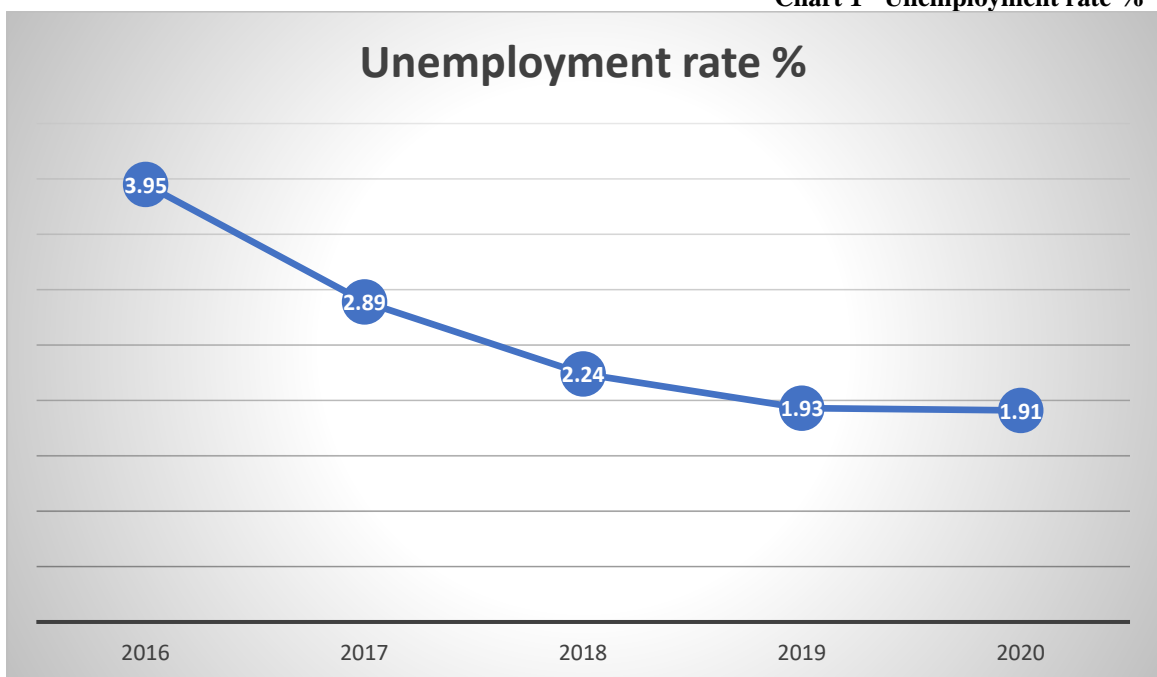
4.4.3.2 Economic factors

The Czech Republic is a very calm country regarding political stability, and political stability almost always guarantees economic stability. This can be seen from the level of unemployment in the country, or rather, it is almost complete absence. That is, citizens have a stable income, which gives confidence in the turnover of the product.

4.4.3.2.1 Unemployment

The unemployment rate in the Vysočina region (the region where the “Golden Valley” is produced and the region where the initial pasta production is based) is one of the lowest in the entire Czech Republic - 3.31%. Good for the population of the area, but for business, reducing the unemployment rate can bring its unpleasant aspects (inflation of wages of already hired workers; possible decrease in productivity due to the lack of a suitable employee for a certain position).

Chart 1 "Unemployment rate %"



Source: Statista.com, created by the author

Figure 18 "Share of unemployed persons"



Source: czso.cz; create by author

Figure 19 "Unemployment in Vysočina region"

Value:	3.31
Territory:	Vysočina Region
Time period:	31. 12. 2020
Statistical breakdown:	
Statistical variable:	5973 Number of job applicants in the labour office register
Clarification of statistical function - basic:	ratio / percentage
Specification of type of denominator - basic:	Permanent resident population
Attainability of commence to work:	Available person
Evidence of applicant at labour office:	Job applicant kept in the labour office register
Age (years):	From 15 to 65 (greater than or equal to 15 and less than 65)
Clarification of statistical function - optional:	ratio (in [%])
Unit of measurement:	per cent

Source: czso.cz; create by author

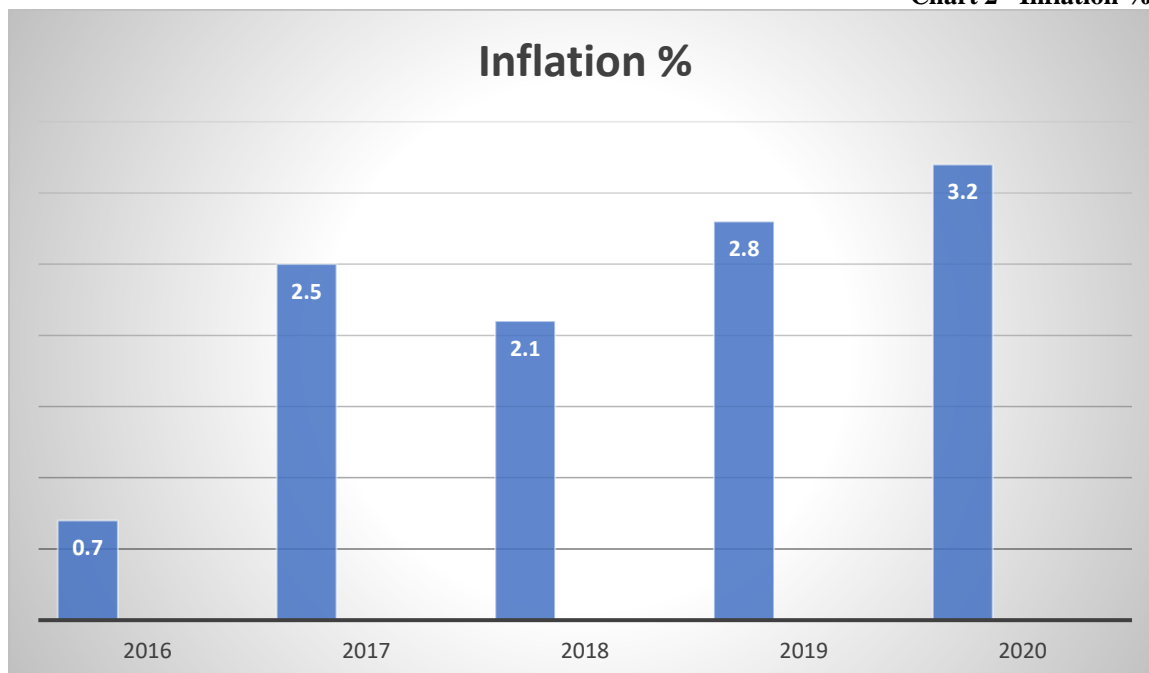
Table 6 "Unemployed%"

Territory:	Unemployed%
Ždár nad Sázavou	3.52
Jihlava	3.34
Havlíčkův Brod	2.85
Třebíč	4.23
Pelhřimov	2.07

Source: CZSO.cz; create by author

“Golden Valley” is located specifically in Ždár nad Sázavou, where the unemployment rate is 3.52%. Other adjacent areas in this region have almost similar unemployment rates. The only exceptions are Třebíč, where this level is the highest in the region - 4.23%, and Pelhřimov - here the level is the lowest - 2.07%.

Chart 2 "Inflation %"



Source: Ministry of finance of Czech Republic, created by the author

As for tax policy, of course, like any business, the “Golden Valley” manufacturer must pay taxes, at least on the sale of its product, but also on the salaries of its employees.

4.4.3.2.2 Taxes

- Corporate income tax 19% - levied on the profits of the company.
- Personal income tax 15% - levied on the gross income of an individual or legal entity.
- Value added tax (VAT) 15% - indirect tax, a form of withdrawal to the state budget of a part of the cost of goods.
- Insurance: social insurance and health insurance
 - Employer: 24.8% (SI) and 9% (HI)
 - Employee: 6.5% (SI) and 4.5% (HI) (Taxes, 2020)

4.4.3.3 Social factors

Like the two previous factors, the social factor also does not affect the production of a product such as pasta that much. The product is suitable for use by almost every consumer, regardless of various social factors.

One important note to the manufacturer is that products, packaging, and manufacturing should be as eco-friendly as possible. This is an important topic in the world now. Many people pay a lot of attention to the recyclable materials that manufacturers use for their products, etc. Usually, such materials are more expensive to manufacture than the same plastic used in almost absolutely all packaging, but as the so-called “save planet” movement is gaining momentum, and it is important now, to save and clean up our planet, many manufacturers should think about the transition to eco-materials and more environmentally friendly production methods. But this also applies to environmental factors.

4.4.3.4 Technological factors

Technological trends are important for business in this field. Food machines are constantly improving, which results in simplification of work, saving time and energy. Therefore, it pays to invest in a more technologically advanced pasta machine.

The manufacturer "Golden Valley" should think about the safety of its intellectual property and the protection of its patents already when starting a business.

The main technological factor that can affect production is the technological development of competitors in the market. The use of the latest technology or the use of improved technology can give a significant advantage to competitors. Therefore, in this case, the manufacturer "Golden Valley" needs to quickly respond to such changes and take all necessary measures to keep up with competitors.

4.4.3.5 Environmental factors

As mentioned in the section on social factors, eco-production plays a big role in these times. The issue of preserving nature and the environment is acute in society. Eco-friendly production and products are appreciated by many consumers.

Sustainable production includes the correct disposal of waste. Since each production will have a different type of waste (different materials), producers need to properly sort and recycle this waste. Plastic, paper, glass, textiles, recyclable waste, non-recyclable waste, and many more. All this needs to be refined in accordance with the material and method of disposal. Usually, the company's task is simply to distribute the waste, and special firms themselves will utilize this waste as it should. One of these companies for Vysočina region is "ASMJ s.r.o." (appendix 2).

Renewable resources, energy sources and technologies can also be one of the company's costs.

The manufacturing process can also be climate dependent. If in the places where the ingredients to produce the product come from, there have been any climatic changes (warming, cold snap, rains, etc.), and the supply of raw materials for these reasons is not possible, then the manufacturer "Golden Valley" should be ready to accept delivery from another supplier, that is, it must have several different suppliers in its arsenal.

4.4.3.6 Legal factors

These factors, to a large extent, relate to various laws that may be associated with business in each industry and production. To begin with, need to know all the laws, all the subtleties that will help enter this business correctly, correctly bring the product to the market.

The manufacturer "Golden Valley" must be sure that, having entered the market, it has every chance for the coexistence of different companies producing pasta, that there is no monopoly on the market in this industry (when one manufacturer owns most of the market).

Consumer protection rules are also important. The company, again, must possess this knowledge to increase consumer confidence, because by paying due attention to the rights of its potential buyers, the manufacturer will certainly increase the reputation of his company and his product. Also, in relation to both the food industry and consumer protection, the manufacturer of "Golden Valley" must include on the packaging of his

product all information about the nutritional value of that very product. This aspect is also required by law to protect the consumer and help him make an informed choice of the product.

The company's data and its documentation deserve special attention. How an owner can manage his company and its data without feeling oppressed and pressured by the authorities.

The laws also provide for the storage and transportation of the product. For the storage and production of pasta, the manufacturer "Golden Valley" must adhere to certain conditions:

- Pasta is transported in covered vehicles of all types in accordance with the rules for the carriage of goods in force for a specific type of transport, ensuring the safety of products.
 - When transporting pasta, vehicles must be clean, not contaminated or contaminated with pests of grain stocks, without any foreign smell.
 - Pasta is stored in covered warehouses, protected from the effects of atmospheric precipitation, with a relative humidity of no more than 70% and a temperature of no more than 30 ° C.
 - Premises for storing pasta must be clean, dry, well-ventilated, and free from pests.
- (COMMERCIAL ITEM DESCRIPTION PASTA PRODUCTS, 2015)

Hygiene:

The criteria for evaluating the quality of pasta set out binding conditions for the production, labeling and hygienic safety of pasta. They include sensory, laboratory or microbiological tests.

Sensory evaluations of the quality of pasta are set by the Food Act 110/1997, specifically in the annex to the Decree of the Ministry of Agriculture of the Czech Republic No. 333/1997 S.

From the point of view of microbiology, the Decree of the Ministry of Health of the Czech Republic No. 294/1997 Coll., Which sets limits for the total numbers of microorganisms, coliform bacteria, Staphylococcus aureus and Salmonella.

For laboratory analysis, 500 g of the product are taken and the chemical and physical requirements of the basic types of pasta are determined.

The execution of these analyzes must be carried out before the start of production, since without these documents the product will not be allowed on the market.

Product labeling also applies and is monitored by the same inspections as the product quality. The information that the manufacturer “Golden Valley” must include on the label for his pasta should include the following:

- Name of the product with the information about the product category and its preparation.
- Producer and importer information with addresses.
- Quantity – liquid products in milliliters, centiliters, or liters and solid products in grams or kilograms.
- Expiration date. Form of the expiration date information varies according to the product. Some products (such as fresh fruit and vegetables) do not require an expiration date.
- Storage instructions (such as temperature, exposure to daylight etc.).
- Usage instructions.
- List of ingredients listed in the order of their amount in the product.
- Lot number for identification tracking.
- Information on food additives, enzymes, flavors, fragrances and/or ionization.

(Mikulasova, 2019)

4.5 Internal factors

4.5.1 Financial resources

This production, like any other, has start-up capital, money that the owner and investors invest in opening a business. With this start-up capital, all the necessary equipment is purchased, and other aspects necessary to start production are paid.

The source of income will be the sales of the manufactured product, respectively. The size of the profit depends on the volume of production (how many kilograms of dry product will be produced daily, at what price the product will be sold).

4.5.2 Physical resources

This production is located in the Central Bohemian region, and more specifically in Velká Losenice, okres Žďár nad Sázavou, Czech Republic. Accordingly, renting premises here will be cheaper than in Prague or in any other big city. Utilities will also be cheaper here, which is only a plus for such production.

The initial investment in equipment is probably the largest production cost. But production technology plays a huge role in the success of that very production. RZ50 machine is used for making pasta from “Golden Valley”, which is a very good technique for this type of production, but not the cheapest one either.

4.5.3 Human resources

Company employees are one of the key links in successful production. At the initial stage, production does not require many handymen, a marketer, driver, technologist, and worker serving the technological line are enough. These are the main people that will be required in the initial stages.

At the initial stages, production does not require a large number of personnel, since the scale of that very production is not yet so large. To produce pasta, company "Golden Valley", at the time of production launch, several employees are required: a marketing manager, an accountant, a technologist, a technological line worker and a driver. This number of specialists will be enough to start a business, and eventually expand it, and, accordingly, expand the staff. These employees must be professionals in their field so that with their help the business has a chance of successful development. Employees can be found through special Internet portals where employers advertise a vacancy (Jobs.cz, Prace.cz, Pracezarohem.cz, Volnamista.cz etc.). Such advertisements should contain all the information regarding wages, working hours, skills that are required from an employee, place of work, working conditions, documents, etc.

When working in food production, employees will need to have a medical card that they are healthy and can work in the production area, have contact with the product. Employees can make such a card from their doctor at their expense (300-400 CZK). The employer represented by "Golden Valley" will have to pay 2/3 of the social and medical insurance (1/3 is paid by the employee). These costs are related to taxes, and this 1/3 part is collected automatically from the employee's salary.

“Golden Valley” will initially need 5 employees. Below are the salary data for each specialty. This data will be included in the monthly production costs:

Figure 20 "Wage of technologist&accountant"

Čistá mzda	Hrubá mzda	Osobní náklady
21 560,00 Kč	26 000,00 Kč	34 824,40 Kč
Vaše odvody >		2 860,00 Kč
Odvody hrazené zaměstnavatelem ▾		8 824,40 Kč
Sociální pojištění		6 448,00 Kč
Zdravotní pojištění		2 340,00 Kč
		36,40 Kč
Vaše daň z příjmu ▾		3 900,00 Kč
Daň 15%		3 900,00 Kč
		0,00 Kč
Daňové zvýhodnění >		2 320,00 Kč
Čistá mzda bez bonusu		21 560,00 Kč
Čistá mzda		21 560,00 Kč



Source: Platy.cz

Figure 21 "Wage of driver"

Čistá mzda	Hrubá mzda	Osobní náklady
17 120,00 Kč	20 000,00 Kč	26 788,00 Kč
Vaše odvody >		2 200,00 Kč
Odvody hrazené zaměstnavatelem ▾		6 788,00 Kč
Sociální pojištění		4 960,00 Kč
Zdravotní pojištění		1 800,00 Kč
		28,00 Kč
Vaše daň z příjmu ▾		3 000,00 Kč
Daň 15%		3 000,00 Kč
		0,00 Kč
Daňové zvýhodnění >		2 320,00 Kč
Čistá mzda bez bonusu		17 120,00 Kč
Čistá mzda		17 120,00 Kč



Source: Platy.cz

Figure 22 "Wage of machine operator"

Čistá mzda	Hrubá mzda	Osobní náklady
17 860,00 Kč	21 000,00 Kč	28 127,40 Kč
Vaše odvody >		2 310,00 Kč
Odvody hrazené zaměstnavatelem v		7 127,40 Kč
Sociální pojištění		5 208,00 Kč
Zdravotní pojištění		1 890,00 Kč
		29,40 Kč
Vaše daň z příjmu v		3 150,00 Kč
Daň 15%		3 150,00 Kč
		0,00 Kč
Daňové zvýhodnění >		2 320,00 Kč
Čistá mzda bez bonusu		17 860,00 Kč
Čistá mzda		17 860,00 Kč



Source: Platy.cz

Figure 23 "Wage of marketer"

Čistá mzda	Hrubá mzda	Osobní náklady
21 939,00 Kč	26 528,00 Kč	35 531,60 Kč
Vaše odvody >		2 919,00 Kč
Odvody hrazené zaměstnavatelem v		9 003,60 Kč
Sociální pojištění		6 578,94 Kč
Zdravotní pojištění		2 387,52 Kč
		37,14 Kč
Vaše daň z příjmu v		3 990,00 Kč
Daň 15%		3 990,00 Kč
		0,00 Kč
Daňové zvýhodnění >		2 320,00 Kč
Čistá mzda bez bonusu		21 939,00 Kč
Čistá mzda		21 939,00 Kč



Source: Platy.cz

4.6 Marketing plan

4.6.1 Marketing mix 4P

4.6.1.1 Product

The producer "Golden Valley" provides the product (tangible nature). This product is pasta (pasta). Pasta is a very popular commodity in the market and there are already many different manufacturers. But "Golden Valley" provides a quality, natural product that will compete with many manufacturers who have been in this business for a long time. Pasta "Golden Valley" will be a strong competitor for the rest, due to its composition, its ingredients used for production, due to the ratio of quality and price of the product.

Pasta is a product whose potential consumers are people of different age categories. That is, this product is designed for each person, and there are no restrictions (except for children up to about 1 year old). And the choice of the consumer will be influenced by all aspects, from composition and price, to packaging, design and information about the brand itself.

Appearance often plays a key role when choosing a buyer. The packaging of “Golden Valley” pasta has a very simple design, but at the same time it will attract attention due to the interesting logo of the manufacturer. Also, packaging for “Golden Valley” pasta is made from the most recyclable materials, this can also be appreciated by consumers, and this is what will distinguish “Golden Valley” from other manufacturers, since now waste recycling is a very important topic in society.

Pasta "Golden Valley" can become an interesting novelty for consumers, even if there are similar pasta to taste, then for the consumer it will be something new that they want to try.

4.6.1.2 Price

The price of a manufacturer's product is set in relation to the cost of production, the price of ingredients, in relation to quality. But also, the price can be set in accordance with the prices of competitors, with prices for previous years (this option is not considered, since this manufacturer is new to the market), etc. The price of a given type of product usually does not change, and the price set for the product at the beginning of a business launch usually remains for a long time (not counting the promotional offers set by the stores where the product is sold). The price of Golden Valley pasta is set at 36.90 CZK. This price is less than that of market competitors, but at the same time, it is set in relation to the quality of the goods and production costs and will also be profitable.

4.6.1.3 Place

For food products, shops are the main points of sale. Since “Golden Valley” is a big producer, the main distribution points will be shops in the Czech Republic, such as: “Tesco”, “Billa”, “Albert”, “Penny”, etc.

But the goal of “Golden Valley” and any producer is to bring their products to the world market. For “Golden Valley”, the next step will be to supply the product to neighboring countries, which also own large hypermarket chains and stores that are known and have points around the world. For example, the hypermarket “Kaufland” and “Lidl”. This is a German chain of hypermarkets, which also have points in the Czech Republic, therefore, this may be the first place where “Golden Valley” can offer its product.

An important aspect is the availability of goods produced on the Internet (delivery). Delivery can be both local and worldwide. Accordingly, the coverage will be more global if the product is in the public domain. Regarding local delivery (territory of the Czech Republic), there are delivery services such as: “Rohlik.cz”, “Kosik.cz”, “Mall.cz” and other services that deliver products. Over time, can develop own delivery, directly from the “Golden Valley” company, but this is too large a cost, and it is easier to do this by cooperating with special services.

4.6.1.4 Promotion

At the initial stage of the business, it is better to use cheap promotion methods. The simplest is to create a website for the manufacturer's company. The Golden Valley website will be created at the initial stages of production, with the help of one specialist. The main goal of creating a site is the visibility of all information about the product and the manufacturer itself. Products, information about production, various photographs, company logo, information about ingredients, contact information, all of this should be filling the manufacturer's website so that the consumer can form an opinion about the product and the company.

The next option for promotion can be Internet pages of social networks, such as Facebook and Instagram. For example, the lowest price for which can place an advertisement on Facebook starts from \$ 1 (21.6 CZK) CPC method (data for autumn 2020). But the total cost of advertising on the pages of this social network depends on the purpose of placement, time, advertising volume and audience. The most common payment model for advertising is pay-per-view or CPM. Facebook, in turn, converts everything into payment for 1000 impressions (this model is called CPM (cost-per-mille)).

Another option for promotion will be leaflets and advertising banners on the territory of the country in settlements. Of course, these should be the places and points where the greatest concentration of people is located, and the advertising is more likely to attract potential consumers. Such places are shopping centers, metro, streets with the greatest traffic, grocery stores, etc. Flyers and advertising banners should contain all the most important information about the product and the manufacturer: a photo of the product and packaging, price, composition, and contact information.

The best promotion method is the consumers themselves. When a customer is happy with a product, they will spread good reviews about the company and its product. Therefore, it is very important to know consumer, his preferences and desires, how he wants to see the product, what he expects from the manufacturer. In the future, when the advertising budget is larger, producers can promote the product through advertising on television and in print media.

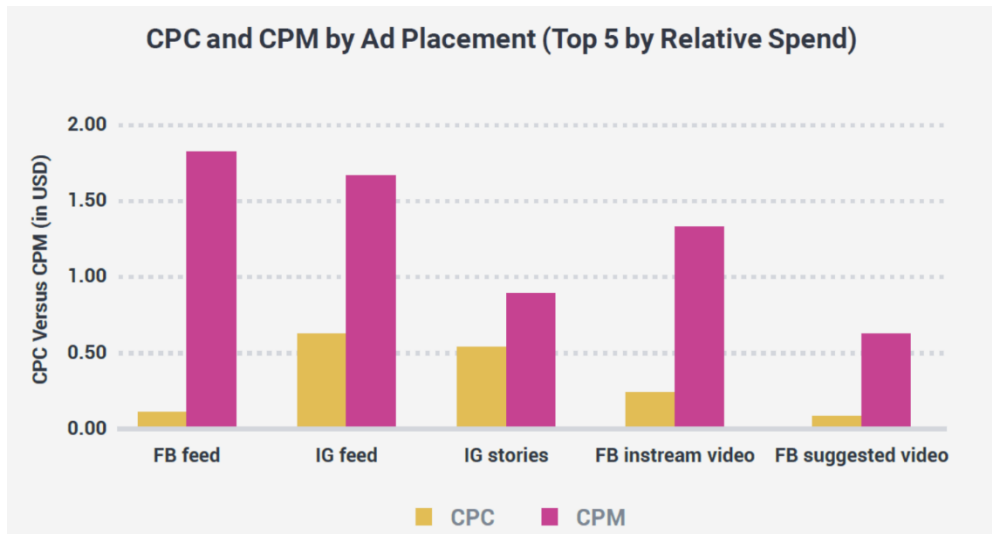
Figure 24 "Promotion expenses"

	2021												2022	Budget
	January	February	March	April	May	June	July	August	September	October	November	December	January	
Regional titles			4000					4000				4000		12000
Social media and web	6000									6000				12000
Television and radio						10000						10000		20000
Billboards					11400				11400					22800
Budget														66800
Campaigns	Go on vacation to Italy without leaving your home - focused on the summer season and heat													
	Christmas in the best company - focused on the period of Christmas holidays													

Source: created by author

- Free distribution of the magazine by mailboxes 17,000 copies are sent monthly free of charge by mailboxes. It will reach 27,000 readers aged 15 to 80 and 16,000 readers aged 25 to 55. Variants - classic advertising, PR article Advertising cost from 1500 CZK
- WEB - ŽĎÁRSKÝ PRŮVODCE.CZ The most visited guide in the Vysočina region Monthly attendance of 20,000 users aged 20-50 Options - company presentations, banners, PR articles, cultural events Price for company presentation in the company catalog 299 CZK / month. Banners from 800 CZK per week.

Figure 25 "CPC and CPM"



Source: (Bauer, 2020)

- “Vysocina televize”: Commercials are broadcast daily from 8:00 to 24:00. Repts: 56
Price per repeat: 80 CZK Total cost: 4500 CZK (price is valid for a seat lasting 30 seconds) Prices are without 21% VAT. But repeats of adds. The amount of advertising depends on the customer's requirements.

Figure 26 "Radio (price)"

CENÍK KLASICKÉ REKLAMY Vysočina

Daily Reach – 14 000
Weekly Reach – 40 000

- klient má k dispozici až 5 minut klasické reklamy denně, klient si sám zvolí délku a čas odvysílání reklamních spotů

REKLAMNÍ ČASY	CENA (v Kč)	Výroba spotu	cena (v Kč)
Po-Ne: 5:29, 5:59, 6:29, 6:59, 7:29, 7:59, 8:29, 8:59, 9:59 (kromě So), 11:59, 12:59, 14:59, 15:59, 17:59, 18:59	400	Reklamní spot*	od 1 000
Po-Pá: 10:59		Úprava, kreativa, atypické spoty	od 500
		Licence k užití spotu mimo ČRo	od 1000

* Poskytnutí licence k užití hudebního podkresu není součástí ceny za výrobu spotu.

- V případě jiné délky spotu než je 30 sec. přepočítáváme cenu následujícím koeficientem (podrobnější koeficienty jsou k dispozici na vyžádání)

Délka spotu	5s	10s	15s	20s	25s	30s	35s	40s	45s	50s
Koeficient	0,6	0,6	0,7	0,8	0,9	1	1,4	1,4	1,7	1,7
Délka spotu	55s	60s	90s	120s	150s	180s	210s	240s	270s	300s
Koeficient	2	2	3,2	4,6	5,7	7	8,6	10	11,5	14

Český rozhlas

Oddělení obchodu ČRo

37

Zdroj dat: RadioProjekt, realizace pro SKMO – Median a STEMMARK, údaje za období 1. 7.–17. 12. 2020; MML – TGI, Median, 11. 7.–17. 12. 2020
Ceny jsou uvedeny v Kč bez DPH pro 30 sec; reklamní spoty a jsou platné od 1. 1. 2021.
Součástí ceníku jsou Obchodní podmínky Českého rozhlasu.

Source: rozhlas.cz (rozhlas, 2021)

- Open areas in crowded places; producing tarpaulins for 380 CZK / m2.

There is also a dedicated organization to help advertise the product in a specific region (Vysočina) – “Reklama na Vysočině” <https://www.reklamanavysochine.cz/>.

4.6.2 SWOT analysis

The SWOT analysis is derived from the data and analyzes carried out earlier. As a result of the analysis of external factors (competitors, consumers and the market), information was obtained about the opportunities and threats that the company has (or may arise). Based on this analysis, a manufacturer can weigh the pros and cons of starting a new business in a particular industry. Below is the SWOT analysis data for the pasta producer “Golden Valley”:

Table 7 "SWOT analysis"

Strengths	Weaknesses
<ul style="list-style-type: none"> - good product composition (only natural ingredients) - biodegradable materials used for packaging the goods - reasonable price for buyers, in relation to competitors and product quality - co-owners have experience in this business sector (food production) 	<ul style="list-style-type: none"> - a new business, a new manufacturer unknown to the consumer. Lack of required reputation - small volume of productivity at the initial stages, due to the small number of personnel and the number of equipment - <u>a large number of competitors</u> in the market
Opportunities	Threats
<ul style="list-style-type: none"> - the opportunity to enter the world market (sales in other countries) - business expansion and increased profits, due to the expansion of the territory, and, accordingly, the volume of production - competitors' product is not as high quality 	<ul style="list-style-type: none"> - a similar product from competitors - competitors are in business longer - worsening economic situation (people start spending less) - the emergence of new manufacturers in the industry

Source: created by the author

The strengths and weaknesses shown in the table affect the internal business environment. Opportunities and threats cannot be affected at the level of the internal environment, and therefore refer to the external environment of the business. Whether the strengths are strong and the weak are weak will only become clear over time. But the analysis of

strengths gives confidence that this product can really take a favorable position in the market. The weakness analysis shows all aspects that the manufacturer should try to minimize. But for example, the unrecognizability of the product, the lack of reputation, will only change over time.

Unfortunately, the manufacturer cannot influence many competitors in the market, but he can do everything to make the strengths of his business strong enough to outperform competitors. By producing a quality product, the company can be sure that in the future, production will start to make a profit, which will expand the scale of production and further increase profits. Having a large profit, recognition among consumers, producers can try to enter the world market, and supply the product for sale in many countries of the world. But a lot of competition in the market can pose a threat. Since pasta is a product whose composition is the same for almost all manufacturers, it is important for a manufacturer to come up with something that will distinguish his product from the rest. The manufacturer cannot influence some threats: the economic situation. Maybe for a given product, the deterioration in the country's economic situation will not be so noticeable, but there is a possibility that buyers, receiving lower wages than before, will start buying the cheapest version of the product. In such a situation, the manufacturer will most likely need to adapt to the situation and look for ways to keep the business and profit at the usual level.

4.7 Financial plan

4.7.1 Initial investment

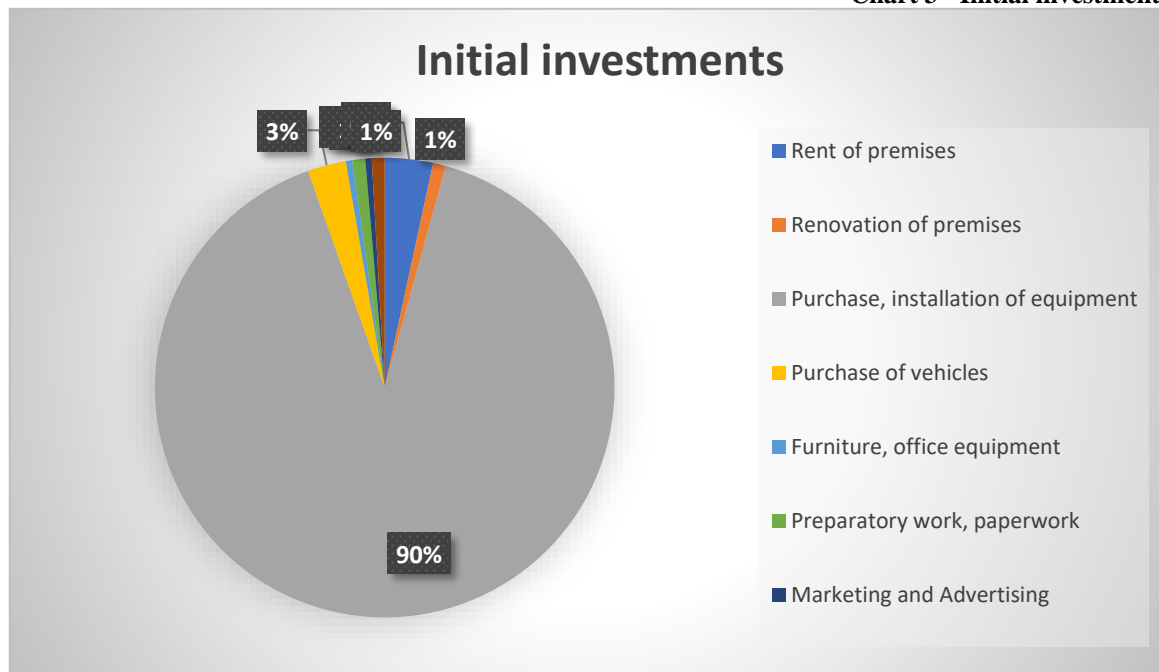
The initial investment was calculated in relation to the size of production and actual prices for various aspects of the investment. The cost of starting this production is CZK 2,215,000. The table below covers all the main aspects of the business where the initial investment will go.

Table 8 "Initial investments"

Initial investments	CZK
Rent of premises	75 000 CZK
Renovation of premises	20 000 CZK
Purchase, installation of equipment	2 000 000 CZK
Purchase of vehicles	60 000 CZK
Furniture, office equipment	10 000 CZK
Preparatory work, paperwork	20 000 CZK
Marketing and Advertising	10 000 CZK
Reserve money for unforeseen and special expenses	20 000 CZK
Σ	2 215 000,-

Source: created by the author

Chart 3 "Initial investments"



Source: created by the author

As seen in the diagram, most of the initial investment goes to the purchase of production equipment, which includes several types of equipment needed for production (Appendix 1

contains a detailed calculation of equipment costs). But the purchase of equipment is a one-time investment, at least in the initial stages, while the business is just developing. Over time, the manufacturer can buy the equipment he needs to increase production volumes. Then the lease of premises for production. In this calculation, the amount for two months of renting the premises and the price for a deposit equal to one month of rent (premises with an area of 360 m², with a little office help) are taken. The cost of these aspects depends only on what scale of production is planned, and what is the approximate time given for the first indicative results.

4.7.2 Expenses forecast

Table 9 "Expenses forecast"

Section	CZK/month
Salary (with TAX)	119 528 CZK
Insurance	40 567.8 CZK
Logistik	5 000 CZK
Rent	25 000 CZK
Packaging	9 000 CZK
Utilities	10 000 CZK
Raw materials	463 232 CZK
Σ	672 327.8,-

Source: created by the author

- The amount of taxes on wages will be: 119 528 CZK * 0,15 (15%) = **17 929.2 CZK**
- Insurance is need to paid for individual calendar months and are payable from the 1st to the 20th day of the following calendar month.
- Logistik: machine with a capacity of 4 tons; fuel consumption - 10 liters per 100 km; price for one liter of oil fuel in the Vysočina region - 28.45 CZK; deliveries once a week; the distance to be traveled is 400km.
- This manufacturer uses flour (semola) and purified water as basic components for the manufacture of pasta, which are selected per 1 kg of finished product.

To calculate the production volume, was used the following forecast data: production of pasta per day - 640 kg, working days per month - 22 days.

In this case, it turns out: $640 \times 22 = \mathbf{14\ 080\ kg}$.

The standard volume is set at 14 080 kg.

The wholesale price of flour (semola) is 32.90 CZK / kg.

The cost of the basic raw materials required for the manufacture of pasta: $32.90\ CZK \times 640\ kg \times 22 = \mathbf{463\ 232\ CZK}$.

Monthly expenses for a given production, almost constantly, will be the same volume.

Exceptions can be in the winter months, due to the higher amount for heating the room.

Also, changes can occur in the section of taxes (taxes on wages), if the state establishes new percentages of taxes, etc. The largest costs are related to the personnel salary section.

With the expansion of personnel, the costs for this section will also increase. But as production expands, costs in each sector will increase. This table provides data specifically for the first months of production, when the business is just starting to develop.

4.7.3 Profit forecast

Profit will be generated from sales of the product of manufacture. With the productivity of the company's equipment per month, the production volume will be equal to 14,080 kg of dry product. The planned sale of the product will be carried out in packs of 500 grams.

Therefore, 28,160 packs of goods will be released per month. Below are the calculations, from which can be seen the entire monthly profit of the company from the sale of a given quantity of the product.

- Retail price of 500 g packs of pasta 36.90 CZK.

Considering the VAT of 15%, *the income from 1 pack* of pasta will be: $36.90 - 5.535 = \mathbf{31.365\ CZK}$.

Total revenue from the full sale of manufactured products per month: $28,160\ packs \times 31.365\ CZK = \mathbf{883\ 238,4\ CZK}$.

- *Production profitability*: $(883\ 238.4\ CZK / 672\ 327.8\ CZK) \times 100\% = \mathbf{131.3\%}$.
- The effectiveness of fixed and variable costs is determined by the indicator of product profitability:

Raw material costs = 463 232 CZK;

Profit per unit of production = (883 238.4 CZK – 463 232 CZK): 28,160 packs = **14.915 CZK**;

Profitability level = (14.915 CZK / 36.90 CZK) x 100% = **40.42%**.

In the world generally accepted practice, the normal level of profitability is in the range from 8 to 25%. At this enterprise, the predicted level of profitability significantly exceeds the industry average by an average of 9 - 13%. Hence, from the conducted research, can conclude that a business to produce pasta is considered a profitable type of activity. With a projected production rate of 28 160 kg of goods per month, the total profit from product sales will amount to **210 910.6 CZK/month**. These are minimal or, in other words, pessimistic calculations, if all amount of product will be sold.

4.7.3.1 Payback period

This indicator allows producer to clearly define and visually consider the business perspective. When calculating it, the initial investment in fixed assets and mandatory monthly costs, the amount of profit received, and the level of income tax are taken into account.

According to the formula:

2 215 000 CZK / ((883 283.4 CZK – 672 327.8 CZK) -15%) = **12.3 months**. Thus, the payback period of the project is about **1 year 1 month**, subject to 100% sales of products to retail chains and wholesale intermediaries.

4.7.4 Break-even point

$$\text{Break-even point} = \frac{\text{Fixed costs}}{\text{Sales price per unit} - \text{Variable cost per unit}}$$

$$\text{Break-even point} = \frac{195\,095.8 \text{ CZK}}{36.90 \text{ CZK} - 19.96 \text{ CZK}}$$

Break-even point = 9,774.3 kg

Break-even point is calculated for the next year of production. At the moment, based on the amount of raw materials, for a month of work (22 working days, 8 hour working day), “Golden Valley” can get 14,080 kg of dry product. Based on the calculations, it is clear, that the BEP value is 9,774.3. This means that expenses will be offset by income when the product is produced in the amount of 9,774.3 kg/month. Based on these calculations, the manufacturer can build a strategy on how to achieve the desired values, remaining at the same total cost, or slightly increasing it, or maybe even decreasing.

4.7.5 Cash-flow

This analysis is based on monthly costs and estimated monthly income. In the profit section, the amount of the same profit is indicated 883 238.4 CZK. Here, the amount of profit is taken as 90% of 794 914.56 (more pessimistic option). Presumably, the launch of the business fell just in January. Since this is a new business, there will be no income in the first month, so the income line for January is 0. But the manufacturer must have a certain amount that will go to the standard monthly costs. And already with a good start, starting next month, production will begin to pay off. But the number of monthly payments can sometimes vary depending on some factors (part 4.6.2). Unlike forecasts of losses and profits, analysis of cash flows gives a more realistic picture of how cash will behave in a given production, whether the business, with a specific volume of sales, will have enough opportunity to pay expenses. Based on the analysis below, the manufacturer can draw conclusions about what to improve in production, what costs to reduce (if possible), etc.

Figure 27 "Cash-flow 1"

	January	February	March	April	May	June	July
Cash at start of month	20 000	-658327.8	-535741.04	-416154.28	-291567.52	-177380.8	-61794
Cash coming in							
Sales paid 90%		794 914.56	794 914.56	794 914.56	794 914.56	794 914.56	794 914.56
Loans & transfers	0	0	0	0	0	0	0
Total cash in (CZK)	0	794 914.56	794 914.56	794 914.56	794 914.56	794 914.56	794 914.56
Cash going out							
Rent	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Utilities	10 000	10 000	9 000	8 000	7 000	7 000	7 000
Raw materials	463 232	463 232	463 232	463 232	463 232	463 232	463 232
Insurance	40 567.8	40 567.8	40 567.8	40 567.8	40 567.8	40 567.8	40 567.8
Salaries (with tax)	119 528	119 528	119 528	119 528	119 528	119 528	119 528
Ads	6 000	0	4 000	0	11 400	10 000	0
Logistic	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Packaging	9 000	9 000	9 000	9 000	9 000	9 000	9 000
Total cash out (CZK)	678 327.8	672 327.8	675 327.8	670 327.8	680 727.8	679 327.8	669 327.8
Cash at the end of month	-658327.8	-535741.04	-416154.28	-291567.52	-177380.76	-61794	63 792.76

Source: created by author

Figure 28 "Cash-flow 2"

	August	September	October	November	December
Cash at start of month	63 792.76	185 379.52	299 566.28	418 153.04	542 739.8
Cash coming in					
Sales paid 90%	794 914.56	794 914.56	794 914.56	794 914.56	794 914.56
Loans & transfers	0	0	0	0	0
Total cash in (CZK)	794 914.56	794 914.56	794 914.56	794 914.56	794 914.56
Cash going out					
Rent	25 000	25 000	25 000	25 000	25 000
Utilities	7 000	7 000	8 000	8 000	9 000
Raw materials	463 232	463 232	463 232	463 232	463 232
Insurance	40 567.8	40 567.8	40 567.8	40 567.8	40 567.8
Salaries	119 528	119 528	119 528	119 528	119 528
Ads	4 000	11 400	6 000	0	14 000
Logistic	5 000	5 000	5 000	5 000	5 000
Packaging	9 000	9 000	9 000	9 000	9 000
Total cash out (CZK)	673 327.8	680 727.8	676 327.8	670 327.8	685 327.8
Cash at the end of month	185 379.52	299 566.28	418 153.04	542 739.8	652 326.56

Source: created by author

5 Results and Discussion

This chapter contains information on the results of all analyses, all the work done during the writing of this diploma, all descriptions, and calculations. Some conclusions will be made regarding the possible opening of this business, regarding the drawn-up business plan.

The theoretical part of this thesis gave a clear idea and description of what a business is, its main concepts, the main components of a business, how to draw up a clear business plan for a new business, and what a business plan is in general, having examined and described each part in detail. ...

Based on the conclusions of the theoretical part, a business plan (structure of a business plan) was created to produce pasta in the Czech Republic by the new manufacturer “Golden Valley”. The creation of the structure of this plan was based on the planned size of production and its planned volumes.

The main goal of this business plan is to create a new pasta production, a completely new manufacturer. The production site will be located in Velká Losenice, okres Žďár nad Sázavou, from where deliveries will also take place to the points of sale of the goods. A new manufacturer on the market, an unknown product, but has a specific advantage due to the price of the product and the good composition of the paste.

In the practical part of the thesis, the main aspects for starting a business and the main aspects of a business plan for the implementation of the opening were considered.

An analysis of potential consumers was carried out: who can be a potential buyer of the product, how they want to see the product, what they expect from the manufacturer, and what is most important for them when choosing a paste. Based on the analysis, any person, of any age group, can be a potential consumer of Golden Valley pasta. When choosing a product, buyers, most often, are guided by the price of the product, then by the composition. Since the price for the pasta of this manufacturer is quite profitable, and the quality of the product is really at a high level, the manufacturer has every chance, over time, to own most of the local market.

Market competitors were also analyzed. There are enough different pasta producers on the Czech market. But the main for “Golden Valley” is the producer “Adriana”. The paste also has a good composition, and a reasonable price, and this manufacturer has been on the market for over 20 years. But “Golden Valley” has a price advantage (the price will be 3 CZK cheaper). It may seem that this is not such a big price list. But when a potential buyer sees the price tag of a product, 36.90 CZK is more likely to attract a consumer than 39.90 CZK.

A PESTLE analysis of production was carried out (political, economic, social, technological, legal, and environmental factors). Based on this analysis, the most important factors that relate to this type of production are environmental factors. The issue of preserving the environment is receiving a lot of attention now. Many manufacturers in various spheres of production try to be as eco-friendly as possible (reducing the use of plastic, sorting waste, properly disposing of waste, etc.). Golden Valley must reduce its use of unsustainable materials as much as possible, use biodegradable materials for product packaging, and more.

The marketing plan and SWOT analysis give a clear description of the production and all the adjacent components: what is the specific product of production; what it includes; how is it produced, where, under what conditions the production takes place; what are the strengths and weaknesses of a particular manufacturer; what opportunities and threats production has. The company "Golden Valley", based on the analysis carried out, has a good chance of a successful start of a business in this industry. The main thing that a manufacturer must do is to develop a good production strategy for the future.

A financial plan is one of the most important parts of a business plan. Based on data from cost, profit, turning point and cash flow analysis, the conclusion that can be drawn is that this production is not a bad investment. Of course, producer should not expect instant payback, everything has its time. Based on the calculations, the payback period will take approximately 1 year and 1 months. The approximate monthly costs will be 672 327.8 CZK, while the approximate profit should be 883 238.4 CZK. That is, the company's net profit will be 210 910.6 CZK, which is not so bad at the initial stages of production. Based on cash flow analysis data, this production has a good upward trend.

6 Conclusion

The aim of this thesis was to draw up a business plan for the production of pasta in the Czech Republic, and to evaluate this plan in terms of its feasibility and profit. After drawing up the business plan itself and carrying out its various detailed analyzes, it can be considered that this business plan is feasible and feasible. This conclusion is also accompanied by such aspects as an assessment of the economic situation in the country of production, opportunities for business development in this industry, external and internal factors of production. Due to the attractive price of the product, and the high quality of the same product, the threat from competitors who offer a similar product is not as daunting as it might seem. But a potential consumer needs to be interested and attracted to the purchase of a specific product, a specific manufacturer. Therefore, a well-thought-out strategy is needed to be followed by production in order to maximize profits and to own a large part of the market.

From the financial analysis point of view, this business plan can also be considered feasible and feasible. It is possible that the profit margins will not fully correspond to the perceptions of the manufacturer and investors, therefore, as mentioned earlier, a good strategy is needed to maximize profit. Possible reductions in the cost of premises, staff reduction, etc., will help not only reduce costs, but also increase profits. The most important thing is that the manufacturer needs to try to maintain the established price for the product being produced, since it is with this price that the product is so competitive.

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8 Appendix

Appendix 1 "Pasta machines"



Date: 01.05.2020
 Delivery: 60 days
 Shipment Terms: Ex Works Italy
 Validity: 90 days
 Currency: EUR without VAT

OFFER FOR PASTA PRODUCTION – LONG 70-90 KG/HOUR DRY PRODUCT

Item	Code Description	Q.ty	Price € without VAT
1	<p>RZ100 WITH HORIZONTAL HEAD - MACHINE COMPLETELY BUILT IN STAINLESS STEEL</p> <p>Studied to satisfy the requirements of small-medium scale pasta industry. It is equipped with independent mixing hoppers in order to obtain an homogeneous dough mixtures from any type of white flour, whole meal and durum wheat flour. RZ100 has a traditional mixing hopper with a flour capacity of 25 kg, provided with a horizontal translation bottom by a hand wheel to unload into the lower extrusion hopper; inverter to control the speed. Stainless steel pivots and shafts completely removable for ease and fast cleaning. Extrusion channel provided with cooling system fittings. Supplied with a stair for easy access to upper hopper.</p> <p>Manufacturing Data:</p> <ul style="list-style-type: none"> Extruding cylinder equipped for the cooling system Stainless steel endless screw with a new design in order to get the optimum performance from the machine and to keep unchanged the quality of the ingredients. Turnover of the upper hopper to unload the dough mix by sluice gate in alimentary polymer. Mixing shaft in stainless steel, dismountable-orient able paddles for a better cleaning. <p>Standard Accessories:</p> <ul style="list-style-type: none"> Automatic short pasta cutting device with electronic speed adjuster. Inverter for speed variation on extruder. Die protection filter in stainless steel. Accessories to remove the die holder and cleaning brush. <p>Optional:</p> <ul style="list-style-type: none"> Pre-drying box with fan, complete with 2 holding trays. Ventilation hood. Long pasta cutting device. Cooling unit for the extruding channel. <p>Technical Data:</p> <ul style="list-style-type: none"> Output: 90-120 Kg/h fresh pasta (70-90 kg/h dry product) Mixing Hopper capacity: 25 Kg Overall Dimensions: 1150x900x1720h mm Weight: 420 Kg Electric Motor: 4.5 Kw 	1	31.000

Address: Pasta Impianti s.r.o., Litostrov 24, 664 83 Domašov u Brna, Czech Republic
 tel.: +420 774 572 782 e-mail: info@pastaimpianti.cz web: www.pastaimpianti.cz



2	Ventilated long pasta cutting device for horizontal head Sticks carrying device for 600mm sticks, square end	1	3.150
3	Die with alimentary Teflon inserts (various shapes) for RZ100	4	2.900
4	<p>COOLING UNIT for the extruding channel composed by closed circuit cooling unit operated by an adjustable temperature probe and cooling liquid circuit pump</p> <p>Construction data:</p> <ul style="list-style-type: none"> Painted steel frame Electronic temperature control with visual display <p>Technical data:</p> <ul style="list-style-type: none"> Installed power 1.5 kw Cooling power 4.3 kw Voltage 220/50/1 Weight 75 kg Overall dimensions 500x800x600h mm 	1	3.250
5	<p>TUNNEL STATIC DRYER 'LA PARMIGIANA' mod. ESS400 XVC for long pasta drying with electrical heating elements</p> <p>Construction data:</p> <ul style="list-style-type: none"> Capacity 300-400Kg with N° 4 trolleys having 31 trays each Modular structure with insulated prevarnished steel panels, thickness 70 mm N°4 Trolleys complete with 120 sticks for long pasta, length 1200 mm Modular structure with insulated plastified steel panels, thickness 70mm N°1 Exhaust for automatic humid air extraction, positioned on bottom, suction on both sides of the static dryer, through polymeric anticondensation tubes Heating unit with n°12 electric resistances N°1 Axial ventilation unit positioned in front of the heating elements, with n°2 electric double-direction flow ventilators N°2 Suction valvess actioned ventilator airflow Sprayers unit Electrical control board complete with Humidity and temperature probe for temperature check and U.R. -Coreci type - for use up to 85°C Data elaboration via plc Mod. X.V.C., able to manage automatically the following parameters: 15 different recipes storage with automatic cycle. Every cycle can program separated and independent sequences of every technological variables of the process, as: Dryer's preheating and loading process, automatically managed and independent from loading times Ventilation, ventilation stop time, temperature, humidity extraction Data visualization, input and check via display and keyboard positioned on the electrical board Drying cycle 7/12 hours depending on the shapes Installed power 14.1 Kw Security devices and electrical board according to the CE standards, electromagnetic compatibility and low tension Weight 1.600 kg Overall dimensions 1920x2620 (3150 complete with accessories)x2700H mm Power supply 400V / 50 Hz / 3 phases + neutral + grounding 	2	66.000

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pasta impianti

pasta machines and pasta plants

	INSTALLATION, TESTING AND TRAINING by our specialized technician for a period of n 7 days, including n. 2 days travel. Local labour will be necessary to assemble the dryers, an electrician and a plumber for the water/electricity connections		
6	Charges for the technician Euro 500,00 /per day	7	3.500
7	Charges for air ticket at your charge		
8	Lodging expenses at your charge		
9	Please note: The plant fitting time is estimated and could vary depending on the quantities purchased. Daily cost per technician per day Euro 500,00.		
10	GUARANTEE the machine is covered by the La Parmigiana guarantee for one (1) year, beginning from the shipment date under the terms and conditions indicated on the instruction manual supplied to the customer upon delivery		
11	TOTAL	€	109.800,-
	Discount %	15	- 16.470,-
	TOTAL WITH DISCOUNT	€	93.330,-



RZ100 machine

Address: Pasta Impianti s.r.o., Litostrov 24, 664 83 Domašov u Brna, Czech Republic
tel.: +420 774 572 782 e-mail: info@pastaimpianti.cz web: www.pastaimpianti.cz

pasta impianti

pasta machines and pasta plants



Drying cell for long pasta, on left side of picture

Sales conditions:

- 40% with VAT irrevocable at order confirmations
- 50% with VAT before shipment
- 10% with VAT after coloadation

Address: Pasta Impianti s.r.o., Litostrov 24, 664 83 Domašov u Brna, Czech Republic
tel.: +420 774 572 782 e-mail: info@pastaimpianti.cz web: www.pastaimpianti.cz

Appendix 2 "Services of "ASMJ s.r.o. ""

ASMJ

Skartace dokumentů a písemnosti

Nabízíme Vám kompletní znehodnocení firemních dokumentů od jejich převzetí, dopravu až k vlastní skartaci.

- Materiály ke skartaci můžete připravit do pytlů nebo mohou zůstat v archivních krabicích (šanonech). Papír nemusíte zbavovat kancelářských sponek ani vyndávat ze šanonů.
- Materiál zvážíme, znehodnotíme (kompletní znehodnocení rozřezáním na proužky 5,8 mm) s možností osobního dohledu.
- Po skartaci Vám vystavíme tzv. „protokol o skartaci“.



Ceník

Tříděný papírový materiál: 7,50 Kč/kg

Materiál bez příměsí z PVC. Materiál může být v archivních krabicích, šanonech, deskách s tkanicí nebo pytlích. Může obsahovat sponky. Jedná se o kancelářský papír, počítačové sestavy, tabulační papír, knihy, brožury, laminace, kroužkové vazby.

Netříděný papírový materiál: 8,50 Kč/kg

Obsahuje papír vložený do obalů s PVC a PE, dále materiál spojený archivními nebo kovovými sponami – archivní knihy, brožury potažené fóliemi, kartóny, barevný papír, disky a videokazety, šanony včetně kovů, archivní knihy.

Ostatní materiály: 9 Kč/kg

Nosiče médií (DVD, CD, disky, ZIPky, videokazety) nebo zalaminované materiály. Občanské a řidičské průkazy, cestovní pasy, platební karty, papírové materiály potažené plastovou fólií, mikrofilmy a mikrofolie.

Odvoz

Vlastní doprava

Dovoz přímo na ASMJ, Hruškové Dvory 117, Jihlava v provozní dobu 7:00 – 15:00 hodin. Při množství nad 1000 kg je nutno se předem domluvit (telefonicky).

Naše doprava

- **Jihlava**
Do 500 kg materiálu účtujeme paušál 500 Kč. Nad 500 kg dopravu neúčtujeme

- **Mimo Jihlavu**

Individuální dle množství a vzdálenosti.

Ceny jsou uvedeny bez DPH.

Naše skartační pracoviště je umístěno v areálu třídící linky ASMJ, Hruškové Dvory 117, Jihlava. Provozní doba 7:00 – 15:00 hodin.

ASMJ, s.r.o.
tel.: 567 220 701; radek.kourek@fcc-group.cz

www.fcc-group.cz

Appendix 3 "Logistic"

