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## FACULTY OF BUSINESS AND MANAGEMENT

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## INSTITUTE OF MANAGEMENT

ÚSTAV MANAGEMENTU

# BUSINESS PLAN PROPOSAL FOR A COMPANY

NÁVRH PODNIKATELSKÉHO PLÁNU PRO VZNIK A ROZVOJ SPOLEČNOSTI

## BACHELOR'S THESIS

BAKALÁŘSKÁ PRÁCE

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# Assignment Bachelor's Thesis

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Pursuant to Act no. 111/1998 Coll. concerning universities as amended and to the BUT Study Rules, the degree programme supervisor has assigned to you a Bachelor's Thesis entitled:

## Business Plan Proposal for a Company

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Introduction  
Aim of the Thesis  
Theoretical Background  
Problem Analysis and Current Situation  
Proposals and Contribution of Suggested Solutions  
Conclusions  
Reference

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Based on the relevant analyzes, propose a business plan for a specific company.

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ČERVENÝ, Radim. Business plán: krok za krokem. C.H. Beck pro praxi. V Praze: C.H. Beck, 2014. ISBN 978-80-7400-511-4.

FINCH, Brian. Jak napsat dobrý podnikatelský záměr: postupy a tipy, které vám pomohou získat podporu pro vaše nápady a podnikatelské plány. Brno, Lingea, 2020. ISBN 978-80-7508-623-5.

HOLLISTER, Susan. Business Plan: The Right Way To Create A Winning Business Plan. Create Space Independent, 2017. ISBN 978-1548772475.

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## **Abstract**

This bachelor's thesis focuses on the proposal of a business plan and the development of the brand Lusk, which sells sportswear for women through an e-shop and social media. The thesis is divided into three main parts. The first part contains the theory on the topic, which is necessary for the second, analytical part of this bachelor's thesis. The analytical part examines the internal and external environment of the brand and its current state. The third, proposal part includes recommendations for brand development and an overall summary of the bachelor's thesis.

## **Keywords**

Enterprise, entrepreneur, business, business plan, planning, marketing mix, PESTLE analysis, Porter's analysis, 7S model, SWOT analysis, financial plan, risk analysis

## **Abstrakt**

Tato bakalářská práce se zabývá návrhem podnikatelského plánu a rozvojem značky Lusk, která prodává sportovní oblečení pro ženy přes e-shop a sociální sítě. Práce je rozdělena na tři hlavní části. V první části se nachází teorie k danému tématu, která je potřebná pro druhou, analytickou část této bakalářské práce. Analytická část zkoumá vnitřní a vnější prostředí této značky a její současný stav. Třetí, návrhová část obsahuje doporučení pro rozvoj značky a celkové shrnutí bakalářské práce.

## **Klíčová slova**

Podnik, podnikatel, podnikání, podnikatelský plán, plánování, marketingový mix, PESTLE analýza, Porterova analýza, model 7S, SWOT analýza, finanční plán, analýza riziků

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**Affidavit**

I declare that the present bachelor project is an original work that I have written myself.

I declare that the citations of the sources used are complete, that I have not infringed upon any copyright (pursuant to Act. no 121/2000 Coll.).

Brno dated 12th May 2024

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Aneta Kratochvílová

author's signature

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# CONTENT

<b>INTRODUCTION .....</b>	<b>7</b>
<b>OBJECTIVES OF THE WORK, METHODS, AND PROCESSING</b>	
<b>PROCEDURES.....</b>	<b>8</b>
<b>1 THEORETICAL PART.....</b>	<b>10</b>
1.1 ENTERPRISE .....	10
1.2 ENTREPRENEUR .....	13
1.3 ENTREPRENEURSHIP .....	13
1.4 MISSION AND VISION.....	14
1.5 INTRODUCTION TO THE WOMEN’S FITNESS APPAREL INDUSTRY .....	15
1.6 BUSINESS MODEL .....	16
1.7 BUSINESS PLAN .....	18
1.7.1 Business Plan Structure .....	19
1.8 INTERNAL AND EXTERNAL ANALYSIS.....	20
1.8.1 Porter’s 5 Forces .....	21
1.8.2 PESTLE Analysis .....	21
1.8.3 McKinsey’s 7S Model .....	22
1.8.4 SWOT Analysis .....	23
1.9 RESEARCH METHODS .....	24
1.10 MARKETING PLAN .....	25
1.10.1 Marketing Strategy .....	25
1.10.2 Sales Strategy.....	25
4P Analysis .....	26
1.11 MANAGEMENT ORGANIZATION AND PERSONNEL STRATEGY .....	27
1.12 FINANCIAL PLAN .....	28
1.13 RISK ANALYSIS AND RISK MANAGEMENT .....	29
1.14 SUMMARY OF THEORETICAL PART.....	30
<b>2 ANALYTICAL PART.....</b>	<b>31</b>
2.1 CONCLUDING SUMMARY .....	31
2.2 STRATEGIC PLAN .....	32
2.2.1 Company Description .....	32



2.2.2	Mission and Vision .....	33
2.2.3	McKinsey's 7S Model .....	34
2.2.4	Customers .....	36
	Customer Persona .....	39
2.3	CUSTOMER DEMAND .....	42
	Quantitative Customer Demand Survey .....	42
	Qualitative Customer Demand Survey .....	45
2.4	ANALYSIS OF THE BUSINESS ENVIRONMENT.....	49
2.4.1	Porter's Five Forces Analysis .....	49
2.4.2	PESTLE Analysis .....	50
2.4.3	Overall assessment of factors in SWOT Analysis .....	59
2.5	MARKETING AND SALES STRATEGY .....	62
2.6	LOGO .....	63
2.6.1	4P Marketing Mix .....	64
2.7	MANAGEMENT ORGANIZATION .....	69
2.8	PERSONNEL STRATEGY .....	70
2.9	FINANCIAL PLAN .....	72
2.9.1	Break-even point.....	76
2.10	PROJECT RISK ANALYSIS AND RISK MANAGEMENT .....	78
<b>3</b>	<b>RECOMMENDATION.....</b>	<b>81</b>
<b>4</b>	<b>CONCLUSION .....</b>	<b>84</b>
	<b>LIST OF USED SOURCES .....</b>	<b>87</b>
	<b>LIST OF IMAGES .....</b>	<b>92</b>
	<b>LIST OF TABLES.....</b>	<b>93</b>
	<b>LIST OF GRAPHS.....</b>	<b>94</b>
	<b>LIST OF EQUATIONS.....</b>	<b>95</b>
	<b>LIST OF ATTACHMENTS .....</b>	<b>I</b>

# INTRODUCTION

During the past few years, the sportswear market thrives thanks to the interest of people to stay active and to look good while doing so. The sportswear market offers many opportunities for new brands and products to be established but also entering a wide competitive landscape.

Thanks to the rising interest in being active, two friends decided to establish their own sportswear brand LUSK. They could not find any suitable products that would satisfy their needs when it comes to sport leggings and shorts therefore, the two co-owners found a supplier and decided to create their small business and be the only employees.

In this bachelor's thesis we will be creating a business plan proposal for this brand while analyzing it and figuring out how to successfully create a successful brand in such competitive landscape and finding strategies on how to efficiently run the business and generate profit.

This bachelor's thesis consists of three main parts, the first part is a theory background needed for the second part of this thesis being the analytical part. The last part of this thesis is recommendation for the brand and overall conclusion of the thesis.

# **OBJECTIVES OF THE WORK, METHODS, AND PROCESSING PROCEDURES**

The goal is to create a successful business plan proposal for a small business and recommend better ways to manage it.

The first part of this bachelor's thesis is the theory describing terms and methods required for the analytical part.

The second part consists of the company's description and analyses made based on the theoretical part.

Within the analytical part, both internal and external factors were analyzed.

## **External analysis:**

- Porter's Five Forces analysis – this analysis was used for analyzing the competitive environment.
- SLEPTE analysis – this analysis was used for evaluation of the macro-environmental factors which can affect the business.

## **Internal analysis:**

- McKinney's 7S model – this model was used to analyze the internal factors of the business with seven elements and their interrelationship.
- Survey – there were multiple surveys distributed to gain information about the desire of the product, age of the target audience, the decision-making factors of the target audience, and their satisfaction with current offering of products and their price.
- Interview - the structured interview was conducted with five women who were identified as relevant respondents for the topic of women sportswear, identifying the price range, market position, and need for the brand which is elaborated in the analytical part of this thesis.

The method used for summarizing the gathered data from analyzing the internal and external factors of the business:

- SWOT analysis – this analysis was used to identify the strengths, weaknesses, opportunities, and threats of the business based on the previous analyzed data.

The method used for financial plan:

- Break-even analysis – this analysis is used for determining the point at which the business covers its costs and starts making profit.

The third and last part of this thesis contains recommendation for the future of the brand and overall conclusion of the thesis.

# 1 THEORETICAL PART

## 1.1 Enterprise

*“Enterprise refers to a for-profit business started and run by an entrepreneur”* (Ring Central, 2024).

*“An enterprise is a large-scale organization with a composite structure. Enterprise companies often have multiple divisions, each with its specialized function”* (Hitchcock, 2023).

There are two main types of enterprises, business, and social enterprise.

- Social enterprises are driven by community needs, prioritizing social impact over profit, funding themselves through a mix of government support, fundraising, and service fees, and offering valuable resources and services within local areas (Education Services Australia, 2020).
- Business enterprise produces goods or services in exchange for commercial and financial benefits. Goods are tangible items while services are intangible. Customers receive these goods and services, and their interaction supports the business. The relationship between customers, goods, and services defines the core of the business (StudySmarter, 2024).

### **Manufacturing and Non-manufacturing Enterprises**

Manufacturing is processing raw materials into goods which allows businesses to sell them for more money than just the raw materials. When the business manufactures huge amounts of goods, it allows the business to produce them for lower costs (Kenton, 2024).

Non-manufacturing companies do not manipulate the raw material and sell it as it is. For example, banking or finances (COC Education, 2017).

### **Division of Enterprise by size**

There are three main types of enterprises divided by size and those are small, medium, and large (Indeed, 2022).

- Small businesses are typically defined as having fewer than 100 employees, limited IT staff, and a focus on technology based on price and accessibility. They

often operate in a limited geographic area and are organized as one-person businesses, partnerships, or limited liability companies (LLCs), with decision-making centered on a single executive and specialized tasks often outsourced because of budget limitations (Indeed, 2022).

- Medium-sized companies include the creation of more specialized roles as business becomes more complex. The transfer of responsibility from owners, who are typically privately owned, and the likely existence of multiple locations and remote employees as the business expands (Indeed, 2022).
- Large companies are usually international, operating in several countries, with highly specialized departments managed independently by department managers. They are organized as corporations, run by boards of directors, and target a wide range of consumers, constantly seeking to expand into new markets (Indeed, 2022).

### **Division of Enterprises according to the legal form**

When establishing a company in the Czech Republic the most important thing is to decide on which type of company to establish (OnDemand International, 2023).

#### **Limited Liability Company (S.R.O.)**

LLC is one of the most preferred types of a company to establish because of the minimum initial investment of 1CZK. LLC requires at least one stockholder and at least one director. Shareholders have limited liability, and the business name must include s.r.o. (OnDemand International, 2023).

#### **General Partnership (VOS)**

Two or more people are in control of the business. They must share everything equally which is an advantage of VOS. It is easy to establish and there is no initial investment requirement in establishing VOS in the Czech Republic (OnDemand International, 2023).

#### **Joint-stock Company (A.S.)**

The joint-stock company is also a very common type of business in the Czech Republic. Stockholders own the stock of the business and have restricted responsibility. There is a minimum requirement of two million CZK as an initial investment for establishing a joint-stock company in the Czech Republic. There must be a board of directors of at least

three people and be established by one or more stakeholders. The advantage of A.S. is its ability to offer stocks to the general population so that the company can obtain finances from investors (OnDemand International, 2023).

### **Cooperative**

*“Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations”* (International Cooperative Alliance, 2018).

A cooperative is an organization owned and controlled by people to meet common economic, social, and cultural needs. Members use its products or services, and profits often return to the members. Cooperatives can serve various purposes, such as jointly processing goods, sharing costs, and providing shared employment. These principles guide their functioning and impact on communities (Weber, 2024).

Cooperatives enable individual empowerment through democratic governance and equal voting rights. They promote value-driven businesses that focus on fairness, social justice, and community well-being, where profits are reinvested or distributed to members, keeping economic benefits at the community level (International Cooperative Alliance, 2018).

### **Natural Person and Legal Entity**

A natural person is a human being who has citizenship and can be legally accountable. A legal person is not a human being but an entity like a corporation that is created legally and has responsibilities (StudySmarter, 2024).

### **Business Licenses**

It is required for most businesses to have at least one business license, so the business operates legally. There are nine common types including a general business license, which is required in most countries. There is a seller’s permit which is needed in every state that has sales tax. Health permits are needed also for restaurants, and beauty salons, and liquor licenses are for every business including alcohol. Professional licenses are needed mostly for services such as accounting. The price of business licenses varies, and they need to be updated every one to five years depending on the license and agencies (Yelp, 2021).

## 1.2 Entrepreneur

*“An entrepreneur creates and/or exploits change for profit by innovating, accepting risk and moving resources to areas of higher return”* (Burns, 2016, p.10).

The entrepreneurial mindset combines various skills necessary for business success, including understanding business operations and driving innovation (Stanford University, 2024).

To succeed as an entrepreneur, it's essential to have effective planning, a long-term vision, passion for your products, decisiveness, and self-belief. These qualities form the foundation for entrepreneurial success (Ring Central, 2024).

Entrepreneurs should be able to take risks and be innovative. They should be able to come up with new ideas and make them profitable. Entrepreneurs need to be flexible and open-minded so that they can seize new opportunities and adjust the product or service when needed (BYJU'S, 2024).

## 1.3 Entrepreneurship

Entrepreneurship involves individuals or small groups creating new businesses and taking risks for potential rewards. Large companies encourage intrapreneurship, where employees think like entrepreneurs within the business (Stanford University, 2024).

Entrepreneurship is important because it generates employment and has a positive impact on society. Entrepreneurship creates jobs for people and has an impact on economic growth (BYJU'S, 2024).

There are four types of entrepreneurships, small, scalable start-up, large, and social (Hayes, 2024).

*“Small business entrepreneurship refers to opening a business without turning it into a large conglomerate or opening many chains”* (Hayes, 2024).

### **Planning**

Planning is the process of creating the company's goals and the actions needed to reach them. There is a plan created that consists of steps needed to achieve those goals while



there needs to be risks included. There are four main types of planning and those are: Strategic, Operational, Tactical, and Contingency (Mindmesh, 2023).

In **strategic** planning, the company needs to analyze its competitors and identify factors that could potentially affect the company reaching its objectives. After analyzing the competitive landscape, the company sets goals it wants to achieve and gathers information about resources needed for achieving its goals (Mindmesh, 2023).

**Operational** planning defines actions and resources needed to be made to obtain the goals set in strategic planning (Mindmesh, 2023).

**Tactical** planning is about creating smaller goals that can be achieved in a short period and developing plans (Mindmesh, 2023).

**Contingency** planning identifies the risks that can occur and creates plans on how to minimize them (Mindmesh, 2023).

## 1.4 Mission and Vision

A mission statement should provide answers to questions such as what the business is, who are its customers, how important is it to them, and how it plans to build on this. Mission refers to a few words that explain why an organization exists. It is like a background of how this company was formed, what it wants to achieve through making it, and what are the principles are for carrying out the activities. One of the functions of an effective mission statement is to act as a definition of the firm which should be long-term, future, and market oriented. It may help owners make decisions by setting out their goals (Kotler, Keller, 2006).

Vision normally has been seen as a futuristic and inspiring declaration that displays the dreams of an organization. This also gives a picture of where the company will reach in the future. A good vision statement should be brave so that any worker in the company can work towards achieving it together with other stakeholders. In addition, it allows management to have strategic plans as well as to make critical decisions by creating a common language regarding where they want the business to end up going (Kotler, Keller, 2006).

In contrast to a mission statement that emphasizes the current purpose and values, a vision statement shows what success is for an organization in the future. It contributes to the employees' sense of purpose and goal-oriented direction (Kotler, Keller, 2006).

## **1.5 Introduction to the women's fitness apparel industry**

The women's fitness apparel market faces huge problems, especially with poor fit and expensive sportswear that make the buyer unhappy. This problem not only affects comfort and self-confidence in physical activities but also excludes a significant amount of the population because they are expensive. Another aspect related to inclusivity is downgrading among women due to limited size options. In addition, there are missing crucial aspects of representation and empowerment in the industry (Shinde, 2023).

Responding to all these challenges, the women's activewear market is undergoing a positive change. The solution is increasingly moving to the preferences of women, including a focus on comfortable, affordable, and stylish clothes for physical activities (Shinde, 2023).

There are many important features of the developing market, such as multifunctionality and sustainability. It is assumed that the industry will concentrate on sustainability, introduce new technologies, and support size inclusivity. Such strategic innovations aim at supporting women on the fitness journey and empowering them (Shinde, 2023).

### **Market Dynamics:**

The women's fitness apparel market is a very dynamic industry with high growth and an increase in the size of this market within several years. Analyzing the historical trends reveals a shift in preferences among consumers towards athleisure and high-performance activewear. Other factors that contribute to the positive development of this market include economic ones, such as an increase in health awareness and wellness (Data Bridge Market Research, 2023).

### **Demand and Supply:**

Women's fitness clothing has become popular among consumers increasingly interested in health and wellness, desiring unique styles together with practical activewear. The supply side is clear through the competitive landscape including numerous competitors

with a broad range of products. Issues such as sustainability of source materials and ethical production process will be the challenges in the supply chain that can affect the industry (Varghese, 2022).

### **Market Trends:**

Current trends in the market development of women's fitness apparel include sustainable and ecological materials, innovative design technologies that lead to expansion into eco-friendliness as well a focus on inclusivity. Influenced by the social change aiming at health and well-being, this trend is also reflected in the market with consumers looking for apparel that helps them live actively while providing solutions to environmental questions (Varghese, 2022).

### **Target Market Segments:**

Age, fitness level, lifestyle preferences, and geography lead to the division of market segments concerning women's apparel for sport. These segments affect demand in terms of product types, fabrics, distribution channels, and price (Verified Market Research, 2022).

### **Consumer Behavior:**

The reasons that influence consumer behavior in women's fitness apparel are factors like solving personal requirements such as achieving physical goals, health benefits, and style considerations. Social media have a huge impact as well, and influencers can affect the decisions of consumers. To back up product offerings by the changing demand of the target audience, these dynamics must be understood (Varghese, 2022).

### **Competitive Landscape:**

With established brands and new entrants competing for market share, the competitive landscape in women's fitness apparel markets is diverse. Major competitors have strengths in creative design, brand awareness, and effective marketing. Potential entry challenges include high marketing and distribution channel spending (Varghese, 2022).

## **1.6 Business Model**

*“The business model represents the fundamental principle of how a company creates, delivers and captures value” (Osterwalder, Pigneur, 2015, p.14).*

The business model incorporates nine building blocks categorized into four areas: customers, supply, infrastructure, and financial viability (Osterwalder, Pigneur, 2015).

We need to focus on the **customer segment** in business models and their development because no company can operate without customers. Through the process of segmenting customers based on their needs and preferences, a company can identify which group of customers to target and which to ignore (Osterwalder, Pigneur, 2015).

**Value propositions** can be seen as a mix of products and services that create value for certain customer segments. These offerings form a major reason why customers aim to choose one firm over the other. Every value proposition answers the specific needs and issues of a given customer segment to form an offering package that is provided by the company (Osterwalder, Pigneur, 2015).

**Channels** refer to how a firm communicates with its customer base and targets it to communicate value proposition. Such channels are communication and distribution, which act as the border between an enterprise and a customer. They perform functions such as educating, providing alternatives, communicating the value proposition, and customer support after sale. It is aimed at determining the appropriate composition of channels that should meet customer's preferences in terms of access (Osterwalder, Pigneur, 2015).

**Customer relationships** are the various forms of relationships that a company manages with each customer segment. The company needs to define the kind of relationships it wants with each customer segment. The logic behind the motivation could be getting new clients, retaining existing ones, or boosting sales (Osterwalder, Pigneur, 2015).

The **revenue sources** are the cash flow obtained by each customer segment. The business model can deal with two types of revenues: One-time transactional revenue from a customer's one-off payments and recurring revenue on a regular subscription basis. The purpose is to learn what customers are willing to pay for, what they currently pay, and how a customer would prefer to be charged (Osterwalder, Pigneur, 2015).

The **key resources** of a company help to create and communicate value propositions for its customers to keep the customer segments engaged while generating revenue. They can either be company-owned or rented. These resources do not only describe physical or economic possessions, but also human talents. Capital-intensive physical resources

include buildings, vehicles, or equipment. Knowledge and creativity of human resources are important for any business (Osterwalder, Pigneur, 2015).

**Core activities** are defined as activities performed by a business to execute its business process effectively. These functions play a key role in creating and delivering value propositions, maintaining customer relationships, and generating revenue, as well as key products. Key functions include, for example, developing, manufacturing, and delivering quality products given. The ability of the business to find innovative solutions and solve problems effectively is also important. Additionally, companies can use different platforms, networks, and software to support their core operations (Osterwalder, Pigneur, 2015).

**Core collaboration** is an essential part of a functional business plan. Companies form partnerships to minimize risks, optimize their business model, or obtain resources. There are many types of cooperation, such as strategic cooperation, in which cooperating countries are not in a competitive relationship, and other types of competitors and cooperation. These networks play an important role in gaining specific goods and services (Osterwalder, Pigneur, 2015).

The **cost structure** represents the economic costs associated with executing a particular business process. Once we have clarity about key features, key services, and key partnerships, we can define and quantify these costs. The business model can be cost-oriented, to systematically reduce costs, or it can be value-oriented, with a focus on creating a value proposition (Osterwalder, Pigneur, 2015).

## **1.7 Business Plan**

A business plan is a roadmap that explains what business objectives are and the way the business plans to accomplish them. It is a report that covers diverse factors of the enterprise, which includes what it sells, who it is looking to promote to, and who its competitors are. The plan also explores information about the people managing the enterprise, how it plans to market its products, and the monetary part of things, like the way it plans to make money. Essentially, it is a blueprint that outlines the dreams and strategies to direct the commercial enterprise toward success (Finch, 2020).

When putting together a marketing strategy, it is important to ensure matters are easy and easy to recognize. Avoiding complicated or fancy phrases is important. Instead, pick a simple language that all can understand without difficulty. This simplicity not only ensures better knowledge but also makes the business plan more understandable to a much broader target audience (Finch, 2020).

The advantage of a business plan is tracking the process and progress that the business makes. It is a road map to achieving the company's goals and helps to minimize risks. It allows the business to make better decisions and gives the company a structure (StudySmarter, 2024).

It also has some disadvantages, because creating the business plan in a short time and not thinking it through can result in an inefficient business plan. It can be time-consuming and include huge effort while also the need for the business plan to be updated. The business plan can become outdated easily, therefore there is a need for updates which can be limiting (StudySmarter, 2024).

### **1.7.1 Business Plan Structure**

**Summary:** A brief declaration of the business idea, mission, and goals. It provides an outline of key achievements, present-day reputation, and future goals (Finch, 2020).

**Introduction:** Detailed introduction to the business, its history, and venture. This section provides a clear picture of the enterprise and its contribution (Finch, 2020).

**Business Background:** Information about the shape of the business and the organizational hierarchy. As well as key members of management and their roles, and knowledge (Finch, 2020).

**Product:** A complete description of the products or services offered, highlighting their capabilities and any detailed factors. This section may additionally talk about plans to expand the product variety (Finch, 2020).

**Market:** An in-depth analysis of the enterprise, marketplace trends, and demographics of the target consumer segment. It also focuses on competitors, marketplace length, and potential possibilities for success (Finch, 2020).

**Operations:** Strategies for the operations and logistics of a commercial enterprise, along with product distribution or service shipping (Finch, 2020).

**Management:** The shape and functioning of organizational control, with important jobs of key crew contributors and their contributions (Finch, 2020).

**Design:** Plan and strategy for advertising and income, including branding, positioning, and sales forecasting (Finch, 2020).

**Financial Background:** Presentation of detailed financial forecasts together with earnings and loss statements, balance sheets, and cash go with the flow. Also includes key monetary metrics and an assessment of financing wishes and fundraising alternatives (Finch, 2020).

**Business Development to Date:** An evaluation of the development of the commercial enterprise up to now, such as milestones and achievements (Finch, 2020).

**Risks:** Identification and analysis of risks, with proposed strategies to reduce or get rid of them (Finch, 2020).

**Conclusion:** Summary of the key points covered in the business plan and an emphasis on its sustainability (Finch, 2020).

## **1.8 Internal and External Analysis**

Strategic internal and external analysis analyze the business from inside and outside to identify where the company stands now to then plan. It is important to know the current state of the company to plan strategically and set goals and vision for the future.

### **External analysis**

The external analysis analyzes the company from the outside, its market, competitors, environment, and identify possible threats and opportunities. The company should analyze its market trends by reports and other useful data. The external analysis can be conducted by a PESTLE analysis and Porter's 5 forces analysis analyzing the external factors and their impact. The SWOT analysis is used to identify both internal and external factors (OnStrategy, 2024).

### 1.8.1 Porter's 5 Forces

Porter's Five Forces is a widely used strategic evaluation framework for evaluating the complex dynamics of competitors within an industry. It provides insights into the factors that have an impact on the competitiveness of a given market (Červený, 2014).

The framework identifies five important forces that shape the competitive landscape:

**Threat from new entrants:** This is an evaluation of the viability of new firms coming into a given industry. Factors including economies of scale, brand loyalty, and regulatory limits are considered limitations to entry. An excessive barrier to entry leans to reduce the capability danger from new competitors (Červený, 2014).

**Buyer bargaining power:** This factor looks at the impact and bargaining strength of customers in the enterprise. Buyer strength is motivated by the availability of services or products and the importance of every purchaser to the enterprise. Strategic adjustments based on the consumers are essential (Červený, 2014).

**Supplier bargaining power:** Looking at the impact on and bargaining power of providers of key contributions. High supplier power can result from factors including a restricted pool of opportunity suppliers, ownership of unique assets, or loss of alternative contributions. Companies want strategic provider management to manipulate those dynamics (Červený, 2014).

**The threat of alternative products or services:** Examines the capacity life of alternative products or services that meet the needs of the target market. Firms want to adjust their strategies consistent with the level of substitution risk (Červený, 2014).

**Competitive rivalry:** This force summarizes the level of competition among existing businesses within the industry. An understanding of the competitive landscape helps businesses to create effective strategies to succeed in a crowded marketplace (Červený, 2014).

### 1.8.2 PESTLE Analysis

*“A PESTEL analysis is a strategic framework commonly used to evaluate the business environment in which a firm operates” (Peterdy, 2024).*



PESTLE stands for political, economic, social, technological, legal, and environmental and a business needs to examine these factors to evaluate the business landscape (Červený, 2014).

**Political** factors look at how government guidelines and policies affect operations and shape strategic choices (Červený, 2014).

**Economic** factors look at economic matters such as inflation and changing prices that affect a company's financial landscape (Červený, 2014).

**Social** factors look at social developments and cultural influences, dividing the difficulties of customer behavior and choices (Červený, 2014).

**Technological** factors study present and future technological advances, predicting disruptions and innovations (Červený, 2014).

**Legal** factors analyze laws and regulations and think about their impact on the strategy and operations of a business (Červený, 2014).

**Environmental** elements look at the impact of environmental and sustainability elements on the business, recognition, and long-term viability (Červený, 2014).

### **Internal Analysis**

Internal analysis analyzes the business from inside and the internal matters influenced by the business itself. With an internal analysis, the company should analyze its employees, resources, and capabilities. That can be collected by interviews, questionnaires and lists of capabilities and resources. It should answer questions like what the company is best at, what it should improve, what are the values, if the business is efficient enough, and if the company meets the needs of its employees. One of the internal analyses is the McKinsey's 7S model and SWOT analysis, that is both internal and external, and conducts the data gathered from previous analyses (OnStrategy, 2024).

#### **1.8.3 McKinsey's 7S Model**

The McKinsey's 7S model is used for analyzing the seven elements, Strategy, Structure, Skill, System, Style, Staff, and Shared Values. This helps the company with determining the effectiveness of the business with those seven elements and their interrelationships. The shared values element is in the middle and the six remaining elements are surround

it. This model can be also split into Hard Ss, being Structure, Strategy, and Systems, and the remaining elements into Soft Ss (CFI Education Inc., 2015-2024).

Structure is the organization of the business and its chain of roles and relationships. The Strategy refers to a plan of achieving the company's objectives and Systems are the infrastructure of the business. Skills are the competences of the employees and Staff is all the human resources of the company and related aspects. The Style is the approach of the employees which sets the managements style. Shared Value are the objectives of the company and their mission (CFI Education, 2024).

This model is used for identifying the elements that are not properly interconnected to align them and make a long-term change (CFI Education, 2024).

#### **1.8.4 SWOT Analysis**

The SWOT analysis is a framework used by companies for evaluation of their position in the competitive landscape to analyze the external and internal factors that can affect the business. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors and opportunities and threats external. It can identify potential threats for the company to avoid, or opportunities to take and profit from. SWOT analysis allows companies to plan and know their position in the competitive market (Kenton, 2023).

**Strengths** are the factors that the business are doing good at, which they can benefit from and what makes them better than others (Kenton, 2023).

**Weaknesses** consider factors which the company is not excelling in. Those are the factors that can potentially make the business weaker, and that the competition can leverage from. By identifying the weaknesses of the business, the business can work on them and improve them to be stronger in the competitive landscape (Kenton, 2023).

**Opportunities** are worth identifying to find out what can the business profit from and give them an advantage. Opportunities are an external factor in the SWOT analysis (Kenton, 2023).

**Threats** are factors that can potentially damage the business and are important to identify and count with to avoid any harm happening to the business (Kenton, 2023).

These four factors are put into a table of quadrants with strengths and weaknesses on the top and opportunities and threats on the bottom, visualizing the positive factors on the left and negative on the right. By filling out this framework the business can plan its strategy. The SWOT analysis can be done by any business of any size to analyze these factors and take advantage of them (Kenton, 2023).

## **1.9 Research Methods**

There are many types of methods to do research to test theories, collect and analyze data. The two main research categories are qualitative and quantitative. The quantitative research is based on numbers and quantity, while qualitative research is for obtaining non-numeric data and quality answers. There are many types of research methods such as observation, questionnaires, focus groups, interviews, and more (Indeed, 2023).

The observation research method is about observing the researched field to study the ways of people and how they act and feel. This method takes a lot of time, unlike questionnaires and surveys (Indeed, 2023).

Surveys and questionnaires are being used more for the quantitative research method because they can be sent and filled out easily and gain many respondents. Thanks to the digitalization the data collected from surveys can be sorted and used efficiently. It is important to create the questionnaire well to avoid skipping questions or not filling them out (Indeed, 2023).

Interview is more of a qualitative research method with having prepared questions and selected respondents to answer them. This method can be done by phone or other devices, or in person, gaining more information that can provide the researcher deeper insight (Indeed, 2023).

Focus groups are being used to get deeper in the theme and talk to the respondents and observe their actions. It is about studying a small group of people and it a way of qualitative research method (Indeed, 2023).

## **1.10 Marketing Plan**

A marketing plan is a strategic document that defines the approach of a business to achieve specific business objectives through targeted marketing activities. It includes situational analysis, identifying internal and external factors like SWOT analysis, and establishing measurable marketing objectives aligned with bigger business goals. The plan defines the target market and defines strategies such as product positioning, pricing, distribution, and promotional activities. It additionally details specific tactics and action plans, giving responsibilities and timelines. The plan includes tools for monitoring and measuring performance through key metrics, providing a structured roadmap for effective marketing implementation (Kotler, Keller, 2006).

### **1.10.1 Marketing Strategy**

An advertising and marketing strategy is a plan that describes an employer's approach to achieving specific marketing objectives and goals within a given timeframe. It involves an analysis of internal and external factors, thinking about strengths and weaknesses as well as opportunities and threats. Based on the normal business strategy, an advertising strategy describes the methods and strategies to be used in product development, pricing, promotion, and distribution (Kotler, Keller, 2006).

Key factors of an advertising approach show a definition of goal markets, positioning of services or products, and the distribution of resources for the best results. It is a dynamic framework that changes in response to changing marketplace situations. Effective advertising and marketing techniques help to understand the organization's strengths, manage weaknesses, profit from market opportunities, and minimize potential threats (Kotler, Keller, 2006).

### **1.10.2 Sales Strategy**

Sales strategy aims to attract new customers for the business and plans how to do so, actions needed and goals to achieve. The business needs to set sales goals and create ideal model to help achieve them. Identification of ideal customer is crucial for a company as well as defining an ideal market for the product or service. There can be a dedicated sales team created for operating the sales strategy and implementing the tactics. A customer

persona is created to navigate the sales team and reach the target group with effective channels and in effective ways. The business needs to be able to optimize, update, and measure the sales strategy if needed to achieve the set goals (Cognism, 2024).

### **Customer Persona**

Customer persona represents the ideal customer for the business, its key traits based on collected data done by proper research. This helps the business to understand the needs and wants of its customers. Research must be done deeply, and the company needs to know everything about the customer. The research should include surveys, interviews, demographics, motivations of the customers, their struggles and background (UserTesting, 2024).

### **4P Analysis**

The 4P analysis is also known as the Marketing Mix and it is a framework used in advertising to look at important factors for the effective promotion of products or services. The 4Ps consist of 4 elements, and those are product, price, place, and promotion (Fotr, Souček, 2005).

In the middle of the 4P evaluation is the consideration of the **product** itself. This is an evaluation of its capabilities, advantages, and general value proposition. Understanding the specific qualities of the product is important for differentiation and positioning in the competitive landscape (Fotr, Souček, 2005).

The **pricing** strategy is an important element of the advertising and marketing mix. It includes selecting the price structure, pricing models, and usual affordability. Effective pricing strategies are important for achieving stability between perceived price and market competitiveness (Fotr, Souček, 2005).

**Place** refers to the distribution channels and strategies using which the product or service is made available to the target audience. This involves selections concerning logistics, delivery chain control, marketplace accessibility, and the selection of suitable distribution channels to make product availability (Fotr, Souček, 2005).

**Promotion** consists of advertising and communication techniques. This involves advertising and marketing, public relations, sales promotions, and other promotional

activities that help to create awareness, influence opinions, and drive purchases (Fotr, Souček, 2005).

By examining and optimizing these 4 factors, the 4P evaluation gives entrepreneurs a framework to create mature advertising strategies. It promises an approach that takes into consideration product attributes, pricing dynamics, distribution logistics, and promotional efforts, improving the overall effectiveness of advertising in the competitive landscape (Fotr, Souček, 2005).

## **1.11 Management Organization and Personnel Strategy**

Strategic Human Resource Management involves creating an organized framework for hiring, managing, and developing employees to support an organization's long-term objectives. It ensures that various aspects of people management align to inspire behavior and create a beneficial environment for meeting performance targets (Peters, 2023).

Having a personnel strategy is important for the business therefore every business should invest in people management software. A strong people strategy is based on strong leadership, which is essential for guiding people to success and creating unity. Effective leaders motivate, inspire belief, and build trust and loyalty through support, communication, and active listening (Symonds, 2023).

Learning and development are key components of a complete people strategy, involving personalized plans to improve employees' skills and confidence, resulting in increased productivity and performance. The availability of diverse learning opportunities, including online platforms, colleague mentoring, and microlearning, is important in supporting employees' continued growth and capability (Symonds, 2023).

Promoting Diversity, Equity, Inclusion, and Belonging (DEIB) within an organization creates an inclusive environment that values and respects every employee, regardless of background, leading to increased employee empowerment and performance; implementing DEIB principles requires not only a verbal commitment but also tangible actions, such as establishing Key Performance Indicators (KPIs) and metrics to measure progress and hold business leaders accountable (Symonds, 2023).

Employee engagement is an important part of a people strategy and is achieved by promoting activities that build connection and value within the organization, creating

pride, alignment with values, and continuous improvement among employees. Transparency, recognition, and accountability are key principles to drive engagement, providing clear communication, appreciation, and support for individual performance and growth (Symonds, 2023).

Incorporating regular employee feedback into a people strategy is important for improving the employee experience and creating a supportive working environment. Using online surveys or holding separate meetings and evaluations ensures that employees feel valued and appreciated, encouraging a culture of continuous improvement (Symonds, 2023).

Support employee wellness as part of people strategy, incorporating actions to address physical, mental, and emotional health through wellness programs focused on breaking bad habits, promoting stress reduction, emotional support, and therapy, and recognizing that prioritizing employee wellness builds loyalty and encourages greater investment in business success (Symonds, 2023).

Implementing a well-developed people strategy brings several benefits to the business. Firstly, it allows employees to become aligned with the company's vision and goals, leading to faster growth and productivity. It also helps to increase engagement by recognizing the mutual relationship between the organization and its employees, resulting in higher levels of loyalty and commitment. In addition, a people strategy fosters organizational commitment by increasing morale, engagement, and satisfaction, resulting in employee retention and well-being. It also supports business strategy and growth by building unity, adaptability, and alignment with organizational goals, eventually increasing performance and productivity while reducing turnover and fostering a workforce committed to business success (Symonds, 2023).

## **1.12 Financial Plan**

A financial plan is a framework that plans the control and distribution of financial assets. It entails placing clear financial targets, figuring out sources, and imposing techniques for green resource allocation. Components encompass budgeting, funding planning, risk control, and lengthy-time period economic purpose placing. Essentially, a monetary plan

serves as a dynamic manual, aligning economic selections with primary goals and adopting monetary areas for people, agencies, or establishments (Červený, 2014).

For financial plan there must be all financial information gathered for making any calculations. The business can calculate the net worth and determine the cash flow. Cash flow is the amount of money moving into and out of the business, which needs to be tracked to find out how much money can the company save and invest, or where the company needs to minimize the spending (Manning, 2023).

### **Break-even point**

The break-even point is a point where the total expenses are equal to the total revenues. The break-even analysis has many advantages for businesses such as good pricing of the products, finding of all expenses, and setting goals for business to know when they will make profit (Mitchell, 2024).

The calculation for break-even point is:

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

#### **Equation 1: Break-even point**

(Source: Own processing based on Mitchell, 2024)

## **1.13 Risk analysis and risk management**

The risk analysis is used for analyzing potential risks that can occur when running a business and harm it, therefore, this analysis helps the business to find them and mitigate their possible negative impact on the business. By filling up the risk analysis matrix, the business can then plan and prepare. The process starts with finding the protentional risk and evaluate it with management or departments taking care of such field to estimate the likelihood of the risk happening. There needs to be a plan developed to minimize the risk and then the plan needs to be implemented and monitored. For analyzing the risks, the business can use the Risk Assessment Matrix (Yasar, 2024).

### **Risk Assessment**

The risk assessment is when the risks are being identified and decided whether the risks are controllable, how much damage they would do. Another factor is who will be taking



care of solving or minimizing them and when. This helps the business to not cause unexpected risks and be prepared (Ready.gov, 2024).

#### **1.14 Summary of Theoretical part**

The previous themes have been identified as important and relevant for developing a Business Plan Proposal and will be further analyzed and elaborated in the analytical part of this thesis based on the theory from the theoretical part.

## **2 ANALYTICAL PART**

### **The goal of the analytical part of a business plan proposal for Lusk**

Goals for the analytical part are to analyze the market, its trends, and segments. The viability of such small business also needs to be considered, as well as factors such as costs, pricing, and potential revenue to figure out whether the business will survive and operate with only two people taking care of everything. The finances need to be analyzed to develop realistic forecasts for the business, such as initial costs, ongoing expenses, and profit margin. There needs to be risks identified to develop a plan on how to minimize them and make sure that the business will not be harmed by them. Analyzing the competitive landscape helps to identify potential opportunities for differentiation amongst competition and leverage competitive advantage. The goal is to create a strategic plan for establishing and operating this small business including marketing and sales strategies, sales channels, and gaining customers in efficient ways for the two co-owners.

### **2.1 Concluding Summary**

This business plan is created for the business project Lusk, which is a women's sportswear brand selling high-quality and well-designed gym shorts and leggings. Lusk has its e-shop created via Shopify and sells its products there. The promotion is done on Lusk's social media platforms, Instagram and TikTok, with targeting mainly girls from 15 to 25 years old. Lusk is a brand that has a supplier for their products. They print the logo in Czech Republic and sell the products in the Czech Republic and Slovakia as a small B2C business.

There has been a cooperative established within the students of the Entrepreneurship and Small Business Development program on the Brno University of Technology. The cooperative is named "Družstvo VITEN" and Lusk operates under it.

Throughout the past years, sportswear brands have experienced a boom on the market with a lot of people gaining interest in sports and especially going to the gym. People started to become more active and went on the route of healthier lifestyles. With that in hand, people gained interest in apparel as well, with the desire to look good while doing

sports activities, as well as feeling confident and comfortable. This led the co-owners of Lusk to establish this brand.

## **2.2 Strategic Plan**

The strategic plan includes:

- Company description
- Mission and vision
- McKinsey's 7S Model
- Customers

### **2.2.1 Company Description**

Lusk is a sportswear brand focused on the B2C market selling its products to customers through an e-shop. The brand has its domain and social media, Instagram and TikTok.

The products are from a supplier from China and are being delivered to the Czech Republic. The logo is being printed locally in Brno with the screen-printing method with a very minimalistic and simple design, therefore a larger audience can find the products convenient and stylish.

For distribution, Lusk cooperates with Zásilkovna.cz delivery service, delivering the products with the option of delivery to a pick-up point or an address.

The products are wrapped in stylish paper and sealed with a sticker including a written note. The products are then put into a paper box where there is a paper with information about washing the products to keep them high-quality. On each box, there is a handwritten note thanking the customer for purchasing the products, every box is unique because of the handwritten notes and hearts drawn onto each paper box.

Lusk is not only about selling high-quality leggings and shorts but also about comfort and confidence. Lusk communicates as a community empowering women to be active and feel good and pretty while doing so.

Social media platforms provide a lot of opportunities for small businesses with the possibility of engagement on social media and gaining more customers. Communication

is another huge advantage of social media, and it is very easy to communicate with customers, ask for their opinions, and engage customers to act.

### **2.2.2 Mission and Vision**

The primary goal is to empower women and be an inspiration for them. Lusk wants to provide women with comfortable and high-quality leggings and shorts that will support them during their workout or any other activity. The goal is to make them feel good, help them stay active, and prioritize their well-being.

A community that will be open, honest, and supportive is another goal of Lusk. There is a huge potential for communities on social media when it comes to brands. It can support the business and help drive sales. Women want to be inspired, see relatable content, and feel included, which is the purpose of Lusk's community. There is a want to support and motivate women and inspire women to do the same for other women.

Boosting women's confidence is another goal of Lusk. Lusk wants women to feel confident and comfortable during any activity that they are doing with their clothing. It is very important for women to feel good while doing physical activities, which can be achieved by wearing something that they feel good and confident in. Lusk offers high-quality and well-fitting activewear, that women can wear while doing any activity and feel safe in.

Sharing knowledge, tips, and tricks is another aspect of Lusk's social media platforms. Lusk wants to share the knowledge and help women with their workout journeys by providing them with useful information about fitness and nutrition. The content consists of tips and tricks on how to do certain exercises, what is the perfect form, and showing the audience how to do them. Lusk shares inspirations for workouts and exercises, beginner-friendly workouts, motivational and empowering quotes, and how-to. Lusk wants to educate and help women to gain more useful information for them to use.

The vision of Lusk is to be honest and transparent and share relatable content that women can empathize with. Lusk aims to be honest about the struggles that women might face throughout their fitness journeys and make them not feel alone, but confident along the way. Women might face challenges of self-confidence, motivation, judging by other people, and body image. Lusk is there for those women to make them feel safe and find

a non-judgmental place where they can openly discuss their issues with Lusk and find support. The goal is to create a place where women will feel heard and accepted, so women can continue to work on themselves and not give up. Lusk will share the issues and stories, making women feel inspired to overcome their struggles as well.

Relationship with the customers is highly important to the brand. Lusk values its customers and wants them to have a great experience with the brand and help them when needed. Lusk will listen to their opinions, feedback, address their concerns, and constantly try to improve the brand and the products. Lusk provides their customers with a long-term relationship with fast responses which can create a loyal community.

Promoting body positivity and inclusivity is a mission of Lusk. The goal is to make women of all sizes or fitness levels feel confident in their own body. Lusk showcases women of all sizes to represent plus-size women and include customers of bigger sizes. Lusk wants to inspire women, make them feel accepted, and empower self-love.

Making a positive impact on the lives of women is highly important for this brand. Through relatable content, sharing knowledge, empowering them, making their confidence better, and promoting a healthy lifestyle, Lusk wants to have a positive impact that will last long.

### **2.2.3 McKinsey's 7S Model**

#### **Strategy**

Lusk's strategy is about empowering and supporting women with creating a safe place and a community on Instagram and TikTok, while providing women with high-quality products that will offer them comfort and confidence.

Strategy could include marketing strategies, product development strategies, and community engagement to achieve the objectives set for Lusk.

#### **Structure**

Lusk has a flat organizational structure with only two co-owners who are the only employees at the same time. The decision-making processes should be clear and defined to make sure that the process is efficient and ensure quality communication about

important things that the business is going through to avoid any miscommunication and inefficient processes that will slow the business from achieving its objectives.

### **Systems**

The systems are those processes, that support Lusk's operations, including customer service, and inventory management.

The system should be designed to deliver quality and quick customer service and provide a positive customer experience with engaging with the community on social media and delivering high-quality products.

### **Shared Values**

Shared Values are in the middle of McKinsey's 7S model and are as well the central of Lusk. Lusk's mission is to empower power and support them, while promoting body positivity and creating a safe community. Those values should be internally communicated and make sure that the decision-making is aligned with them and therefore, be seen externally as well.

### **Skills**

For the two co-owners the skills are important and should be developed with time as well. Skills such as marketing, customer service, and community building are required for the operation of the business and if the two co-owners do not have them, they could hire employees that have those skills to help the business grow.

### **Style**

Lusk does not have a leader and the two co-owners are equal. They value quality communication and the brand's values, which affects the community and needs to be respected.

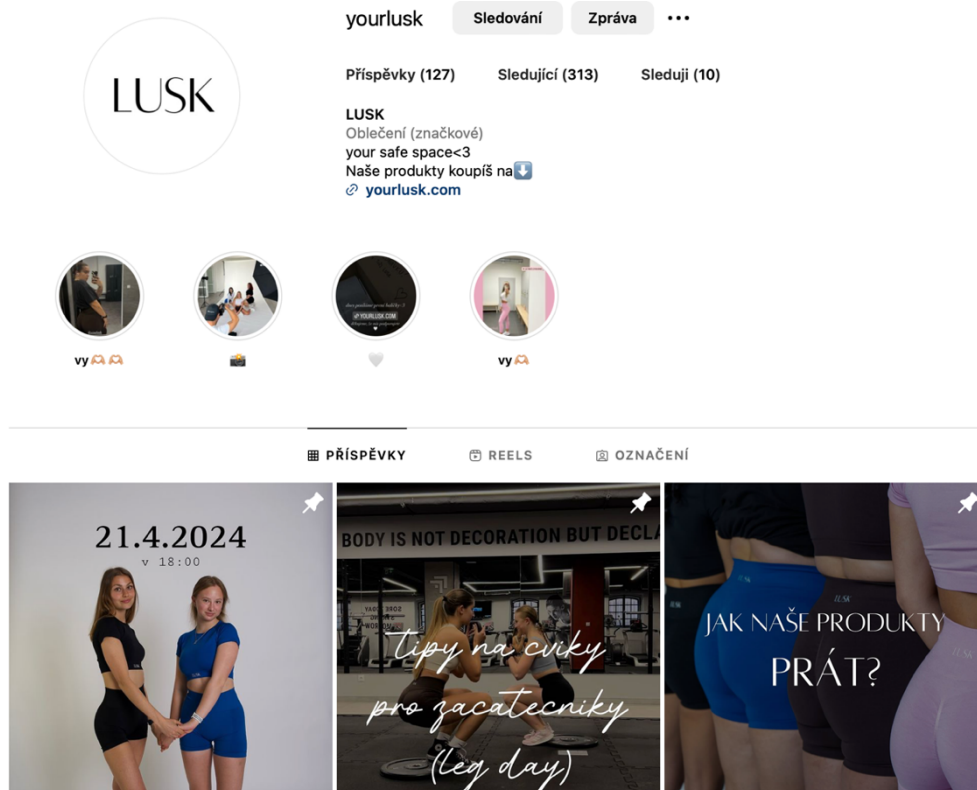
### **Staff**

Lusk has only two co-owners who are also employees, and do not work with any other people. In the future if the brand expands, Lusk might need to look for employees to help them and share their values.

## 2.2.4 Customers

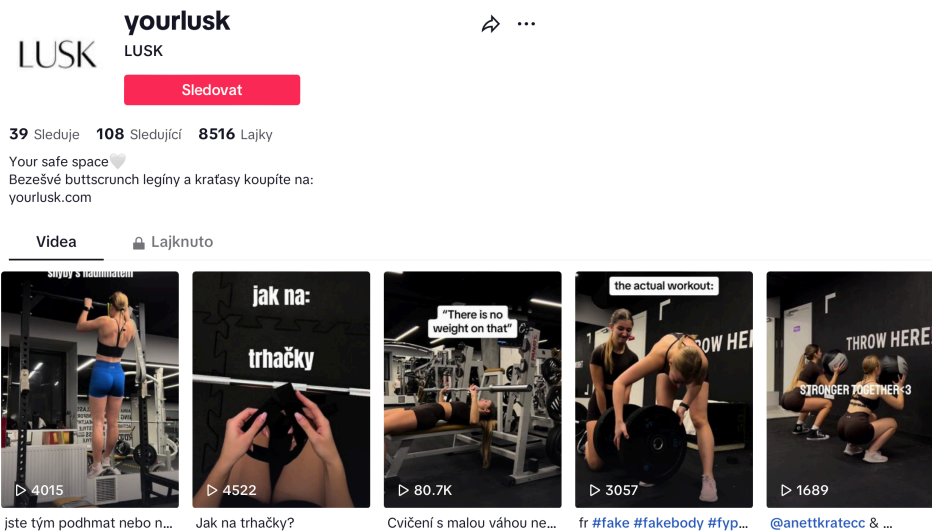
The marketing of Lusk is done only through social media platforms, Instagram and TikTok, therefore, there are mainly younger women following Lusk and buying the products from the brand. Lusk can expand in the future and target more customer segments and gain more customers of different ages, but now because of only using social media platforms, the brand has younger audience and customers.

The Instagram and TikTok of Lusk:



**Image 1: Instagram of Lusk**

(Source: Instagram, 2024)



**Image 2: TikTok of Lusk**

(Source: TikTok, 2024)

Lusk has good engagement on social media and one of their most popular videos on TikTok has over 80 000 views. Using social media helps small business such as Lusk with engagement, brand recognition, and generating sales.

One of the co-owners oversees social media. She communicates with customers, create, and edit content, and posts it on social media. It takes a lot of time for just one person to take care of. The co-owner spends approximately two hours daily with brainstorming, searching for ideas, creating the content, editing the content, preparing copywriting, and posting. Lusk posts every other day on social media which takes a lot of preparation of content ahead.

In the future, there needs to be an employee hired to oversee overall marketing and social media of Lusk, so the co-owner can oversee all the employees and manage the brand. The employee will be getting paid 20 000 CZK per month for taking care of marketing of Lusk. This will include social media, and SEO.

### **Target Audience**

The target audience of Lusk are women between 15 and 25 years. Lusk focuses their marketing on social media and targets social media users of younger ages. The content is created and personalized for this target audience and is very efficient.

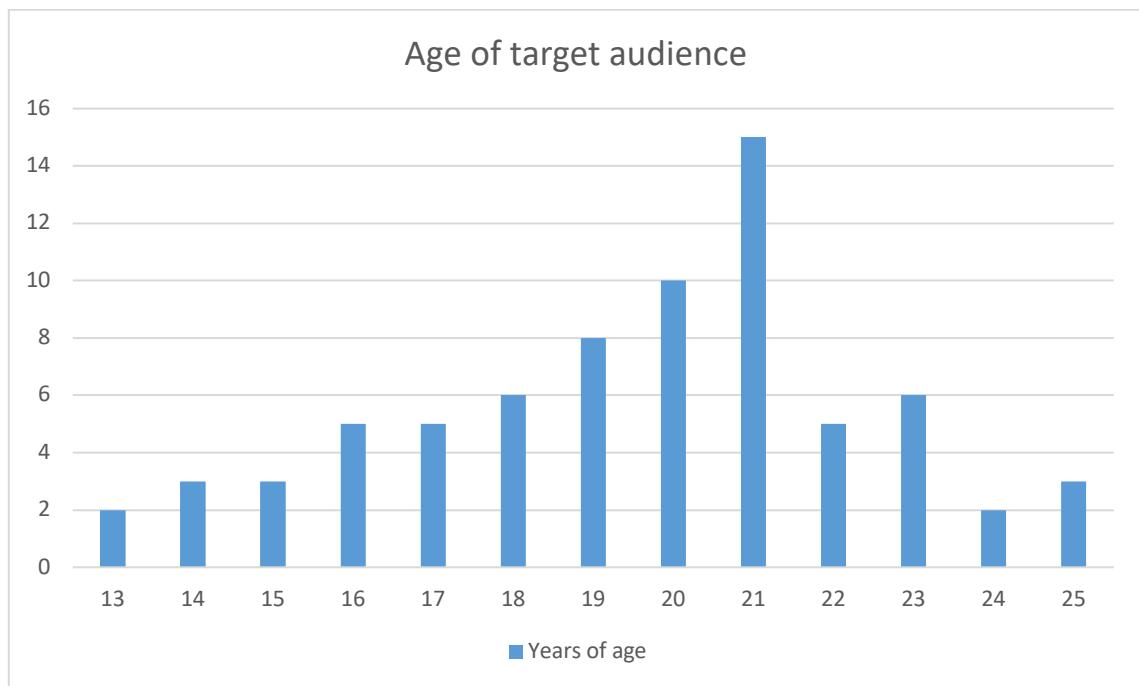


There was a questionnaire shared on the Instagram of Lusk in December 2022 where 73 women answered. Lusk wanted to find out what age are their customers.

The questions were:

- a) Are you a woman?
- b) How old are you?
- c) What are the deciding factors for you to purchase leggings?

The answers for question b) were as follows:



**Graph 1: Age of target audience**

(Source: Own processing based on Instagram survey)

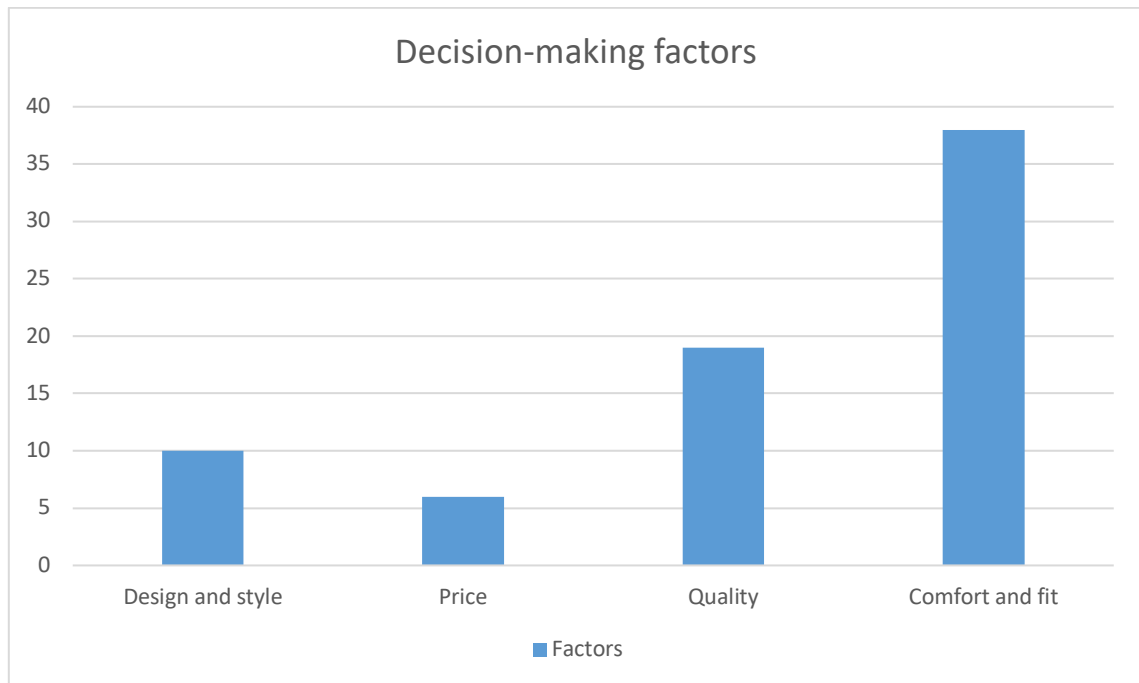
Lusk provided their target audience with a questionnaire regarding the age of the audience. The graph shows that the biggest number is of followers of 21 years of age. Lusk has a few answers from younger and older ages being a small part of the target audience.

### **Decision-making Factors of the Target Audience**

The survey for decision-making factors was posted on Instagram of Lusk in December 2022 with aim to find out which factors are important for Lusk's target audience. The decision-making process of the target audience includes many factors, such as quality,

brand, price, style and design, comfort, trust, influence, user-generated content, fit, and honesty and transparency of the brand.

The answers gathered for question c) for Lusk's audience were:



**Graph 2: Decision-making factors of Lusk's target audience**

(Source: Own processing based on Instagram survey)

The graph shows that the comfort and fit are the most important factors for Lusk's target audience. Following quality, design, and style. The price is the least important for the target audience therefore Lusk has the advantage of having great fit, comfort, high quality, design, and style, and as well-being affordable.

### **Customer Persona**

The customer persona of Lusk can be a girl in between 15 to 25 years, who is either a student or a part-time worker. This girl wants to start to be more active and start going to the gym, and therefore, she searches for fitness influencers on Instagram and TikTok, that she can get motivated and inspired by. She wants to be active, healthy and find a gym wear brand that she will be proud to wear and that shares a positive and empowering message to other girls. This girl wants to wear an honest and transparent brand, that communicates well with their customers, cares about them, shares relatable content and empower other women. She wants to support such brand and wear it with a pride.

This customer persona would be ideal for Lusk and therefore, Lusk is currently targeting such customers on Instagram and TikTok to buy their products and generate user-generated content.

The first customer persona was identified as:

**CUSTOMER PERSONA**

<b>NAME:</b>	Eliška Dvořáková
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**DEMOGRAPHIC INFORMATION**

<b>AGE:</b>	14-18
<b>GENDER:</b>	Female
<b>EDUCATION:</b>	Student

**SOCIAL MEDIA USAGE**

Actively searches for fitness and empowerment content on Instagram and TikTok, following influencers who inspire and motivate others.
---

**MOTIVATIONS**

Wants activewear that reflects her active lifestyle while making a statement about empowerment and self-love.	Values brands that are inclusive and share stories of women and being transparent and supportive.
---	---

**LIFESTYLE AND BEHAVIORS**

Starting with her fitness journey, adding workouts into her routine to stay active and healthy.	Is passionate about empowering women and promoting body positivity.
---	---

**SHOPPING HABITS**

Prefers affordable but well-quality activewear to support her interest in fitness life.	Engages with brands that show the reality of women overcoming challenges and being in the fitness world.
---	--

**Image 3: Business Persona 1**

(Source: Own processing based on research)

The second customer persona:

## CUSTOMER PERSONA

<b>NAME:</b>	Anna Nováková
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### DEMOGRAPHIC INFORMATION

<b>AGE:</b>	18-23
<b>GENDER:</b>	Female
<b>EDUCATION:</b>	College student or part-time worker

### LIFESTYLE AND BEHAVIORS

Engages in a variety of physical activities like gym workouts, dance, and outdoor sports.	Enjoys staying on-trend with the latest fashion and activewear styles.
---	--

### SOCIAL MEDIA USAGE

Actively uses Instagram and TikTok to follow fitness influencers, discover new workout routines, and explore fashion trends.
--

### MOTIVATIONS

Looks for trendy and stylish activewear that provides comfort during workouts and beyond.	Values inclusivity and diversity in brand messaging and designs.
---	--

### SHOPPING HABITS

Prefers seamless online shopping experiences with quick and easy checkouts.	Likely to engage with brands that offer exclusive online promotions.
---	--

**Image 4: Business Persona 2**

(Source: Own processing based on research)

The third customer persona:

## CUSTOMER PERSONA

<b>NAME:</b>	Tereza Svobodová
--------------	------------------

### DEMOGRAPHIC INFORMATION

<b>AGE:</b>	20-25
<b>GENDER:</b>	Female
<b>EDUCATION:</b>	College student or young professional

### LIFESTYLE AND BEHAVIORS

Enjoys outdoor activities such as hiking, running, and exploring nature.	Prioritizes activewear that seamlessly transitions from workouts to everyday adventures.
--	--

### SOCIAL MEDIA USAGE

Actively follows outdoor adventure influencers on Instagram and TikTok for travel inspiration and activewear recommendations.
---

### MOTIVATIONS

Looks for stylish and durable activewear suitable for both active purpose and casual-wear.	Values brands that promote body positivity and celebrate diverse body types.
--	--

### SHOPPING HABITS

Prefers browsing collections online and participating in limited-time promotions.	Likely to share experiences and product reviews on social media.
---	--

**Image 5: Business Persona 3**

(Source: Own processing based on research)

## 2.3 Customer Demand

Lusk did a quantitative as well as qualitative research to identify the wants and needs of women and their potential customers. Lusk did the surveys on Instagram and the two co-owners shared them on their personal Instagram as well. The aim was to find out whether Lusk is needed on the market and if it would fill out the gap of the offered sportswear. The two co-owners did both quantitative and qualitative research during the first year of their studies on the Entrepreneurship and Small Business Development program, therefore in October 2022. The quantitative research was done via Instagram and women were targeted for answering this survey, and the qualitative research was done by phone messaging of five women that were chosen as potential customers. Women who will be testing the products or modeling for the e-shop.

The data gathered from this various research were processed with the descriptive method.

### Quantitative Customer Demand Survey

Lusk did a survey on Instagram in October 2022 asking questions about the material of sportswear leggings, their price, and if they were satisfied with the products currently on the market to order from. The aim of this survey was to identify whether there is a need and want for such product that Lusk can provide. Lusk shared the questionnaire on Instagram and gained around 300 respondents. Women were targeted to answer these questions and Lusk gained valuable information that helped to answer the question, of whether there is a gap in the market for Lusk's product to fill in and be successful.

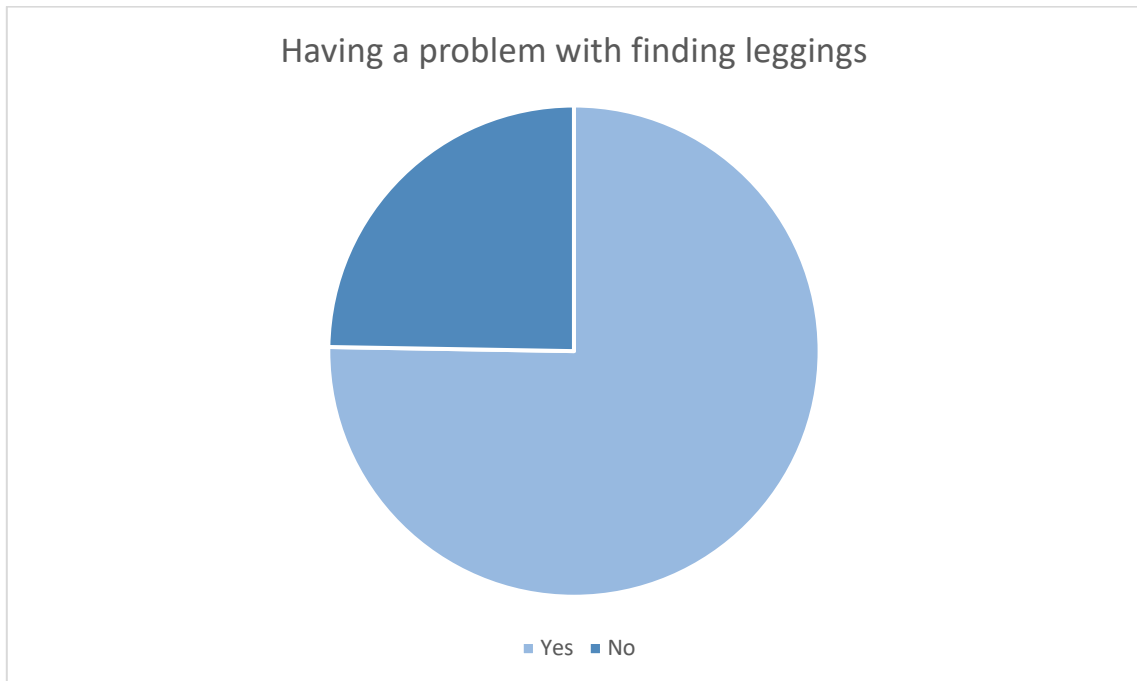
Lusk asked three questions:

- a) **Are you currently having a problem finding well-fitting leggings at a good price?**
- b) **Is it important for you that the leggings are seamless?**
- c) **How much would you be willing to pay for such leggings?**

The first question that Lusk asked was:

- a) **Are you currently having a problem finding well-fitting leggings at a good price?**

The options to answer were only yes or no and for question a) there were 372 responses which are shown in this graph:



**Graph 3: Problem of finding leggings**

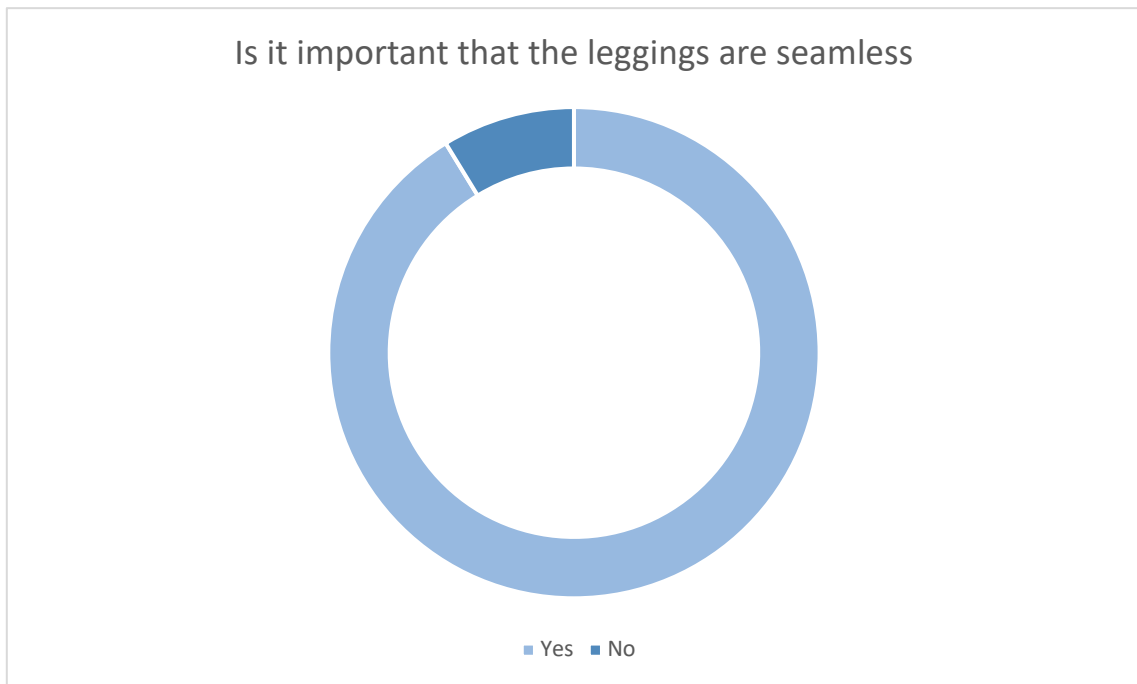
(Source: Own processing based on Instagram survey)

This graph shows that there are a lot of women who are unsatisfied with the options of leggings on the market, being 280 of them, and who cannot find well-fitting leggings that would not be overpriced. Therefore, Lusk could fill the gap in the market with their products providing well-fitting and affordable leggings, which would solve this issue for the unsatisfied women and provide them with the ideal product for them.

Following question that Lusk asked was:

**b) Is it important for you that the leggings are seamless?**

For this question, the respondents were provided only with the yes or no answer and were 366 answers gathered. This question was chosen because many brands do not consider the material of the leggings being seamless which limits women and minimizes comfort.



**Graph 4: Importance of seamless leggings**

(Source: Own processing based on Instagram survey)

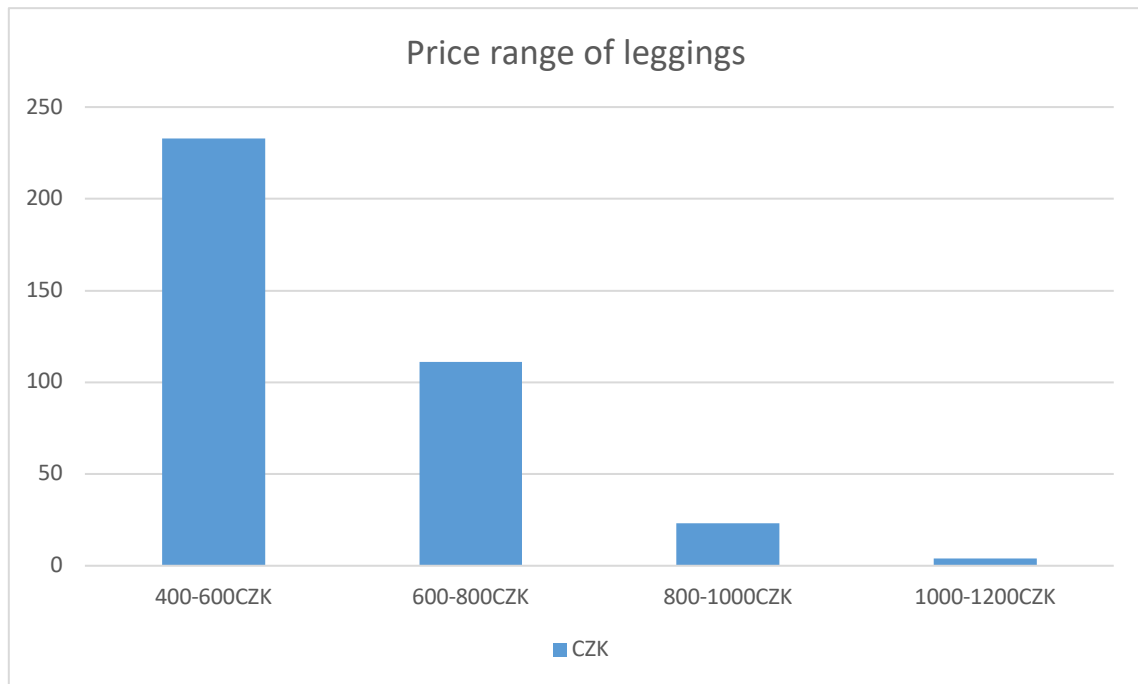
This graph shows that 334 women find important that the leggings are seamless which helps with the overall comfort of wearing them and doing any activity in them. Many brands do not consider this and create non-seamless leggings with which many women are dissatisfied, but there are not many brands addressing it and creating a solution of seamless leggings to solve this issue.

Another question that Lusk asked was:

**c) How much would you be willing to pay for such leggings?**

For this question, there were four options to choose from. It was price range between 400-600 CZK, 600-800 CZK, 800-1 000 CZK, and 1 000-1 200 CZK. There were 361 respondents.

The respondents answered:



**Graph 5: Price range of leggings**

(Source: Own processing based on Instagram survey)

This graph shows that 233 women would like the price of the leggings to be in the range of 400-600 CZK, which is usually the price of leggings made in China that are usually not that well-fitting and do not have the best quality and materials.

Lusk set the price for the leggings for 999 CZK and shorts for 799 CZK, which is on the third slope where 23 women responded for such a price range. This helped Lusk to consider the potential customers wants for a price of their products and identified that many women tend to shop from e-shops with low-quality leggings but for a good price.

### **Qualitative Customer Demand Survey**

There were 5 women contacted and interviewed with four more detailed questions in October 2022. These women are physically active and wear leggings; therefore, they were identified as ideal women to interview and get information from as well because they are between 18-23 years old which was in the identified age of the target customers.

The aim of this was to gain more valuable information that could help Lusk with the price range and to identify where Lusk can position itself on the market and whether there is a want and need of such product for women who could potentially be the customers.



The interviews are archived and the transcript of them are in the attachments.

The four asked questions were:

- a) **Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?**
- b) **For how much do you currently buy leggings? Do you think it's a lot, a little, just right?**
- c) **How much would you be willing to pay for our leggings?**
- d) **Would you buy leggings from us?**

The answers for each respondent were following:

**Table 1: Purchase point of leggings of the respondents**

(Source: Own processing based on interview)

<b>Respondent:</b>	<b>Question: a) Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?</b>
<b>Respondent 1</b>	Nike - more for sport but also for the public, nice and they fit, but they don't make a nice bottom. Shein - cheap, good quality, nice figure, Calzedonia - the same as Nike.
<b>Respondent 2</b>	Nike, Calvin Klein, nice material, comfortable, nice fit
<b>Respondent 3</b>	Myprotein - the best, Lidl - comfortable
<b>Respondent 4</b>	Lelosi - the only thing I don't like about them is that they are not made for workouts, different material than classic sport leggings
<b>Respondent 5</b>	Litex - great, I have a discount on them, Nike - expensive

The first respondent answered that they buy leggings from Nike and Calzedonia, which are not cheap and do not fit the best on the body, because big sportswear brands like Nike do not make most of their leggings seamless. Shein is very common amongst younger women who want to shop for cheap prices and do not care about the quality and background so much. The quality on these e-shops is often very poor and the products do not fit the best on the body.

The second respondent likes the fit of Nike leggings, unlike the first respondent. They also mentioned Calvin Klein, which does not only specialize in sportswear and is not cheap and does not prioritize seamless leggings.

The third respondent mentioned Myprotein, which is a popular brand for people who are active and eat healthy. They offer not only clothes but mainly food, supplements, and accessories for fitness. They also mentioned Lidl, which is again not a sportswear brand but mainly a grocery shop.

This fourth respondent mentioned Lelosi, which is also a popular brand nowadays and as she mentioned, they do not have a good material for exercising. Therefore, the person is unsatisfied with the product and wants something better.

The fifth respondent is satisfied with leggings for Litex, which is a Czech company that mainly focuses on swimwear and is also not very cheap. This person mentions Nike once again and is not satisfied with the price of them.

**Table 2: Price of leggings**

(Source: Own processing based on interview)

<b>Question b) For how much do you currently buy leggings? Do you think it's a lot, a little, just right?</b>	
<b>Respondent 1</b>	Nike – 1 000 CZK, Shein – 200-400 CZK, Calzedonia – 600-800 CZK
<b>Respondent 2</b>	About 1 000 CZK, I would like to find a friendlier price, about 600 CZK
<b>Respondent 3</b>	600 CZK but I'm not willing to pay more money for it
<b>Respondent 4</b>	Up to 1 000 CZK, approximately 750 CZK
<b>Respondent 5</b>	400-600 CZK is ideal for me

This table shows that the price would be ideal to be placed around 600 CZK for respondents 1, 2, 3, and 5. The first respondent who was interviewed bought leggings for 1 000 CZK, but Lusk did not gather information of her satisfaction or dissatisfaction with

the price. The fourth respondent is willing to pay slightly more for leggings which is ideal for Lusk.

**Table 3: Price of Lusk leggings**

(Source: Own processing based on interview)

<b>Question c) How much would you be willing to pay for our leggings?</b>	
<b>Respondent 1</b>	400-600 CZK
<b>Respondent 2</b>	About 600 CZK
<b>Respondent 3</b>	Maximum 600 CZK
<b>Respondent 4</b>	I would love to find great leggings that would be cheaper, but I don't think it's possible, so I'd like to find something within 1 000 CZK
<b>Respondent 5</b>	600 CZK would be ideal

This table shows how much would the respondents be willing to pay for Lusk products and the price of 600 CZK would be ideal for most of the respondents. Only one respondent believes that she will not be able to find ideal leggings for her for better price than 1 000 CZK. Lusk will not be able to set the price this low even though the initial plan was to be placed in this price range, because of additional unexpected cost that Lusk had to cover, the price will be slightly higher.

**Table 4: Purchase of Lusk leggings**

(Source: Own processing based on interview)

<b>Question d) Would you buy leggings from us?</b>	
<b>Respondent 1</b>	Yes
<b>Respondent 2</b>	Yes
<b>Respondent 3</b>	If I like them, yes
<b>Respondent 4</b>	If they were nice and comfortable, sure
<b>Respondent 5</b>	I would definitely try them

The respondents would try or buy Lusk's leggings which is a good sign for the brand. Lusk can later contact these women and give them their products for testing and see whether they are satisfied and if it satisfied their wants and needs. This would be ideal to

gain feedback and potentially reviews that would be valuable for Lusk. Lusk could use them and share them amongst their social media and the interviewed women could also spread the word about Lusk with their friends who could become customers as well.

## **2.4 Analysis of the Business Environment**

For this business plan there were used both internal and external analyses to analyze both internal and external environment of the business to set the suitable strategy for such business and identify its position on the market. With analyzing the competitive environment, Lusk can find place for differentiation and gap on the market to fill out.

For the external analyses the PESTEL analysis and the Porters Five Forces analysis were done. For the internal analysis, the SWOT analysis was done, which is both internal and external.

### **2.4.1 Porter's Five Forces Analysis**

#### **Supplier Power**

Lusk is dependent on their supplier, because of the materials and logo printing. Lusk is a small business but has a good relationship built with the supplier, therefore there should not be a problem with negotiating the price. There are suppliers that could replace the current one, therefore there should not be a problem with not finding a supplier in case of problems with the original one.

#### **Buyer Power**

For such a small business as Lusk, there can be a big bargaining power of buyers, because there are so many brands to choose from, with brands having a wider range of products, more colors, better reputations, and bigger names. Although a lot of brands lack friendly communication, community, honesty, and transparency. Bigger brands can have issues with creating a bond with their customers and it can feel very distant and impersonal. They can lack customer loyalty because of this, which Lusk can profit from. Lusk can offer a simple and modern design, with a great fit on the body that makes the customers comfortable and confident. The products are also high quality, and the communication is very quick, and Lusk has an excellent customer service. By these factors, Lusk can create a great value for an affordable price, which can reduce the buyer power.

### **Competitive Rivalry**

The competition is very high in the sportswear industry. There are many brands with big names that currently Lusk simply cannot compete with. Such brands have many years of experience, bigger budgets, and better resources. But if Lusk position themselves well in the market and focuses on the right customer segment and unique selling propositions, they can differentiate and stand out in the market. Lusk's direct competitors can be Lelosi, Carpatree, Galsari, Exalted, and more.

### **Threat of Substitution**

There can be many substitutes for gym shorts and leggings, such as yoga pants, sweatpants, or even skirts and trousers. Lusk can minimize this threat by focusing on a specific customer segment and product differentiation. By emphasizing the unique features of our products, Lusk can build great customer loyalty.

### **Threat of New Entry**

It is easy for a brand to be established and be known these days, because of the power and usage of social media. Therefore, the threat of a new entry is high, but Lusk can create a barrier by having a strong online presence, good marketing, brand recognition, high-quality materials, and effective social media strategies. Although it is easy to establish and create a new brand, Lusk can focus on differentiating the brand and the products and build customer loyalty.

## **2.4.2 PESTLE Analysis**

### **Political Factors**

For the sportswear industry, political factors can include trade policies, which can affect the international sourcing and manufacturing. There can be changes in tax policies or labor regulations. This could affect the cost of materials or manufacturing, which can affect Lusk's profitability. Another political factor that could affect Lusk as a business as well as the two co-owners is the political situation in the country. Different political parties support businesses and entrepreneurs differently, which can cause harm to Lusk as a business, if the political party does not support entrepreneurs and makes the

conditions harder for them. It can affect the amount of duty, taxes, and where to tax, as well as limitations with the import.

### **Economic Factors**

Economic factors, such as inflation or economic growth, can affect the purchasing behavior of customers and the purchasing power. There was research conducted in April 2024 for Lusk's target group being women between 15 and 25 years was conducted research to gather information about what do these women spend the most money on, what do they like to spend their money on, and how much are they paying monthly for clothing. The survey was distributed on Instagram, Facebook groups, and with friends and family to gather from women from Czech Republic and Slovakia. There were **151 respondents** for this survey between ages 15 to 25, 132 respondents were from Czech Republic and 19 from Slovakia.

The exact questions are written in the list of attachments of this thesis.

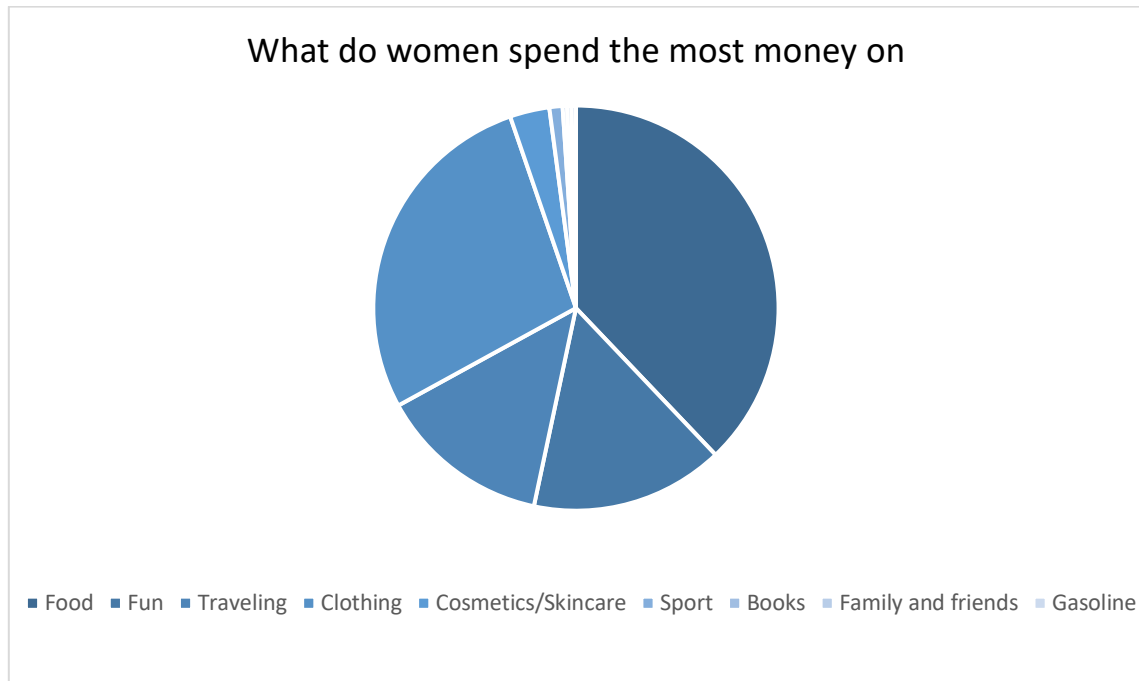
The ages of respondents were:

**Table 5: Number and age of respondents**

(Source: Own processing based on survey)

<b>Age:</b>	<b>Number of respondents:</b>	<b>Percentage of respondents:</b>
<b>15</b>	14	9,3%
<b>16</b>	9	6%
<b>17</b>	9	6%
<b>18</b>	13	8,6%
<b>19</b>	18	11,9%
<b>20</b>	21	13,9%
<b>21</b>	28	18,5%
<b>22</b>	21	13,9%
<b>23</b>	9	6%
<b>24</b>	5	3,3%
<b>25</b>	4	2,6%

There was a question “What do you spend the most money on?” with options of food, clothing, fun, traveling, or another option where the respondents answered themselves.

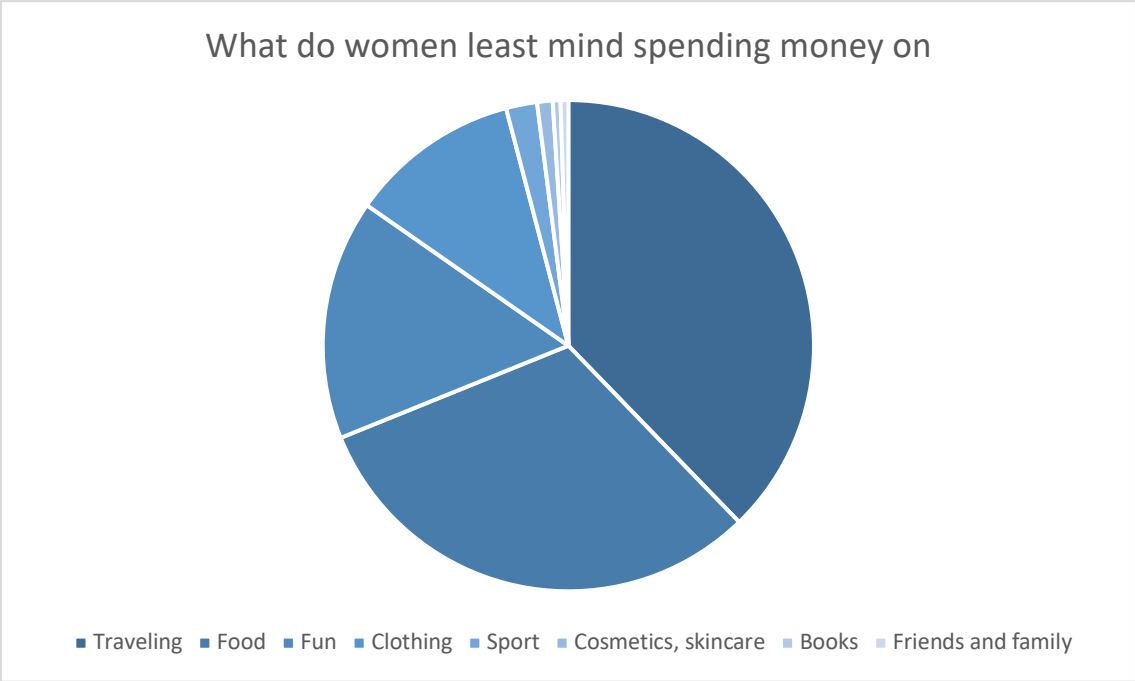


**Graph 6: What do women spend the most money on**

(Source: Own processing based on survey)

Food was the most voted option with 108 votes, continuing with 79 votes for clothing, 44 for fun, and 39 for traveling. Those were the provided options and for the rest of the answers the respondents wrote their own responses, being 9 answers for cosmetics and skincare, 3 for sports and related products, 1 for books, 1 for friends and family, and 1 for gasoline.

The second question was “Which of these things do you least mind spending money on?” with options of food, traveling, fun, clothing, and option for the respondent’s own answer.



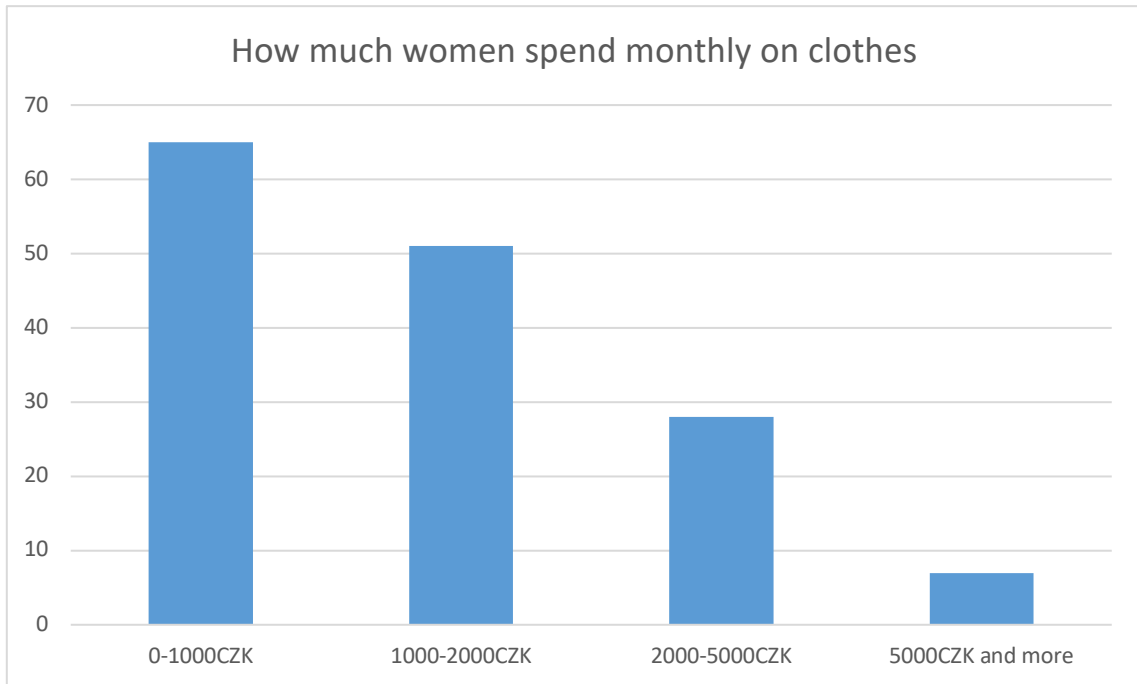
**Graph 7: What do women least mind spending money on**

(Source: Own processing based on survey)

The least minded thing women mind spending on is traveling with 74 votes, followed by food with 61 votes. Fun had 31 votes and clothing 22. Those were the given options and for the rest there was a blank space to write their own answer. Sport and products related with sport were written 4 times, and cosmetics with skincare 2 times. Books, friends, and family were both written once.

The last question was “How much are you able to spend on clothes in a month?” to gain information on how much Lusk’s target group spends on clothing each month.





**Graph 8: How much women spend monthly on clothes**

(Source: Own processing based on research)

Based on this graph we can see that 65 women spend between 0 to 1000 CZK monthly on clothes, followed by 51 women spending 1000-2000 CZK monthly and 28 women spending 2000-5000 CZK. Only 7 women spend more than 5000 CZK monthly.

This survey revealed that many women spend the most money on food and clothing, but clothing comes on the fourth place of least minded item for spending. Most women spend between 0-1000 CZK per month on clothes and Lusk fits in this price range category which means that the women can afford the products and that they spend their money on clothes frequently.

### **Social Factors**

Social factors play a huge role within the sportswear industry. With trends in health, fitness, and wellness, the fitness culture can have a huge influence on consumer demand for gym wear. Therefore, Lusk must keep up with the trends and stay up-to-date and relevant.

There was research conducted in April 2024 to find out how many women from Lusk's target group live in a village or city, and how many of them live a healthy lifestyle. There was a survey shared on Instagram, Facebook groups, and within friends and family to

gather as many responses as possible. For this research there were 136 women respondents from both Czech Republic and Slovakia between ages 15 to 25 as was set as Lusk's target group. There were 113 respondents from Czech Republic and 23 from Slovakia.

The age and number of respondents that age was as follows:

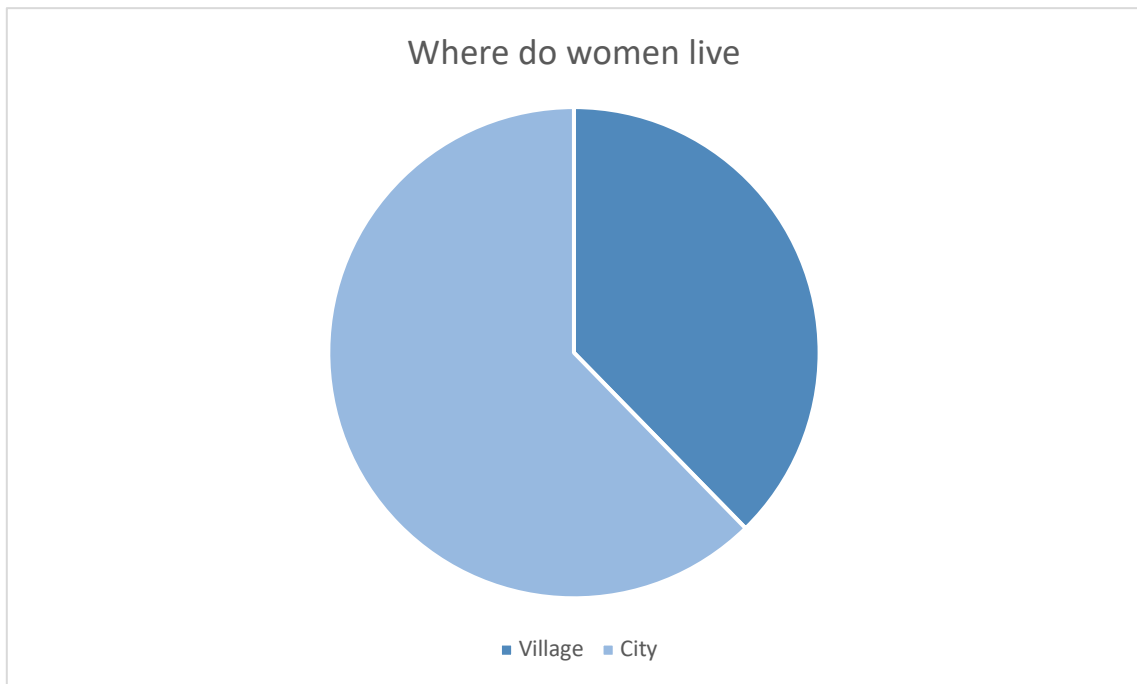
**Table 6: Age and number of respondents**

(Source: Own processing based on research)

<b>Age:</b>	<b>Number of respondents:</b>	<b>Percentage of respondents:</b>
<b>15</b>	11	8,1%
<b>16</b>	11	8,1%
<b>17</b>	9	6,6%
<b>18</b>	18	13,2%
<b>19</b>	11	8,1%
<b>20</b>	21	15,4%
<b>21</b>	25	18,4%
<b>22</b>	16	11,8%
<b>23</b>	9	6,6%
<b>24</b>	4	2,9%
<b>25</b>	1	0,7%

There was a question asking if the respondents are from a village or a city, to gain information of where women of this age live and if it affects their healthy lifestyle.

Respondents were from:



**Graph 9: Where do the women respondents live**

(Source: Own processing based on survey)

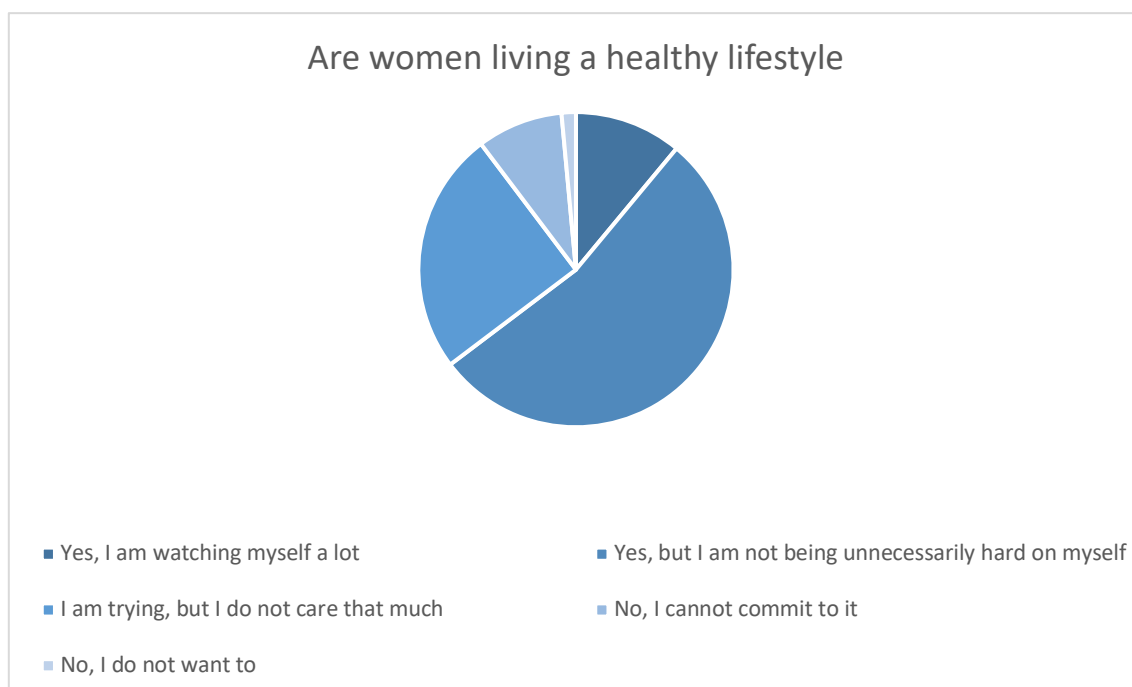
This research revealed that 86 women live in the city and 48 in a village.

The second question was whether the respondents live a healthy lifestyle with options of:

- a) Yes, I am watching myself a lot.
- b) Yes, but I am not being unnecessarily hard on myself.
- c) I am trying, but I do not care that much.
- d) No, I cannot commit to it.
- e) No, I do not want to.

Lusk wanted to find out how many women of this age live a healthy lifestyle to find out whether there is a correlation with living in the city or a village, and how many of them are active and need clothing for such activities.

The responses are shown in this graph:



**Graph 10: Living a healthy lifestyle**

(Source: Own processing based on research)

This graph revealed that 73 women are living a healthy lifestyle but are not being unnecessarily hard on themselves, followed by 34 women trying, but not caring that much about it.

There were 15 women that answered that they are living healthy and are being strict about it, and 12 women who cannot commit to it.

There were only 2 women that answered that they do not want to live a healthy lifestyle.

This research provided us with the information that many women do live a healthy lifestyle or at least try to, and only a few women do not live a healthy lifestyle and do not want to.

This gives Lusk an opportunity to give their target group the ideal product to wear while being active and staying healthy.

The answers were split into women from the city and village to find out whether there is any difference between the healthy lifestyle of women from city and village.

The table of differences that were found between women from the city and the village are shown below:

**Table 7: Difference between the city and village**

(Source: Own processing based on research)

<b>From:</b>	<b>a) Yes, I am watching myself a lot</b>	<b>b) Yes, but I am not being unnecessarily hard on myself</b>	<b>c) I am trying, but I do not care that much</b>	<b>d) No, I cannot commit to it</b>	<b>No, I do not want to</b>
<b>City</b>	11	44	23	6	2
<b>Village</b>	3	29	10	6	0

The table shows that there are not any big differences considering the healthy lifestyle of women from village or the city, which means that Lusk can target women from both village and city and get almost the same results and does not need to differentiate them.

### **Technological Factors**

Technological innovations can affect this small business with new technologies and advances that Lusk for example could not afford. It could be 3D printing, or new materials and fabrics, that Lusk would have to keep up with to meet the expectations of the customers and stay relevant. The technology changes fast as well as social media and their use. Instagram and TikTok can be affected, be viewed as less relevant in the future, or experience even bigger thriving. Those medias can also be replaced by new ones and change the whole communication strategy for Lusk with their audience.

### **Legal Factors**

In the sportswear industry, there can be many legal factors that can have an impact on such small business, for example product safety regulations, labeling requirements, or labor laws. It is important to stay updated on the changes and avoid legal risks to keep the good reputation of the brand. Any consumer protection laws, data protection regulations, or competition laws can affect the business. Import and export laws play a huge role for Lusk with importing the products from abroad, complying with import regulations, tariffs,

and duty. If Lusk would want to expand abroad in the future, they would also need to consider the export laws.

### **Environmental Factors**

Environmental factors may include using sustainable materials, eco-friendly manufacturing, or reducing the carbon footprint. Lusk currently has a supplier from China, which is not a sustainable and eco-friendly and can affect the way people view Lusk and can lose interest because of it.

Lusk can seek for a different supplier who will be closer and offer sustainable and eco-friendly materials.

### **2.4.3 Overall assessment of factors in SWOT Analysis**

The overall assessment of factors in the SWOT analysis are following:



**Image 6: SWOT analysis of Lusk**

(Source: Own processing)

The strengths of Lusk consist of:

- The high-quality products that are from great materials, are very comfortable and functional. They absorb sweat, is from a not-see-through and seamless material which provides comfort while wearing the product.
- The affordable price of the products, because many customers can afford the products and not feel like they spend too much money on non-valuable product. Lusk offers the value and affordable price.
- The personal approach and customer-focused approach which the followers and customers can profit from. Fast responses, great customer service, flexibility of the two co-owners and caring about the customers in general with answering their questions and helping them with their choice. Lusk truly cares about the satisfaction of a customers and will do anything to make their customers happy and feel good about the purchase. The approach is very personalized, and the co-owners have time to chat with the customers before and after the purchase which helps with customer loyalty. Lusk builds a very strong relationship with its customers thanks to being so personalized and customer focused.

The weaknesses of Lusk are:

- Lack of knowledge and experience. It is the first time of establishing and running the business for both co-owners therefore, they are not as experienced as others in the competitive landscape, which can be a big weakness.
- Brand awareness can be a big struggle for Lusk with people not knowing about them. It can be challenging for such small brand to compete with other and bigger brands.
- Limited financial resources in comparison with other already established and operating brands and limited product range, with not many options to choose from as from other brands, because Lusk is still a small business that offers just leggings and shorts for now. The customers might look for more variants, colors, and sizes, as well as matching tops.
- The business relies on the co-owners because thanks to them the business is operating. Lusk does not outsource anything and relies on the co-owners, and their absence or lack of motivation could mean the end for the business.

There are many opportunities for Lusk, such as:

- Differentiation and a niche market focus, where Lusk can specialize in a very specific area which can help to differentiate the business and attract the target customers.
- Helping women is another great opportunity and Lusk can benefit from it with their experiences, know-how, and passion in this field.
- Building a community is a goal of Lusk and there is a big opportunity for this brand to do so.
- Growing demand is very important because there has been a significant increase of demand for sportswear and gym communities.
- Strategic partnerships are very beneficial, either with collaborating with other brands or influencers from the field. That could help with the expansion of Lusk and gaining more customers.
- Online marketing and social media can help with brand recognition and raise awareness of the brand. Thanks to social media, Lusk can reach wider audience and generate more sales. There is a huge opportunity for Lusk to expand, whether for more options of gym wear or other related products.
- The two co-owners have great opportunity to gain knowledge from school, the professors, and ask any questions that they are not sure about to help with running the business.

The threats of Lusk are:

- Large and competitive market with many big competitors that can be a serious threat to such small business. Larger and longer operating business have better resources and experience.
- The economic downturns can cause a threat on cost and sales of the products which can cause low profit and even ending the business because it will no longer have finances to function from.
- The supply chain disruptions can cause damage because Lusk has a supplier overseas and is dependent on him. Due to many geographic events or disasters, the supply chain of Lusk can be affected as well as the price of transport and duty.



- Changing of customers preferences can be a huge threat, because the business is dependent on its customers. It is important for Lusk that the clientele is growing and not getting smaller and changing their preferences. This threat can be minimized by adjusting the products to the preferences of customers to ensure that the customers will be satisfied.

## **2.5 Marketing and Sales Strategy**

### **Market**

The market is rapidly growing with new gym wear brands being established very frequently. It is difficult to differentiate nowadays because many brands are trying to grow on the market and there is a huge competition between the brands. More people are trying to be active, work out, and be healthy, and many people recognize this and create their own sportswear brand. Being active and working out almost become a trend these days, with a lot of people sharing their journeys online and gaining a huge following through it. Many fitness influencers collaborate with a wide range of gym wear brands and some of them even create their fitness line. There are more and more sportswear brands established throughout the years and the competitive landscape has become bigger. It is not easy to create a successful gym wear brand that will be known by people and profitable. In the Czech Republic, a lot of gym wear brands are being established daily which makes a lot of people wonder whether they should even try this new brand and spend money on them.

A lot of gym wear is very expensive and not available to a broader audience. Gym wear brands often have tendencies to overprice their products making a huge profit. Many brands are not designed well for women, making them uncomfortable and not feeling confident. Brands not making the clothing from good materials or not being seamless can cause a huge problem for women wearing them and make the experience bad for them.

The marketing strategy is planned for 3 years, 2 years of studies of the two co-owners on the faculty of Business and Management on Brno University of Technology on the Entrepreneurship and Small Business Development program and the upcoming year. Due to uncertainty of co-owners with continuing with the business, the plan is only for 3 years.

There is a possibility of expanding the business and offering more products in the future and hiring employees. Lusk focuses on marketing campaigns on social media.

### **Sales Strategy**

Lusk identified opportunities in improving the customer journey with better website e-shop experience, present the products well, and engage with the customers after the purchase. Lusk needs to have good engagement on social media which will lead to sales on e-shop, as well as follower growth and brand recognition. With user-generated content, customer reviews, sales promotion, customers can be influenced into purchasing. With sales promotion, Lusk can profit from for example a Christmas sale, Black Friday sale, Valentine's Day sale, or giveaways. This will help Lusk to have more followers, high engagement, and new customers. Another factor of Lusk's sales strategy is adding more products, styles, and sizes to ensure diversity throughout the next years of business. Lusk needs to create a strong online presence, have great marketing on social media, and interesting content thanks to which the followers will stay and buy from the brand.

## **2.6 Logo**



**Image 7: Logo of Lusk**

(Source: LUSK, 2023)

The name came out of a brainstorming session. The co-owners wanted to come up with a short and easy name, that will be rememberable and recognizable. The ideal length was four letters and co-owners liked the words “lush” and “lust” and wanted to create something similar. The co-owners came up with “lusk” which can be read not only by Czechs and Slovaks but also internationally. The domain is “yourlusk.com” because Lusk

wants people to pronounce it as /lʌsk/, therefore there is the word “your” in front of the name so it evokes the English pronunciation of the word.

The logo is very simple and modern. The co-owners were searching through fonts and came across a font called “Alta” on Canva, which is a free platform for creating graphic design. This font caught the eyes of the co-owners and decided to use this font because it is simple and will look good on the internet, and the products.

The brand colors are white and black; therefore, it looks clean and modern and can be used with every color. The logo on the products is white which creates a nice contrast between the logo and the product itself.

### **2.6.1 4P Marketing Mix**

#### **Product**

Lusk’s products are sportswear leggings and shorts made from polyester, polyamide, and elastane. The function of the products is mainly for exercising and movement, but they are comfortable and from a great material, therefore, they can be worn casually as well. Lusk now offers three sizes, being S, M, and L.

The material is very comfortable and stretchy and fits the body perfectly thanks to the ideal length, and three elastic bands from the loosest to the tightest on the waist, so the waist is perfectly defined. They are well-fitting and provide long-term comfort. Lusk offers three colors of leggings, black, blue, and pink. For shorts there are three colors, black, blue, and brown. The design is very simple and minimalistic, there is a small white logo on the back of the product on the middle waistband.



**Image 8: Product of Lusk**

(Source: Own processing)

The packaging is unique for each customer. The product is wrapped in a white wrapping paper and sealed with a sticker with a note saying, “I can't wait to work out with you”. The box includes a paper with an invoice and information about the order and a paper with instructions on how to wash the products, so the logo stays on for a long time. On the inside of the box, the co-owner handwrites a note thanking the customer for ordering, and on the outside, draws little hearts all over the box. Each box is different thanks to drawing and writing it differently each time.

The look of the packaging:



**Image 9: Packaging of Lusk**

(Source: Own processing)

The product is ordered from a supplier in China, and delivered to the Czech Republic, the logo printing is done in the Czech Republic by a local printer. The paper boxes and paper wrapping are bought from a company in Brno.

### **Price**

When setting the price, Lusk had to consider many expenses. The biggest cost was the direct cost of products, other costs were the delivery fee, the duty, the logo printing, and the packaging.

There were costs of sales including the e-shop Shopify and delivery service Zásilkovna.cz that are being paid monthly based on subscription. Lusk is a small business with only few products; therefore, they use the one-pager option on the Shopify e-shop for the lowest price of 5 dollars. The Zásilkovna.cz delivery service is slightly more expensive with 15 dollars for each month. The costs of sales include the work of one of the two co-owners who must pack the product, enter the shipment to the system, and make the shipment. The work also consists of marketing the product and selling it.

The initial order was 60 pieces of shorts and leggings; therefore, everything was divided for a calculation for 1 piece of a product.

There are multiple options for paying for the products. Lusk offers payment with Visa, Mastercard, Maestro, Shop Pay, Apple Pay, and Google Pay. Lusk does not offer the option of a cash-on-delivery.

**Table 8: Price of Lusk leggings**

(Source: Own processing)

<b>Leggings</b>	<b>Calculation for 1 piece</b>
Direct cost of leggings	311 CZK
Duty	109 CZK
Logo printing	41 CZK
Packaging	18 CZK
Cost of sales	189 CZK
<b>Margin</b>	301 CZK
<b>Selling price</b>	999 CZK

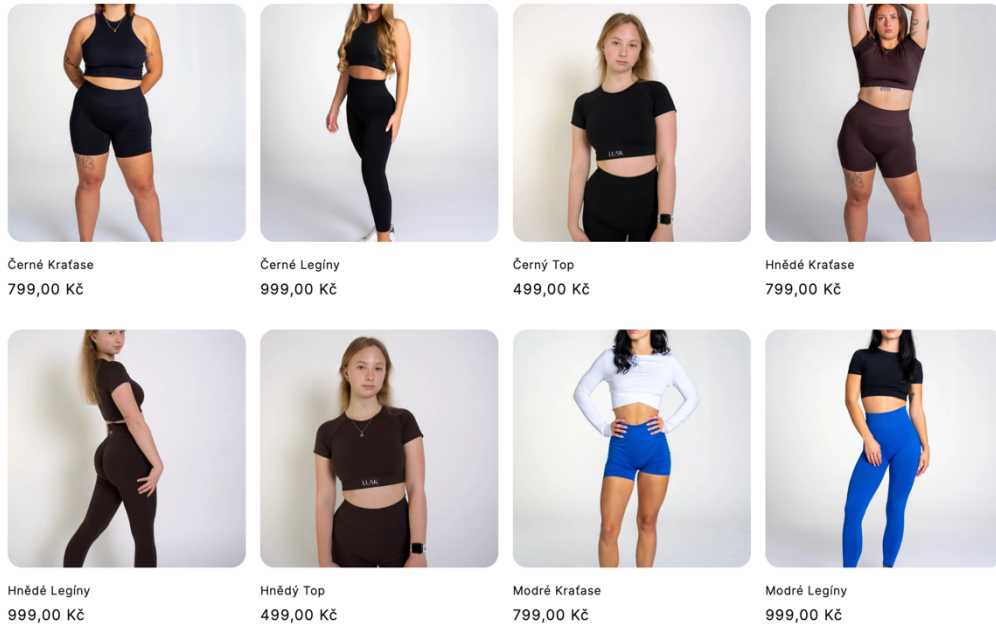
**Table 9: Price of Lusk shorts**

(Source: Own processing)

<b>Shorts</b>	<b>Calculation for 1 piece</b>
Direct cost of shorts	243 CZK
Duty	109 CZK
Logo printing	41 CZK
Packaging	18 CZK
Cost of sales	189 CZK
<b>Margin</b>	176 CZK
<b>Selling price</b>	799 CZK

## **Place**

The initial inventory consisted of 53 products for sale. Remaining 7 products were given to the models. Lusk set up a **Shopify** with a one-pager e-shop showcasing their products.



**Image 10: E-shop of Lusk**

(Source: Lusk, 2024)

The brand communicates the products on their social media, **Instagram and TikTok**, and refers the followers on the e-shop with the products. Lusk offers community and a safe space on social media, shares relatable content and tips and tricks on Instagram and TikTok, creating a community and a safe place for women where they can feel comfortable and confident and get valuable and relatable information and content.

Lusk delivers the products to the Czech Republic and Slovakia with the delivery service *Zásilkovna.cz*. There is an option for delivery to an address or a pickup point.

The headquarters of the cooperative VITEN are on the VUT business and management faculty.

### **Promotion**

Lusk uses social media marketing to promote the brand online. The social media channels are **Instagram and TikTok**, where they post content every other day. The content consists of photos of the products on the models, videos of the models wearing the products, relatable and transparent content, tips, and tricks for girls in fitness, workouts, quotes, and motivational posts.

Lusk wants to appear as an honest and transparent brand and present the brand as a community and an open and safe place for girls. Lusk also reposts user-generated content created by their customers which helps with potential customers seeing the products on someone different than just the models.

Sales promotion is also a huge part of the social media marketing. Lusk had a black Friday sale, a Christmas sale, a 1 plus 1 free product sale, and a giveaway. These sales promotions helped the brand a lot and generated multiple sales.

Offline promotion is word of mouth and referrals. The customers often recommend the products to their friends and family which helps to drive sales as well, because there is trust built between these people.

Lusk collaborates with one fitness influencer who wears their products and takes pictures and videos of them. Lusk established this barter collaboration and gave this influencer three pieces of shorts. The fitness influencer has her own discount code that she shares with her audience to drive more sales. She has helped Lusk a lot by generating a lot of content that Lusk can use for their social media and driven sales and attracted new followers on Lusk's social media. In the future, Lusk would like to collaborate with another fitness influencer to be their ambassador and help the brand to drive sales and be more recognized among the target audience and generate user-generated content to post on Lusk's social media.

## **2.7 Management Organization**

The organizational structure of Lusk is straightforward. There are two owners of the brand, and the brand is covered under a cooperative established during their studies on the ESBD program, društvo VITEN. The cooperative VITEN consists of 13 people and 7 business projects, one being Lusk. The two co-owners are accountable for running the brand and keeping track of finances. The co-owners communicate with the supplier, logo printer, and their customers. With only two people inside the brand, the two co-owners' control everything and make decisions together.



## 2.8 Personnel Strategy

The co-owners are not only founders but also employees working for the brand. They do not have strict work hours or shifts; they both work on their parts in their free time and during dedicated time for working on business projects during their studies. The co-owners divide the work and work together on everything and split the profit as well.

One of the co-owners communicates with the supplier and deals with ordering the samples and packaging. She takes care of packing up the products for delivery, generates and brainstorms ideas for social media posts.

The second co-owner generates ideas for the social media content and creates it. She cooperates with the ambassador of Lusk and creates photo and video content with her on the social media of Lusk and manages them. She edits and posts the content and does the graphics behind Lusk's social media. She also helps with packing up the packages and distributing them via Zásilkovna.cz. This co-owner deals with the logistics and tracks the packages, monitors, and takes care of the e-shop. Her work was also the creation and establishment of the e-shop via Shopify. She communicates with the photographer, models, and creates vision boards for the photoshoots.

The brand needs to consider future expansion and start seeking for employees. There are many tasks and responsibilities that need to be covered if the company expands. Such as:

- Logistics: dealing with orders, packaging, control, distribution.
- Finances/accounting: taking care of finances, book-keeping, taxes, financial reporting and planning, budgeting, risk management.
- Manager: planning, organizing, and directing activities.
- Marketing: promotion, sales.
- Photographing and photo editing: taking high-quality and professional photos and editing them.
- Models: modeling for campaigns, social media, and e-shop.
- HR: recruiting, training job applicants, setting policies at the workplace, reviewing performance and its development.

There are additional equipment and workplace requirements needed for obtaining all responsibilities mentioned above and to make sure that the employees are satisfied and content with their job.

The additional equipment and workplace requirements for such tasks and responsibilities would be:

- Storage for products, packaging, cameras, and lights.
- Clean and minimalistic unit with a photo wall for photoshoots and content making.
- Desk and a chair in such unit serving as an office, with computer and printer for logistics.
- Sofas for models and employees to sit on.
- Changing space for models to change their clothes.
- Small kitchen with a fridge for beverages and food, where models and employees can store their food and beverages, and a small coffee machine.

The company wants to expand and sell 5000 products next year which leads to recruiting employees to help the brand operate and grow. Currently the co-owners take care of everything which needs to change.

The work could be distributed as follows:

- Co-owner 1: manager, and HR
- Co-owner 2: finances, and accounting
- Employee 1: logistics
- Employee 2: marketing

The photographer and editor, as well as the models would work on agreement, because it is not an everyday work and needs to be done only once or twice in a month.

The employees could be university students who can work during the week and weekends based on their own timeline but must work 80 hours in a month.

Their salary is calculated in the financial plan.

## **2.9 Financial Plan**

The financial plan includes:

- Calculation of initial costs.
- Expected incomes in the first year.
- Calculation for costs and incomes for the future.
- Distribution of money amongst co-owners and employees.
- Break-even analysis.

Lusk is an idea created on the Entrepreneurship and Small Business Development program and operates under the Viten cooperative that was established within the ESBD study program on the faculty of Business and Management. The registered capital per person was set at 15.600CZK therefore Lusk had 31.200CZK for the operation of the business. There were no other workers needed to run the project therefore, the co-owners did everything by themselves.

In the future, the brand plans to expand and recruit employees. The Viten cooperative will be liquidated, and Lusk needs to form limited liability company to continue operating the business.

### **Acquiring financial information**

The financial information was provided by the co-owners of the brand to ensure mentioning the exact data and having the financial information correct.

### **Initial Costs**

The initial costs include many items, such as the purchase of products, the logo printing, domain purchase, photoshoot with models and a photographer, packaging, and as well the subscription of Shopify as an e-shop and Zásilkovna as a delivery service.

The estimated initial costs were higher than expected thanks to the duty that was very expensive, and the co-owners did not know it would be that high. Therefore, the brand went over the set price for the business project and needed to borrow the remaining money from the other business projects.

The high cost of the duty made the products more expensive that the brand initially wanted them to be.

For the first year the initial costs were following:

**Table 10: Initial costs of Lusk**

(Source: Own processing)

<b>Year 1:</b>	
Purchase of 8 leggings	3 620 CZK
Purchase of 45 shorts	14 033 CZK
Duty amount	9 628 CZK
Logo printing on products	4 478 CZK
Purchase of domain	362 CZK
Studio rent for 2-hour photoshoot	1 500 CZK
Photographer for 2-hour photoshoot and edit of photos	3 000 CZK
Purchase of packaging	1 053 CZK
Shopify e-shop subscription	1 416 CZK
Zásilkovna.cz delivery service subscription	4 224 CZK
<b>Subtotal:</b>	<b>43 314 CZK</b>

The total number of the initial costs for the first year of operating the business is 43 314 CZK which is higher than it was expected. The fact that Lusk had to spend more money than it was originally planned has resulted in borrowing the money from the cooperative Viten to cover the initial costs.

Lusk could afford to spend 31 200 CZK and exceeded by 12 114 CZK that needed to be returned to the cooperative once the brand manages to make profit, and before the company liquidates.

The costs can get lower with better communication with the supplier for avoiding the high amount of duty and getting the logo printed on the products in the place of purchasing which is a cheaper option and the logo would be better quality as well.

The calculations for this scenario are being compared in the table below showcasing a big difference:

**Table 11: Initial purchase compared to future purchase**

(Source: Own processing)

	<b>Initial purchase</b>	<b>Future purchase</b>
Purchase of 50 products	16 924 CZK	11 122 CZK
Logo printing	4 355 CZK	2 813 CZK
Duty	9 301 CZK	0 CZK
<b>Subtotal:</b>	<b>30 580 CZK</b>	<b>13 935 CZK</b>

The table shows that the difference between the initial purchase of products and the future purchase without duty and printing logo in the place of purchase is 16 645 CZK. Lusk needs to communicate better with their supplier and arrange logo being printed on in the place of purchase to maintain lower costs.

### **Expected Incomes for the first year**

The expected incomes for Lusk were being counted with the products that were given to the models that were modeling for Lusk and their e-shop for product photos, that the co-owners provided them with as a gift for helping with the photoshoot and to test them and generate user-generated content and give valuable feedback.

**Table 12: Expected incomes of Lusk for the first year**

(Source: Own processing)

<b>Expected incomes in the first year:</b>	
Product sales of leggings	39 151 CZK
Product sales of shorts	7 992 CZK
<b>Subtotal:</b>	<b>47 143 CZK</b>

The subtotal of the expected incomes of Lusk during the first year is 46 344 CZK, which would cover the initial costs and make the profit of 3 829 CZK during the first year and Lusk would give the money back to the cooperative.

The goal of Lusk is to sell 5000 products next year to generate profit and afford employees. The calculation for the initial cost of such purchase is:

**Table 13: Initial costs for Lusk product during the next year**

(Source: Own processing)

	<b>Initial costs:</b>
Purchase of 5000 products	1 112 200 CZK
Logo printing	281 300 CZK
<b>Subtotal:</b>	<b>1 393 500 CZK</b>

The calculation for selling the 5000 desired products:

**Table 14: Calculation of sale of 5000 products**

(Source: Own processing)

<b>Average selling price of the product:</b>	<b>Sale of 5000 products:</b>
765 CZK	3 825 000 CZK

If Lusk manages to order and sell 5000 products in the next year, the company will have 2 431 500 CZK to distribute amongst the employees and purchase new products.

The money will be distributed as follows:

- Co-owner 1: 30 000 CZK / month
- Co-owner 2: 30 000 CZK / month
- Employee 1: 20 000 CZK / month
- Employee 2: 20 000 CZK / month
- Photographer and editor: 5 000 CZK / month
- Model 1: 1 500 CZK / month
- Model 2: 1 500 CZK / month
- Model 3: 1 500 CZK / month

The co-owners must work 80 hours a month or more, to obtain the 30 000 CZK set as their wanted salary per month.

The first employee must work 80 hours a month to get paid 20 000 CZK for their work. This employee takes care of the overall logistics which is a very important job that should be done daily.

The second employee takes care of marketing of the brand and must work 80 hours monthly to get paid 20 000 CZK for their work.

The photographer and editor will be paid 500 CZK per hour for photographing and editing the photos.

The photoshoots will be organized once or twice a month for 3 hours and the photographer would edit the photos for approximately 2 hours, which results in 5 000 CZK per month if the photoshoot happens twice, otherwise it will be 2 500 per month.

There would be at least 3 models needed for photoshoots and these models can change every time as well.

They will be getting paid 250 CZK per hour, and with the photoshoots taking place for 3 hours, they will be getting paid 1 500 CZK per month if there is a photoshoot twice a month, if the photoshoot happens only once, they will get 750 CZK.

### **2.9.1 Break-even point**

The monthly fixed costs of Lusk will be following:

- Shopify subscription 115 CZK
- Zásilkovna delivery service subscription 350 CZK
- Rent of unit 20 000 CZK
- Utilities 5 000 CZK
- Salaries and wages 109 500 CZK
- Maintenance and repair costs 2 000 CZK
- Marketing and advertising 10 000 CZK

The variable costs per unit of Lusk are following:

- Packaging 18 CZK
- Credit card proceeding fees 45 CZK

The break-even point is counted as:

**Table 15: Break-even point of Lusk**

(Source: Own processing)

Fixed costs		Variable costs	
Item	Cost	Item	Cost
Shopify subscription	115 CZK	Packaging	18 CZK
Zásilkovna delivery service subscription	350 CZK	Credit card processing fees	45 CZK
Rent of unit	20 000 CZK		
Utilities	5 000 CZK		
Salaries and wages	109 500 CZK		
Maintenance and repair costs	2 000 CZK		
Marketing and advertising	10 000 CZK		
Total fixed costs	146 965 CZK	Total variable costs	63 CZK
<b>Break- even point</b>		<b>209</b>	

To be break-even, Lusk needs to sell 209 products per month.

### Summary on Financial Plan

Based on the information of expected incomes and initial costs, Lusk can operate in the next years but must put more money into it to make profit in the next year.

The brand needs to communicate better with the supplier to avoid the high cost of the duty, which caused low profit.

There is a huge potential for Lusk as a brand in the future to grow and become a successful brand with bigger profit than the first year with recruiting employees.

Lusk can expand and gain new customers, target new customer segments, and offer new products, which can help with the brand growth and profit.



The business needs to order new products without paying duty which will result in having profit.

## 2.10 Project Risk Analysis and Risk Management

### Measurement and Identification Criteria for the Company's Risks

There were identified seven main risks that can occur for Lusk and that were measured from low to high probability based on this table:

**Table 16: Risk Probability**

(Source: Own processing)

Probability (Threat/Scenario)	
Low	0,01 - 0,33
Medium	0,34 - 0,66
High	0,67 - 0,99

The risks were sorted from low to high level of impact as the risk probability based on the table below:

**Table 17: Risk Impact**

(Source: Own processing)

Impact		
L	Low	Impacts require some intervention in the project plan. Damage up to 0,5% of the total value of the project.
M	Medium	Threat to deadlines, costs, resp. resources, some sub-activities, which will require extraordinary action interventions in the project plan. Damage over 0.5% to 20% of the total value of the project.
H	High	Threat to the project goal. Threat to the project deadline. Possibility of exceeding the total budget. Damage over 20% of the total value of the project.

There were seven risks identified for Lusk as well as their impact, probability, impact, and the level of risk.

**Table 18: Risk Assessment for Lusk**

(Source: Own processing)

Risk Definition			Risk Assessment		
No	Threat (event)	Impact (effect)	Probability	Impact	Level of Risk
1	<b>High competition</b>	Low reach of customers	<b>High</b>	<b>High</b>	<b>High</b>
2	<b>Low customer interest</b>	Low sales	<b>Medium</b>	<b>High</b>	<b>Medium</b>
3	<b>Damaged goods</b>	Unable for sale	<b>Low</b>	<b>Medium</b>	<b>Low</b>
4	<b>Lack of capital</b>	Low stock	<b>Low</b>	<b>High</b>	<b>Medium</b>
5	<b>Extra costs</b>	Lower profit	<b>Medium</b>	<b>Medium</b>	<b>Medium</b>
6	<b>Internal disagreements</b>	Difficult cooperation	<b>Low</b>	<b>High</b>	<b>Low</b>
7	<b>Supplier miscommunication</b>	Delay	<b>Medium</b>	<b>Medium</b>	<b>Medium</b>

Risk of high competition and its impact of low reach amongst customers can be solved with differentiation of the brand and doing proper market research for this brand.

For low customer interest resulting with low sales, Lusk can seek customer reviews, share them on their website and social media, or potentially choose a different sportswear product or bigger their portfolio of products that Lusk offers.

Damaged goods which will be unable to sell are rated as low impact, because that does not happen often and in case it does, it is not in high numbers. If there would be such problem for Lusk, the brand must find a new supplier to minimize this risk and will need to keep bigger inventory to cover for damaged goods and cases of product complains and product replacement.

Lack of capital results in having low stock and low inventory of products that customers can choose from, which can result with customers not being satisfied that their size is not available anymore. Therefore, Lusk can try to find an investor or think ahead and count with more costs to be ready to cover them.

The risk of extra cost is rated medium because that risk can occur, and Lusk would need to try make a cutback where it is possible or invest their own money besides the initial capital from the cooperative Viten.

Internal disagreements are rated as low, because the co-owners are good friends that communicate well and can solve this issue with proper communication and weekly check-ups and meetings.

Supplier communication can cause delay which Lusk can solve with finding a different supplier that will not cause problems.

### **Limiting Factors and Obstacles**

Other limiting factors can be lack of knowledge and experience of the two co-owners, because it is their first time experiencing establishing and having to run a business. That can result with higher costs, not enough done market research and not enough differentiation of the brand. There can be low interest of customers which will result in low sales and therefore low profit. An obstacle can happen with having negative reviews, customer dissatisfaction, resulting bad reputation and sales. The competition can also cause a pressure on pricing of the products which can limit the business from having profit.

### **3 RECOMMENDATION**

The recommendation for Lusk is to differentiate as a brand to survive in the highly competitive market. For small businesses it is important to be different from the other brands and emphasize on the added value and uniqueness. Lusk should prioritize quality of their products as well as their brand values to make sure that their customers are satisfied and provided with well-fitting and comfortable products.

There needs to be a strong online presence created to ensure gaining new customers and driving sales to keep the business going. The brand needs to engage with their customers and followers, create a community, use user-generated content, and collaborate with influencers that will promote the brand. Lusk should invest in building a strong online presence on Instagram and TikTok and focus on creating a user-friendly e-shop and smooth purchasing process.

Expanding amongst wider target audience could be helpful for this small business. With Lusk now targeting girls from age 15 to 25, Lusk could target different ages and demographics.

Prioritizing customer experience is very important for Lusk, the customer service need to be exceptional and personalized, to make sure that the customers will stay and be a part of the community. The wants and needs need to be achieved for the target audience that Lusk is targeting and be well-designed with comfort and quality, so that the customers are happy and will shop again or spread the word. The feedback from customers is very important for Lusk and can help with improving the customer experience. Lusk can share the feedback and reviews on their social media for others to see and consider buying.

The pricing needs to be put strategically because of bigger brands being so overpriced, Lusk could use this opportunity to be the affordable yet amazing choice. Unfortunately, Lusk might need to place the price slightly higher to adjust for the high costs to operate in the future.

The organizational strategy should also be considered. With only two co-owners there should be given a better structure and given roles and responsibilities to make sure that the business will operate smoothly. As the co-owners also serve as employees, they

should invest in professional development which will improve their skills and will help the business.

Expanding the product offering can be very beneficial for Lusk, such as adding tops that will match the shorts and leggings which can help to satisfy the customer and driving more sales.

### **Porter's Five Forces**

Lusk should maintain and deepen the relationship with its supplier to make sure that the price remains the same and can rely on each other. To minimize the bargaining power of buyers, Lusk should focus on value, quality, customer service and transparent communication to differentiate and reduce the threat of searching for alternatives. To minimize the threat of substitute, Lusk should promote their unique features and benefit that they provide, such as the fit, comfort, and quality materials. To minimize the impact of new entries to the market, Lusk needs to build a strong online presence with effective marketing strategies and brand recognition to get loyalty from their community and create a barrier for new entries with taking advantage of their social media.

### **PESTEL**

For the PESTEL analysis, Lusk should monitor any changes in trade policies and regulations to avoid any legal problems and follow the inflation rates and economic growth to adapt their pricing. The market is very wide and dynamic and can change a lot in the meantime and new trends can be created easily. Lusk should follow these trends to stay relevant and to adapt to current situations and offer products that are relevant.

### **Marketing and Sales Strategy**

When it comes to the marketing strategy, Lusk should monitor and evaluate the efficiency of their social media campaigns to make sure that they target the right audience and adjust them in case they do not. Engaging with customers through social media is important for Lusk and the brand should motivate their customers to create user-generated content for Lusk to post on their social media and involve feedback as well. Lusk should also make sure that their e-shop is user-friendly, and everything operates smoothly to not make people leave their products in the shopping cart.

Sales strategy should also be adjusted in time to make sure that the customers stay and follow their social media and shop their products multiple times. With sales promotion, many new customers and followers can be gained as well as driving sales.

### **Financial Plan**

A recommendation for the initial costs would be to review each item and identify areas where the expenses can be reduced and optimize them. Lusk could try to find a new supplier or different shipping methods to avoid such high duties. The financial forecasting and the process of budgeting should also be optimized to predict the expenses and revenues accurately. Different scenarios can be created to potentially identify another risks and opportunities for the business. Lusk should also consider the options for other revenue streams other than sale of products, to make sure that the business will not suffer from unexpected costs and will be profitable. The current supplier can be contacted by Lusk to negotiate better terms for them, such as shipping, pricing, while maintaining good relationship with them.

For the next year goal of ordering and selling 5 000 products, Lusk would need to find an investor or the co-owners would need to consider a loan for paying for the initial purchase of those products, and paying the hired employees.

### **Risk Assessment**

For risk assessment, factors like market differentiation, customer engagement, and financial planning as mentioned before also need to be considered when it comes to the risk assessment. When it comes to conflict and disagreements that the two co-owners might face, they should be addressed often to avoid them getting bigger and affecting the business in a negative way. There should be regular meetings of the two co-owners to discuss the matters of the business and prevent any misunderstandings.

## 4 CONCLUSION

In conclusion, the sportswear market is highly competitive and there can be issues with creating a strong online presence. Lusk should leverage from their social media, Instagram and TikTok, to have better brand recognition and engage with their target audience. The created customer persona is aligned with the values that Lusk has which can help Lusk navigate to the right target group and complete their wants and needs. Lusk has an opportunity to create a loyal customer base and create a community upon that, which is very beneficial for a small business and can help to differentiate amongst the wide competition. With being inclusive, transparent, honest, and friendly, it sets Lusk apart from the competition and makes a statement amongst the target audience.

Combining both quantitative and qualitative research, Lusk gained a lot of insight and can now better understand the wants and needs of their customers and market dynamics, which can help with decision making processes from now on. The research showed a high rate of dissatisfaction with the current offering of sportswear which creates a huge opportunity for Lusk to fill in this gap on the market with well-fitting and value-driven sportswear. Based on the research, Lusk should be able to meet the wants and needs of their target group and differentiate on the market. The target audience prioritizes factors such as fit, comfort, design, and quality which is important to point out in future marketing campaigns and on their social media.

Lusk is operating in the lean organizational structure with only two co-owners being employees at the same time, therefore, it creates agility, and the decision-making processes are quicker and easier. To make sure that the business operates smoothly in the future, Lusk should consider splitting roles and responsibilities to coordinate the business more efficiently.

Lusk relies on its supplier for materials and logo printing which creates a supplier power, on the other hand, their relationship is great and there are many suppliers available that would be an alternative for Lusk which minimizes the supplier power.

The buyer power can be strong based on wide offering of options on the market, but Lusk can minimize this with sticking to their values, communication, customer service, and high-quality products.

The competitive rivalry can be solved with differentiation and focusing on unique value and targeting the right customer segments in efficient ways.

The threat of substitution can be minimized with creating customer loyalty and building a strong community.

With the threat of new entry, a barrier can be created with effective marketing and customer engagement to minimize the threat of new entries.

Strengths of Lusk are their high-quality and well-designed products and their affordable pricing. The customer-oriented approach and being transparent and honest creates a huge advantage when it comes to other brands. The flexibility and personalization help Lusk to differentiate on the market and create loyal and strong relationship with their customers.

Weaknesses that Lusk have are lack of knowledge and experience of the two co-owners and their limited resources. Everything is dependent on the two co-owners only which requires their motivation and action. The limited brand recognition and awareness are another weakness that Lusk might face and need to solve.

There are many opportunities for this small business in the market, especially differentiation on the market and niche market focus. Building strategic partnerships and having collaborations can help Lusk to expand and even expand the product range. Community building is a great opportunity for a brand like Lusk and that can be achieved with social media and effective online marketing.

The threats that Lusk can be affected by are the size of the competition landscape and the number of their competitors. The competition is very high and intense, and Lusk can be threatened also by any economic downturns which will affect their profitability as well as any supply chain disruptions. The customer preferences can change with time which can cause minimal interest in their products which Lusk need to consider and adjust with time.

The overview of Lusk's financial plan mentioned the initial costs, expected incomes, and break-even analysis for the first year of operating the business, and calculations for the next years' goal to purchase and sell 5000 products. With having high and unexpected duty costs, Lusk managed to cover the initial costs and make a small profit. Lusk has a



potential of growth in the future and by optimizing the costs and better financial forecasting, Lusk can be profitable and maintain long-term growth with better communication with the supplier to ensure that Lusk will not be paying the duty, and the logo will be printed on in the place of the purchase.

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## **LIST OF IMAGES**

Image 1: Instagram of Lusk.....	36
Image 2: TikTok of Lusk.....	37
Image 3: Business Persona 1 .....	40
Image 4: Business Persona 2 .....	41
Image 5: Business Persona 3 .....	41
Image 6: SWOT analysis of Lusk.....	59
Image 7: Logo of Lusk .....	63
Image 8: Product of Lusk .....	65
Image 9: Packaging of Lusk .....	66
Image 10: E-shop of Lusk.....	68

## LIST OF TABLES

Table 1: Purchase point of leggings of the respondents .....	46
Table 2: Price of leggings .....	47
Table 3: Price of Lusk leggings .....	48
Table 4: Purchase of Lusk leggings .....	48
Table 5: Number and age of respondents .....	51
Table 6: Age and number of respondents .....	55
Table 7: Difference between the city and village .....	58
Table 8: Price of Lusk leggings .....	67
Table 9: Price of Lusk shorts .....	67
Table 10: Initial costs of Lusk .....	73
Table 11: Initial purchase compared to future purchase.....	74
Table 12: Expected incomes of Lusk for the first year.....	74
Table 13: Initial costs for Lusk product during the next year.....	75
Table 14: Calculation of sale of 5000 products .....	75
Table 15: Break-even point of Lusk .....	77
Table 16: Risk Probability .....	78
Table 17: Risk Impact.....	78
Table 18: Risk Assessment for Lusk .....	79



## LIST OF GRAPHS

Graph 1: Age of target audience .....	38
Graph 2: Decision-making factors of Lusk’s target audience .....	39
Graph 3: Problem of finding leggings .....	43
Graph 4: Importance of seamless leggings .....	44
Graph 5: Price range of leggings .....	45
Graph 6: What do women spend the most money on .....	52
Graph 7: What do women least mind spending money on .....	53
Graph 8: How much women spend monthly on clothes .....	54
Graph 9: Where do the women respondents live .....	56
Graph 10: Living a healthy lifestyle .....	57

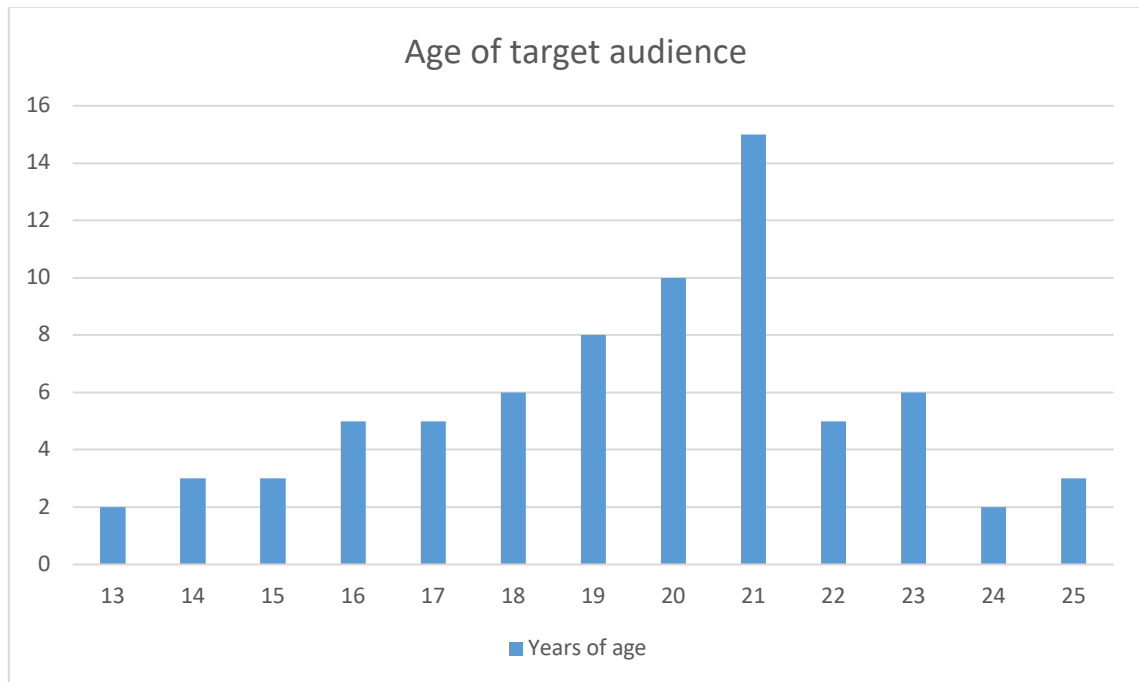
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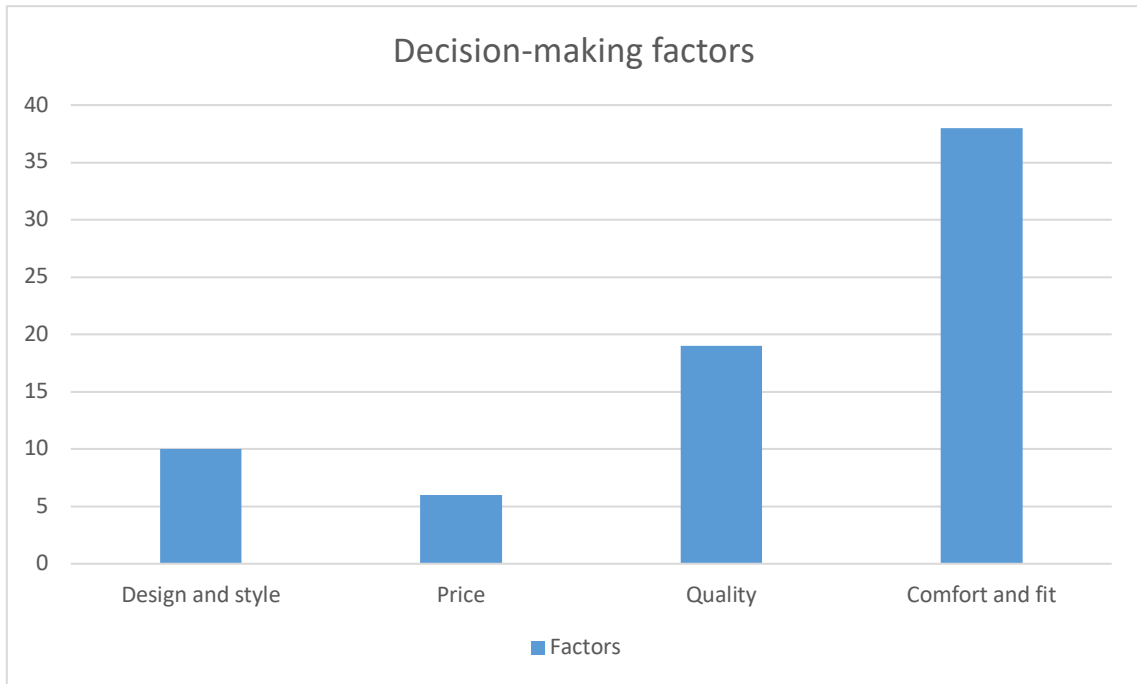
Equation 1: Break-even point .....	29
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## LIST OF ATTACHMENTS

When finding out the target group of Lusk there was research on Instagram in December 2022, that is included in the analytical part of this thesis, asking the following questions:

- a) Are you a woman?
- b) How old are you?
- c) What are the deciding factors for you to purchase leggings?

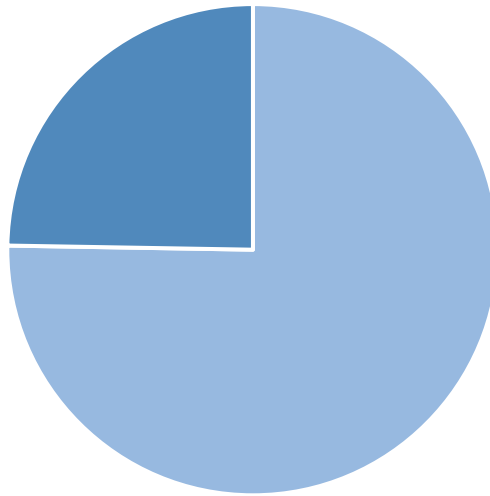




Research on Instagram in December 2022 was asking questions about the need of Lusk on the market, which was conducted in the analytical part of this thesis, asking the following questions:

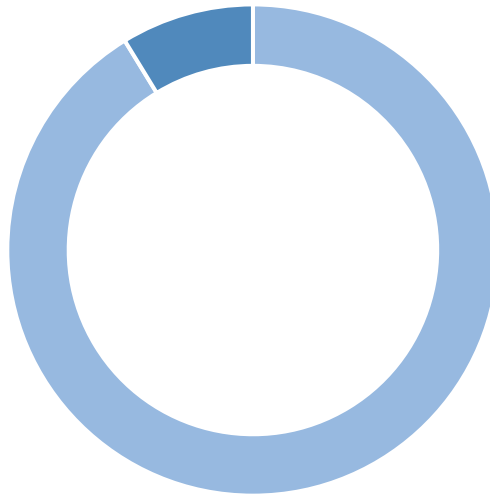
- a) **Are you currently having a problem finding well-fitting leggings at a good price?**
- b) **Is it important for you that the leggings are seamless?**
- c) **How much would you be willing to pay for such leggings?**

### Having a problem with finding leggings

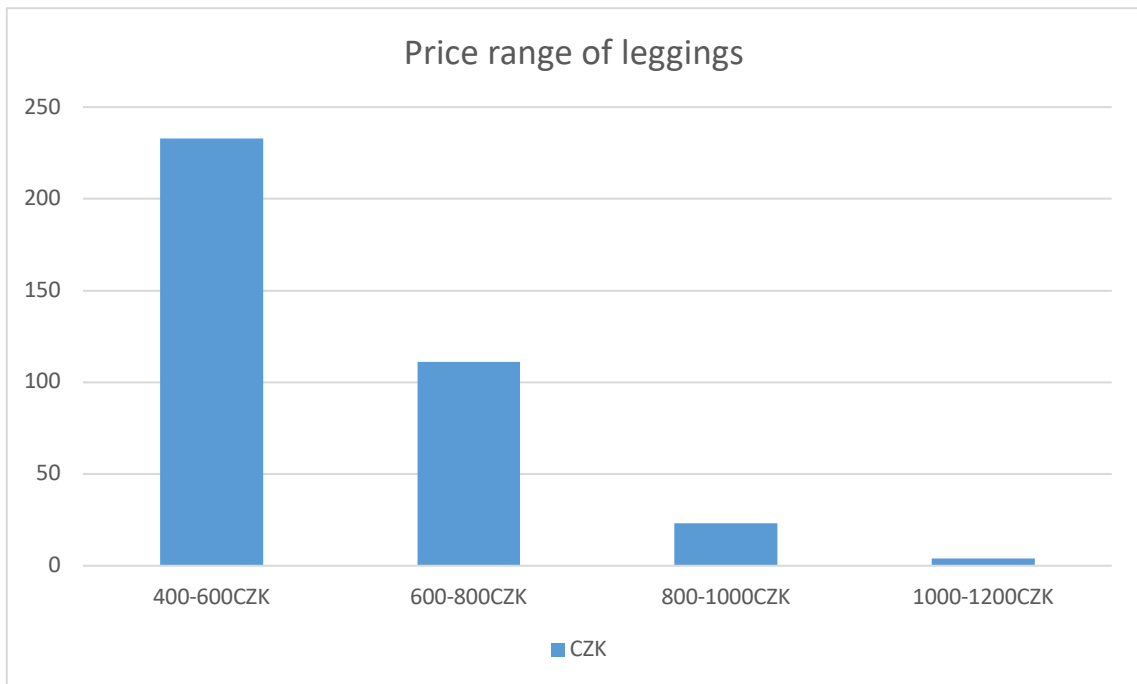


■ Yes ■ No

### Is it important that the leggings are seamless

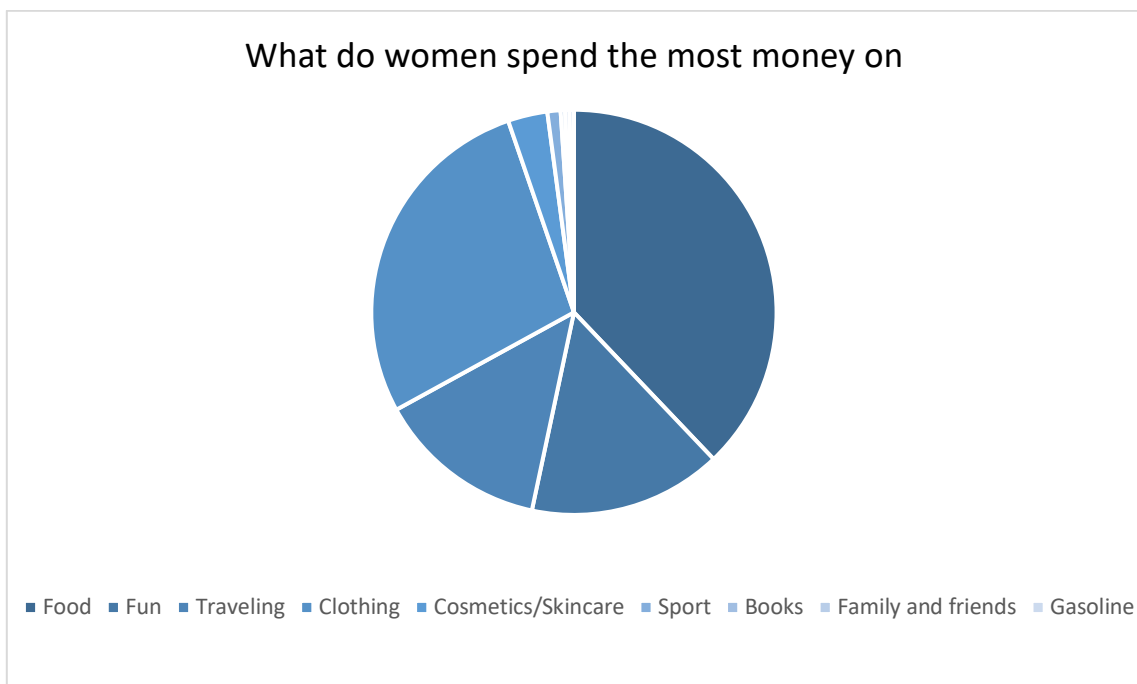


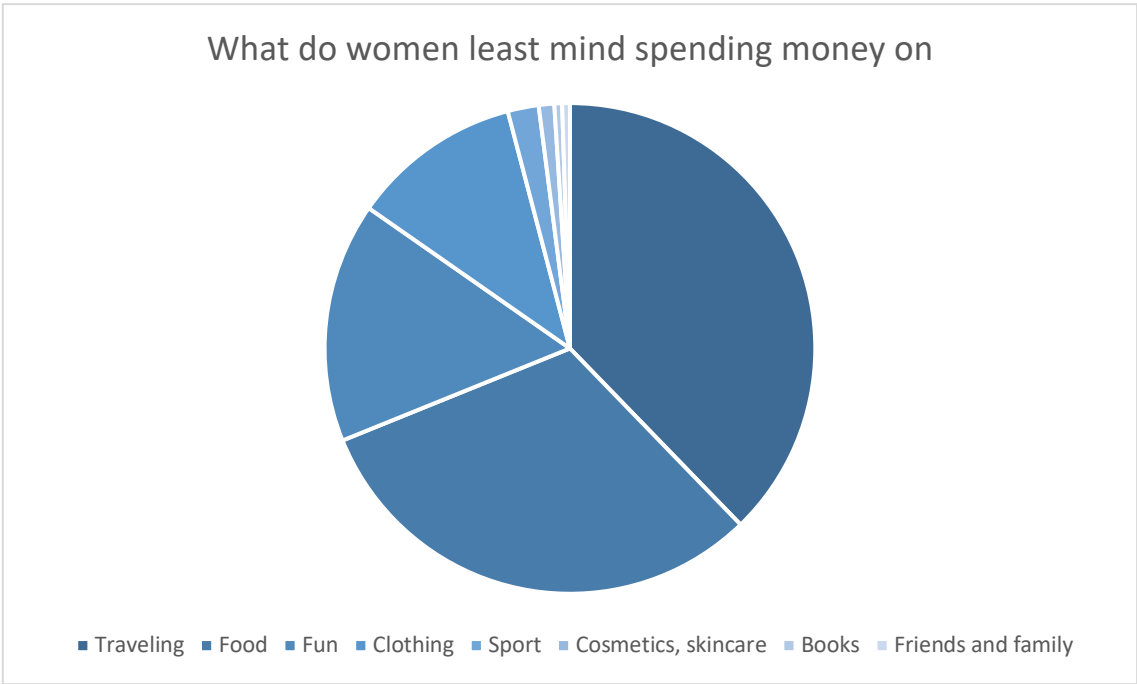
■ Yes ■ No



Research on Instagram and distributed amongst friends and family, was conducted in April 2024, with goal to find out answers for these questions:

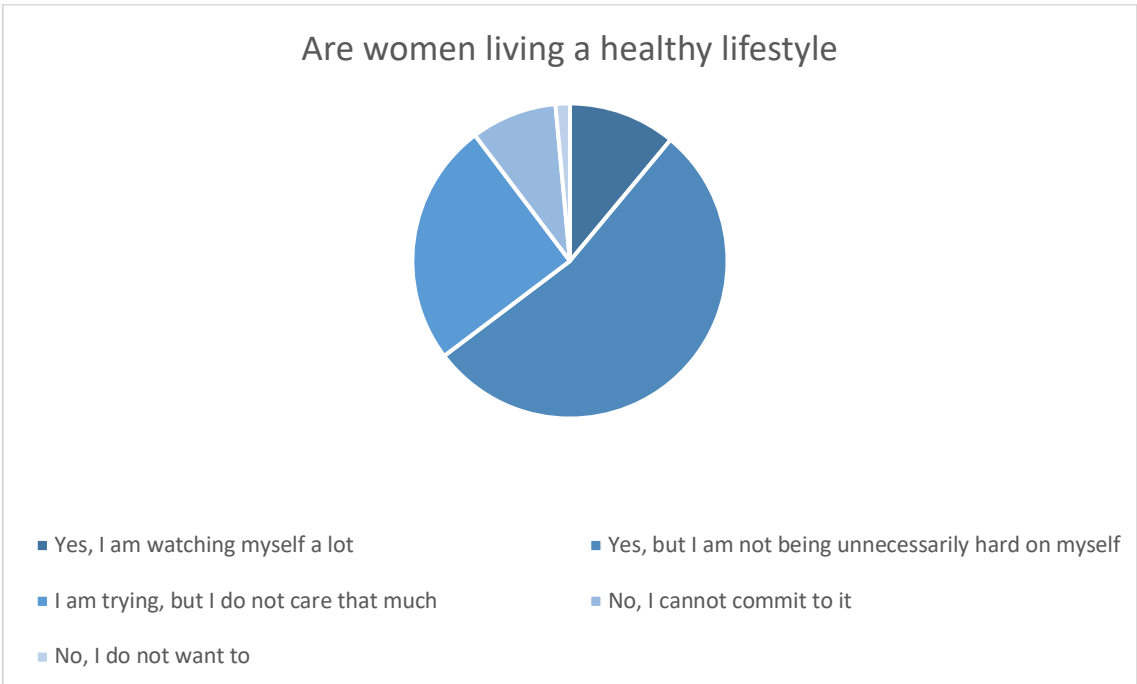
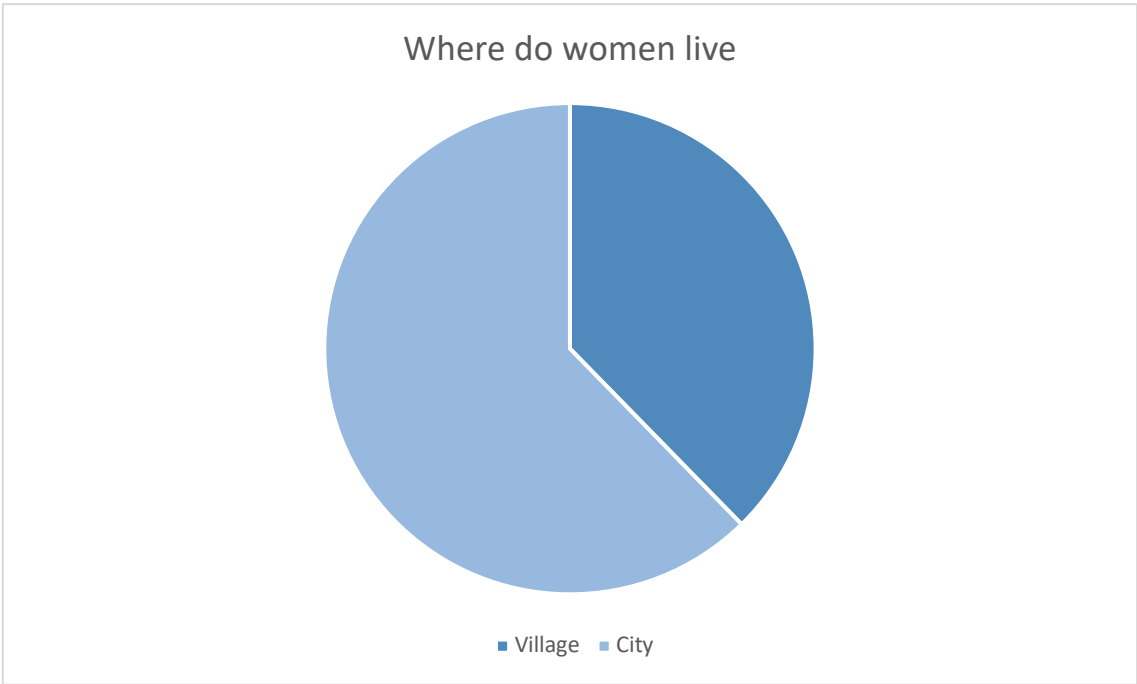
- a) **What do you spend the most money on?**
- b) **Which of these things do you least mind spending money on?**
- c) **How much are you able to spend on clothes in a month?**





There was research conducted in April 2024 on Instagram and distributed amongst friends and family, to find out how many women from Lusk’s target group live a healthy lifestyle, and if it varies whether they are from a village or a city. The questions asked were:

- a) **Where do you live?**
- b) **Are you living a healthy lifestyle?**



Transcript of the interview that was done in October 2022, concluded in the analytical part of this thesis, asking these four questions to 5 women from Lusk’s target group via messages:

- a) **Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?**



- b) For how much do you currently buy leggings? Do you think it's a lot, a little, just right?**
- c) How much would you be willing to pay for our leggings?**
- d) Would you buy leggings from us?**

Interviewer: Lusk

**Respondent 1, Leona:**

Lusk: Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?

Leona: Nike - more for sport but also for the public, nice and they fit, but they don't make a nice bottom. Shein - cheap, good quality, nice figure, Calzedonia - the same as Nike.

Lusk: For how much do you currently buy leggings? Do you think it's a lot, a little, just right?

Leona: Nike – 1 000 CZK, Shein – 200-400 CZK, Calzedonia – 600-800 CZK.

Lusk: How much would you be willing to pay for our leggings?

Leona: 400-600 CZK.

Lusk: Would you buy leggings from us?

Leona: Yes.

**Respondents 2, Anna:**

Lusk: Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?

Anna: Nike, Calvin Klein, nice material, comfortable, nice fit.

Lusk: For how much do you currently buy leggings? Do you think it's a lot, a little, just right?

Anna: About 1 000 CZK, I would like to find a friendlier price, about 600 CZK.

Lusk: How much would you be willing to pay for our leggings?

Anna: About 600 CZK.

Lusk: Would you buy leggings from us?

Anna: Yes.

**Respondent 3, Adela:**

Lusk: Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?

Adela: Myprotein - the best, Lidl – comfortable.

Lusk: For how much do you currently buy leggings? Do you think it's a lot, a little, just right?

Adela: 600 CZK but I'm not willing to pay more money for it.

Lusk: How much would you be willing to pay for our leggings?

Adela: Maximum 600 CZK.

Lusk: Would you buy leggings from us?

Adela: If I like them, yes.

**Respondent 4, Zuzana:**

Lusk: Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?

Zuzana: Lelosi - the only thing I don't like about them is that they are not made for workouts, different material than classic sport leggings.

Lusk: For how much do you currently buy leggings? Do you think it's a lot, a little, just right?

Zuzana: Up to 1 000 CZK, approximately 750 CZK.

Lusk: How much would you be willing to pay for our leggings?

Zuzana: I would love to find great leggings that would be cheaper, but I don't think it's possible, so I'd like to find something within 1 000 CZK.

Lusk: Would you buy leggings from us?

Zuzana: If they were nice and comfortable, sure.

**Respondent 5, Hana:**

Lusk: Where do you buy your leggings now and do they suit you? Do they give you a nice figure, do they fit you, are they comfortable?

Hana: Litex - great, I have a discount on them, Nike – expensive.

Lusk: For how much do you currently buy leggings? Do you think it's a lot, a little, just right?

Hana: 400-600 CZK is ideal for me.

Lusk: How much would you be willing to pay for our leggings?

Hana: 600 CZK would be ideal.

Lusk: Would you buy leggings from us?

Hana: I would definitely try them.