

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Business Administration



Bachelor Thesis

Creating the optimal business plan for a Prague Kindergarten

Kerem Berk Erdin

© 2024 CZU Prague

BACHELOR THESIS ASSIGNMENT

Kerem Berk Erdin

Business Administration

Thesis title

Creating the optimal business plan for a Prague Kindergarten

Objectives of thesis

The objective of this bachelor thesis is to assess the feasibility and viability of opening a kindergarten in Prague. Including theoretical and practical sections, the study examines the entrepreneurial principles, business planning, investors' perspectives, legal requirements, and operational considerations relevant to establishing a kindergarten.

Methodology

The thesis will use theoretical and empirical methods to analyse and develop key elements for establishing a kindergarten in Prague, including qualitative interviews with industry experts, insights into labour management and organisational structure. Quantitative data, market research, and industry benchmarks will guide the creation of a marketing plan and financial projections. A comprehensive risk analysis, integrating theoretical frameworks and practical insights will be used to assess the feasibility and potential success of the kindergarten venture.

The proposed extent of the thesis

30-40 pages

Keywords

Business plan, entrepreneurship, market analysis, kindergarten, financial plan

Recommended information sources

- CORDEIRO, Tiago. Start Ups: Creating Your Business Plan And How To Finance It (Master's Thesis). Supervisor: Ph.d Joao Rosario, Invited Assistant Professor ISCTE- IUL, Lisbon 2016. Retrieved from Dissertations and Theses Database:
<https://repositorio.iscte-iul.pt/bitstream/10071/13339/1/Tese%20Mestrado%20-%20Start%20up%20Business%20Plan%20-%20Tiago%20Cordeiro.pdf>
- Djankov, Simeon & Qian, Yingyi & Roland, Gérard & Zhuravskaya, Ekaterina. (2007). What Makes a Successful Entrepreneur? Evidence from Brazil.
- EKANEM, Ignatius, 2017. Writing a Business Plan: A Practical Guide. London: Routledge: ISBN 9780367788179
https://www.researchgate.net/profile/Simon-Stephens-2/publication/3_The_application_of_business_models_by_entrepreneurial_start-ups (online) August 2021. <https://www.researchgate.net/profile/Simon-Stephens-2/publication/351229545> . Accessed May 2022
- Laverty M. Littel C. OpenStax College & OpenStax (Nonprofit organization). (n.d.). Entrepreneurship. Retrieved November 14 2023 from <https://openstax.org/details/books/entrepreneurship>
- MDPI. Drivers for sustainable business models in start-ups: multiple case studies (online). 8 October 2019. <https://www.mdpi.com/2071-1050/11/24/6884>. Accessed May 2021
- Science Direct (online). Elsevier, U. K: 2020, vol. 179. Available from:<https://www.sciencedirect.com/science/article/abs/pii/B9780444643377000252?via=ihub>. Accessed May 2022
- Stimpson, P. & Farquharson, A. (2014). Cambridge International AS and A Level Business Coursebook (Third Edition ed.). Cambridge University Press. Retrieved from <https://books.google.cz/books?id=W2XTCQAAQBAJ>, ISBN: 9781107677364
- Titely, B. & Dolan, C. (2020). Complete Business Studies for Cambridge IGCSE® and O Level. New York: Oxford University Press-Children, ISBN: 9780198425267
- WATSON, K., HOGARTH-SCOTT, S., WILSON, N., Small Business Start-Ups: success factors and support implications. International Journal of Entrepreneurial Behaviour and Research. Vol 4 Issue 3. ISSN: 1355-2554. Accessed May 2022

Expected date of thesis defence

2023/24 SS – PEF

The Bachelor Thesis Supervisor

John McKeown

Supervising department

Department of Languages

Electronic approval: 28. 11. 2023

PhDr. Mgr. Lenka Kučírková, Ph.D.

Head of department

Electronic approval: 9. 2. 2024

doc. Ing. Tomáš Šubrt, Ph.D.

Dean

Prague on 19. 02. 2024

1906

Declaration of Authorship

I declare that I have worked on my bachelor thesis titled " Creating the optimal business plan for a Prague Kindergarten " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on March 15th, 2024

Acknowledgment

I would like to express my genuine gratitude to John McKeown for his invaluable advice and support throughout the completion of this thesis. I am also grateful to my family for their constant support and belief in my abilities. I appreciate my professors for their guidance and encouragement throughout this study. I would also like to extend my special thanks to Ahmet Gürsoy, who graciously assisted me with the interview process as an interviewee. Lastly, I extend my appreciation to my friends and all individuals who provided support and encouragement during the writing process of my bachelor thesis.

CREATING THE OPTIMAL BUSINESS PLAN FOR A PRAGUE KINDERGARTEN

Abstract

With the increased number of working women in today's society, the demand for kindergarten became invaluable. Kindergartens are not only centers of education but also business organizations. They require a well-organized organizational structure, business plan, coordination, and measurement tools to achieve success. This thesis examines the feasibility and viability of establishing an international kindergarten in Prague based on entrepreneurial, strategic, and operational facets. Utilizing theoretical frameworks, empirical research, and practical analysis, it searches for factors like initial costs, market demand, competitor analysis, and operational aspects. It is expected to uncover the challenges and opportunities of establishing international kindergartens in Prague, offering valuable insights and recommendations for aspiring entrepreneurs. Furthermore, insights collected from an interview with an international school director enrich the understanding of customer analysis, a critical component of the kindergarten business plan. The results of this study revealed that an international kindergarten is a feasible and profitable venture that requires a capital of approximately 2 million euros. The key factors for the success of an international kindergarten were found as location, staff quality, pricing, and class size. Those are the most significant subjects for parents. The study is expected to guide entrepreneurs and educators to provide better education and a profitable business model.

Keywords: Business Plan, International Kindergarten, Entrepreneurship, Market Analysis, Kindergarten, Financial Plan, Prague Kindergarten

VYTVOŘENÍ OPTIMÁLNÍHO PODNIKATELSKÉHO PLÁNU PRO MŠ PRAHA

Abstrakt

Se zvýšeným počtem pracujících žen v dnešní společnosti se poptávka po mateřské škole stala neocenitelnou. Mateřské školy nejsou jen centry vzdělávání, ale také obchodními organizacemi. K dosažení úspěchu vyžadují dobře organizovanou organizační strukturu, obchodní plán, koordinaci a nástroje měření. Tato práce zkoumá proveditelnost a životaschopnost zřízení mezinárodní mateřské školy v Praze na základě podnikatelských, strategických a provozních aspektů. S využitím teoretických rámců, empirického výzkumu a praktické analýzy vyhledává faktory, jako jsou počáteční náklady, tržní poptávka, analýza konkurence a provozní aspekty. Očekává se, že odhalí výzvy a příležitosti zakládání mezinárodních mateřských škol v Praze a nabídne cenné poznatky a doporučení pro začínající podnikatele. Kromě toho poznatky získané z rozhovoru s ředitelem mezinárodní školy obohacují porozumění zákaznické analýze, která je kritickou součástí podnikatelského plánu mateřské školy. Výsledky této studie odhalily, že mezinárodní školka je proveditelný a ziskový podnik, který vyžaduje kapitál ve výši přibližně 2 milionů eur. Klíčovými faktory úspěchu mezinárodní školky byly umístění, kvalita personálu, cena a velikost třídy. To jsou pro rodiče nejdůležitější témata. Očekává se, že studie povede podnikatele a pedagogy k poskytování lepšího vzdělání a ziskového obchodního modelu.

Klíčová Slova: Podnikatelský Plán, Mezinárodní Školka, Podnikání, Analýza Trhu, Školka, Finanční Plán, Mateřská Škola Praha

Table of Contents

Declaration of Authorship.....	4
Acknowledgment.....	5
Abstract.....	7
Table of Contents	9
1. INTRODUCTION.....	11
2. OBJECTIVES AND METHODOLOGY.....	12
2.1 Objectives.....	12
2.2 Methodology	12
3. LITERATURE REVIEW.....	13
3.1 Business Plan	13
3.2 Financiers' Perspective	14
3.3 Company Establishment.....	15
3.3.1 Forms of Company	15
3.3.2 Licence.....	18
3.3.3 Business Operations.....	18
3.4 Scope of Business Plan	19
3.4.1 Strategic Analysis	19
SWOT Analysis	19
PESTEL Analysis	20
Competitor Analysis	20
Customer Analysis.....	21
3.4.2 Marketing Mix	22
3.4.3 Financials	23
Initial Cost Calculations.....	23
Fixed and Variable Costs.....	23
Profit Calculations	23
Break-Even Point.....	23
3.5 Risk	24
4. PRACTICAL PART	25
4.1 Business Introduction.....	25
4.1.1 Description of Product and Service	25
4.1.2 Vision and Mission	27
4.1.3 Location Selection	27
4.2 Company Establishment.....	28
4.2.1 Form Selection.....	28

4.2.2	Labor	29
4.2.3	Management.....	30
4.2.4	Organisational Structure	30
4.3	Strategic Analysis.....	32
4.3.1	SWOT Analysis	32
4.3.2	PESTEL Analysis	34
4.3.3	Competitor Analysis	37
	Riverside School Prague	37
	Prague British International School	38
	Parklane International School	40
	Meridian International School	41
4.3.4	Customer Analysis	42
	Interview with Meridian International School Director.....	43
4.4	Marketing Plan	44
4.4.1	Product	44
4.4.2	Price – Tuition Fees	44
4.4.3	Place.....	45
4.4.4	Promotion.....	46
4.5	Financial Plan	48
4.5.1	Initial Costs	49
4.5.2	Budget Plan	49
4.5.3	Profitability Evaluation	50
	Optimistic Scenario.....	50
	Realistic Scenario.....	51
	Pessimistic Scenario.....	52
4.6	Risk Analysis.....	53
5.	RESULTS AND DISCUSSION.....	54
5.1	Results	54
5.2	Implications and Recommendations	55
6.	CONCLUSION.....	56
7.	REFERENCES.....	57
8.	LIST OF PICTURES, TABLES, FIGURES, AND ABBREVIATIONS	59
8.1	List of Pictures.....	59
8.2	List of Tables.....	59
8.3	List of Figures	59
8.4	List of Abbreviations.....	59
9.	APPENDIX - Interview with Meridian International School Director.....	60

1. INTRODUCTION

In recent years, the landscape of early childhood education has witnessed significant evolution, driven by societal changes, globalization, and the growing emphasis on holistic child development. Against this backdrop, the establishment of kindergartens plays a pivotal role in shaping the educational landscape and meeting the diverse needs of families.

This thesis explores the feasibility of an international kindergarten that will be established in Prague, Czech Republic, focusing on entrepreneurial principles, market dynamics, strategic analysis, and viability. It addresses whether starting such a venture is profitable, examining initial costs, market demand, competitors, and operations to offer insights for aspiring entrepreneurs. Through theoretical frameworks, empirical research, and practical analysis, this study aims to present a comprehensive perspective on early childhood education entrepreneurship in Prague.

As progress through the subsequent chapters, this thesis examines the important points to consider when establishing a kindergarten in the dynamic environment of Prague. Through meticulous analysis, including detailed competitor analysis and an interview with the director of an international school, it explores the challenges and opportunities inherent in this venture. Additionally, together with the numerical calculations made, it shows the big picture in terms of the feasibility and viability of a kindergarten to be established in Prague.

2. OBJECTIVES AND METHODOLOGY

2.1 Objectives

This bachelor thesis aims to examine the feasibility and viability of establishing an international kindergarten in Prague. By conducting a comprehensive analysis, this research provides valuable insights into the practicality of this business. The study explores business planning, investors' perspectives, legal requirements, and operational considerations relevant to establishing an international kindergarten through theoretical and practical sections. It provides detailed insights into the business, highlighting its strengths, weaknesses, opportunities, and threats for investors and backers. Besides the main objective of this study, those business-based objectives are expected to enhance entrepreneurial capabilities.

2.2 Methodology

In this thesis, theoretical and empirical methods were used to analyze key elements for establishing an international kindergarten in Prague. In this study, a literature review was conducted, and secondary data analyses were used to provide a comprehensive overview of the current situation in kindergarten education and business. Quantitative data, market research, and industry benchmarks are expected in the creation of a marketing plan and financial projections.

A set of strategic analyses including SWOT Analysis, PESTEL Analysis, and Competitor Analysis was used to examine the current situation, advantages, disadvantages, threats, and opportunities of establishing an international kindergarten in Prague. The SWOT Analysis, one of the best decision-making tools, was used to determine the strengths, weaknesses, opportunities, and threats of the investment. PESTEL Analysis, which stands for Political, Economic, Social, Technological, Environmental, and Legal aspects of the initiative was discussed in the practical section of the study. Four international kindergartens underwent Competitor Analysis to establish a benchmark. In addition, a qualitative interview was conducted to gain insight and thoughts from industry experts. A semi-structured interview was used to gain detailed information based on customer analysis from the interviewee. A comprehensive risk analysis, integrating theoretical frameworks and practical insights, was used to assess the feasibility and potential success of the kindergarten venture.

3. LITERATURE REVIEW

The literature review synthesizes crucial aspects of entrepreneurship, business planning, source of funding, and some details of establishing an international kindergarten in Prague. It explores entrepreneurial principles, examines the importance of business planning, and addresses legal requirements specific to educational institutions. The synthesis navigates through market analysis, financial planning, and risk assessment within the context of kindergarten education, culminating in a concise overview of the foundational literature guiding the creation of an optimal business plan for a Prague-based international kindergarten.

3.1 Business Plan

The business plan can be considered as a GPS. It will show the path of how to structure, run, and grow entrepreneurial activity. A well-prepared business plan guides the entrepreneur through each stage of starting and managing the business. It's a way to go through and detail all the core elements of how the business will run. There is no definite right or wrong way to write a business plan. Only time will prove if the business plan was prepared correctly or not. The format of the plan can be prepared according to the functions and forecasts of the planned business.

Creating a successful business plan is the most plausible way to approach launching a successful venture. Despite this, precisely, the attempt can be unsuccessful, but if a business plan is not prepared, this failure rate will increase even more. At this point, Benjamin Franklin's words are guiding us: 'By failing to prepare, you are preparing to fail'. The business plan can potentially reduce the risks of failure that might be faced. It is a detailed reflection of our long and short-term goals. The business plan makes it easier for us to overcome uncertain hurdles that may come our way during our venture or in the future. The systematically created business plan allows us to make mistakes on paper rather than in the marketplace.

Creating a detailed and comprehensive business plan takes time and effort. However, this enables us to assess our prospective business more accurately. The business plan gives us confidence in our capabilities and furthering our enterprise and will show us how much money is needed, what is needed, and for how long it is required. An optimal business plan for the start-up must include the following:

- 1) A description of the service or product we are going to offer to people.
- 2) Why this service or product is an opportunity for people?
- 3) Why the products and services are necessary for the market?
- 4) Which resources and tools do we use to reach our goals and how we can take part in the competitive market? (Barrow, Barrow, & Brown, 2005)

However, the most important reason for creating a business plan is to secure the main owned capital. The business plan, which is very important not only for the entrepreneur but also for banks and investors, is submitted to the funder. The business plan largely determines whether an entrepreneur will receive the capital or not. The business plan must always be up to date since the market is dynamic. Even if the business plan is critical for owned capital, the readiness of this business plan does not mean that it will not cause problems, but it gives hope to the entrepreneur about which route to follow when problems are encountered.

3.2 Financiers' Perspective

Preparing a decent business plan is important for financiers. If it's aimed at raising funds from financiers, what is expected of an entrepreneur is vital. It is often said that there is no shortage of money for a new or growing business, but a shortage of good ideas (Hansen & Birkinshaw, 2007). Therefore, it's clear that it's not possible to get to the fundraising stage without a good idea, in other words, it's not the hardest thing to collect money when it's a good idea.

Besides, different investment criteria are applied by bankers, venture capital fund managers, and business angels. Bankers prioritize the financial aspects of the proposal and give less importance to the market and other issues, whereas business angels place greater emphasis on the entrepreneur and 'investor fit' considerations compared to venture capital fund managers. For entrepreneurs seeking funding from banks, venture capital funds, or business angels, it is crucial to tailor their business plans accordingly.

Entrepreneurs should prove that they identified the wants of possible customers, rather than only focusing on their innovative ideas. Backers want to see whether the entrepreneur knows at least one area in which their business excels and that they are prepared to focus on those opportunities. They also want to know whether the product or service being developed will sell and has been tested, even if only in a trial or demonstration capacity.

Lastly, financial institutions expect entrepreneurs to include a description of how their business's performance will be monitored and controlled in their business plans. The reason why all these criteria are important for financiers is to understand whether the business to invest in is worth it. Considering all these points is important for the future of our enterprise. If there is no money, it cannot be said that there is a positive future for the enterprise. If there is money, progress is inevitable with the right strategy.

3.3 Company Establishment

It is essential to determine priorities during the company establishment phase. Choosing the right form of a company and its suitability depends on factors such as the scale of the business, the level of liability that entrepreneurs are comfortable with, and their long-term plans.

3.3.1 Forms of Company

The legal forms of companies are specifically regulated by the Czech Commercial Code. Czech law allows the creation of six various kinds of commercial companies. There is general partnership (Veřejná obchodní společnost or v.o.s.), limited partnership (Komanditní společnost or k.s.), limited liability company (společnost s ručením omezeným or s.r.o.), Sole Proprietorship (Živnostenský list (živnostenský podnikatel) Co-operatives (Družstvo) and joint stock company (akciová společnost or a.s.).

In the Czech Republic, one of the most common legal forms for a business entity is a "Limited Liability Company" (Cremers & Carlson, 2013). An s.r.o. provides a balance between limited liability for its owners and relatively straightforward administrative requirements. It is a popular choice for small and medium-sized enterprises.

It is possible to seek advice from a local legal or business consultant in Prague to identify the most fitting company structure for entrepreneurs' unique business needs and objectives. Such professionals can offer insights into taxation, legal requirements, and other factors concerned with their specific situation. The company form selection and procedure for establishing an international kindergarten in Prague is explained in detail in the practical part. In Table 1 below, it's summarized the types of companies that can be established in the Czech Republic in terms of their advantages, disadvantages, financial considerations, and number of shareholders.

Table 1 Comparison of Company Forms

Company Form	Pros	Cons	Financial Considerations	Number of Shareholders
Limited Liability Company (s.r.o.)	<ul style="list-style-type: none"> • Your personal money is safe • The company is liable for its liabilities • Simple company formation • Good for small and medium-sized businesses 	<ul style="list-style-type: none"> • Shareholders are liable for the unpaid registered capital • Some paperwork involved 	<ul style="list-style-type: none"> • Affordable registered capital - CZK 1 	<ul style="list-style-type: none"> • 1 or more
Joint-Stock Company (a.s.)	<ul style="list-style-type: none"> • Scope for Expansion • Limited Liability for shareholders • Larger Capital • Economies of Scale 	<ul style="list-style-type: none"> • Complex structure and costly administration • Difficulty in formation • Conflict in Interests 	<ul style="list-style-type: none"> • High share capital requirements – CZK 2,000,000 or EUR 80,000 	<ul style="list-style-type: none"> • 1 or unlimited • (It is owned by its investors)
General Partnership (v.o.s.)	<ul style="list-style-type: none"> • Easy to set up and run • Less paperwork (partnership agreement) 	<ul style="list-style-type: none"> • Partners have unlimited liability • Conflict in partners can cause problems 	<ul style="list-style-type: none"> • Capital is flexible 	<ul style="list-style-type: none"> • 2 or more

Company Form	Pros	Cons	Financial Considerations	Number of Shareholders
Limited Partnership (k.s.)	<ul style="list-style-type: none"> • Investment protection of limited partners • They cannot lose more money than they contributed to the project • Some partners are only a bit responsible for debts • Less formal business structure • Flexible partnership rules 	<ul style="list-style-type: none"> • Some partners are fully responsible 	<ul style="list-style-type: none"> • No specific capital • The partnership agreement says how the profit will be divided between partners 	<ul style="list-style-type: none"> • 1 General partner – (1 or more) limited partner
Sole Proprietorship (živnostenský list)	<ul style="list-style-type: none"> • Set-up/shutdown is fast and easy • Profit belongs to the owner 	<ul style="list-style-type: none"> • Owner has Unlimited liability • The whole responsibility for the debts 	<ul style="list-style-type: none"> • Low registration cost 	<ul style="list-style-type: none"> • 1 (Sole proprietor)
Co-operatives (Druzstvo)	<ul style="list-style-type: none"> • Members are not liable for the debts/obligations of the co-operative 	<ul style="list-style-type: none"> • Foreigner individuals may only be legal representatives of the cooperative if they have a Czech residency permit 	<ul style="list-style-type: none"> • Min. registered capital CZK 50,000 	<ul style="list-style-type: none"> • At least 5 members or at least 2 legal entities

Source: Author

3.3.2 Licence

Entrepreneurs need to ensure that they have obtained the necessary permission for the type of company they have selected. Contacting the local authorities for the required licenses and accreditations is the key point. Engaging in any business activity in the Czech Republic typically requires obtaining a trade license, governed by the Trade Licensing Act, or obtaining another specific permit as determined by various acts, prospective of the nature of business activity.

Two permits need to be obtained regarding establishing the kindergarten in Prague. License applications must be separate for the **building** and **education**. For the building, the entrepreneur declares that the kindergarten building is ready for education for 40 children. If no problems are detected after the inspection, a license is issued. Education licenses are renewed every 3 to 5 years and The Czech Ministry inspects. The physical condition of the building is regularly checked every year by the hygiene department. However, initially, the building license requires permission from the local authority, and when, for example, the municipality of Praha 6 comes to check the permit for education in the building, the hygiene department is also there at the same time. In the following process, if the license is granted, the hygiene department will come to check at intervals as mentioned above. These actions will bring a small financial cost to the company. These official obligations need to be followed by a local lawyer and accountant to be fulfilled as required on time.

3.3.3 Business Operations

Operations involve controlling the internal mechanisms of your business to ensure optimal efficiency in its functioning. It is critical for the continuity of the business that everyone knows what they are doing here and that they continue doing so smoothly. In this sense, job descriptions within the kindergarten must be well-defined. It's typical for businesses to arrange roles and responsibilities by dividing them into departments or divisions. A department is a segment of an organization focused on implementing essential functions like admission, marketing, finance, or HRM. Departments within the organization work functionally interdependent (Tittley, 2015).

In addition to the main departments, it's important not to overlook other essential areas like cleaning, electricity, and general maintenance when setting up a business. For a better system, all aspects must be well-organized and carefully considered by the entrepreneur.

3.4 Scope of Business Plan

3.4.1 Strategic Analysis

Strategic analysis is the process of researching the business environment in which an organization operates, as well as examining the organization itself, to inform future strategic decisions (Stimpson & Farquharson, 2014). Since a business needs to be better prepared for the future, quality, and accurate decisions should be made in line with clear and business-related goals. Thus, an effective strategy implemented enables a less risky future for the business. Several techniques aid strategic analysis. However, in this thesis, SWOT, PESTEL, Competitor, and Customer analyses are used.

In this part, it's examined what these analysis techniques show, and in the practical part, it's applied in detail to the kindergarten business.

SWOT Analysis

A type of strategic analysis that identifies and evaluates the primary internal strengths and weaknesses, as well as external opportunities and threats, that will shape the future path and success of a business. SWOT analysis covers:

Strengths: These are the internal factors within a business that can be considered real advantages and may serve as the foundation for establishing a competitive advantage (Stimpson & Farquharson, 2014).

Weaknesses: These are the internal factors of a business that can be seen as negative factors (Stimpson & Farquharson, 2014).

Opportunities: These represent prospective fields for business expansion and future profitability. These factors are specified through an external audit of the market in which the firm operates and its primary competitors (Stimpson & Farquharson, 2014).

Threats: These factors are also external and are derived from an external audit. This audit assesses the business and economic environment, competitors' strengths, and market conditions (Stimpson & Farquharson, 2014).

Typically, this information is presented in a four-box grid format, as illustrated in Table 2.

Table 2 SWOT Diagram

	Strengths	Weaknesses
Internal	Internal factors within a business that provide advantages	Internal factors that have negative impacts
	Opportunities	Threats
External	External factors in the market that may create opportunities	External factors that may threaten business from competitors and market conditions

Source: (Stimpson & Farquharson, 2014)

SWOT analysis is a common starting point in the development of new corporate strategies, but it is not sufficient on its own. More detailed analysis and planning are needed when making strategic choices. Entrepreneurs should be aware that SWOT is a management guide for future strategies. It is not a prescription in itself.

PESTEL Analysis

PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) Analysis focuses on analyzing the macro-environment in which a business operates. The macro-environment refers to the comprehensive elements and factors that have the potential to impact a company's future strategic decisions (Stimpson & Farquharson, 2014).

Competitor Analysis

Competition stands as an unavoidable force in today's business environment. Whether a firm is large or small, competitors exist within the industry, and their strategies significantly impact the formulation of strategic plans. For profit-driven organizations, competition is an inherent aspect of corporate existence. Examining an organization's competitors is instrumental in uncovering weaknesses, identifying opportunities, and recognizing threats within the industrial environment. When shaping an organization's strategy, entrepreneurs must carefully consider the strategies employed by their competitors. Competitor analysis catalyzes an organization's strategy, influencing how businesses act or react within their respective industries. Conducting competitor analysis is crucial for the organization to evaluate its position relative to its competitors (Alex Yaw, Israel Kofi, & Som, 2016).

According to Fleisher and Bensoussan (2003; 2005), competitor analysis serves as a managerial tool within strategic management. It involves evaluating the strengths and

weaknesses of both existing and potential competitors. It offers a strategic framework that can be utilized for both offensive and defensive purposes, helping in the identification of opportunities and threats.

There is a readily available wealth of information on the Internet, and modern customers are more knowledgeable and sophisticated than in the past. Nowadays, customers can thoroughly research and compare various companies' offerings in terms of specifications, cost, and value before deciding to purchase. Hence, it is essential to pay close attention to what has been constructed. (Fleisher & Bensoussan, 2015).

Due to many industries now having more competition, it's not just a desirable goal to stay ahead of competitors. It's something entrepreneurs must do and is mandatory (Fleisher & Bensoussan, 2003).

Customer Analysis

Customers can be described as the users or consumers of products or services. Internal customers may include employees and directors, while external customers encompass individuals such as parents and experts (Aragaw, 2019). In the kindergarten business, the customers are parents. Because they pay for the service of the school.

On the other hand, the analysis of customers explores the dynamics of parents, who play a pivotal role in the decision-making process of enrolling their children. This examination includes demographic elements such as age, income, and location, offering valuable insights into the community being served.

Parents' satisfaction as consumers of kindergarten education serves as a highly effective and cost-efficient form of market communication. Satisfied consumers tend to share positive experiences with others, becoming a defender of the product or service.

Conversely, dissatisfied individuals tend to disseminate negative information about the product or service, highlighting the influential role of customer satisfaction in shaping market perceptions (Aragaw, 2019).

According to Friedman (2006), Parents assess their children's school based on several factors, including teachers, administrators, curriculum, technology, facilities, involvement, transportation, and budget. These variables can impact parental satisfaction with their children's schools.

3.4.2 Marketing Mix

According to (Riaz & Tanveer, 2012) marketing mix is defined as a set of controllable marketing tools a company uses to create a desired response in the targeted market. A set of these tools is generally referred to as the 4Ps of Marketing, being Product, Price, Promotion, and Place.

Product is the main stone of all marketing strategies. If there is no product, there is nothing to promote and a set price. The product attributes don't only refer to tangible goods, but also intangible service products and ideas that entrepreneur plan to place into the kindergarten business like school transportation service, language education, football training courses, etc. These are what kindergarten can provide to its customers.

Price is part of the marketing mix. Entrepreneurs must be aware of the importance of price so that the demand that is expected comes to the product or service. However, the price also depends on other factors like cost, consumer perception, competition, and the capacity of a product or service. Price is highly likely to be the element that has the biggest impact on the marketing mix and profitability. When considering a new company that is still in the process of adjusting its organization and product offerings, it may be more profitable to sell fewer products at a higher price.

Promotion is another very important part of the marketing mix in terms of good promotion of products to the public. Selecting a cost-effective advertising method that can reach many customers is crucial. The research of Swenson, Rhoades, and Whitlark (2014) emphasizes the influence of the presentation and brand support of a business in the form of WOM (Word-of-mouth marketing) for a rapid and successful launch. In the promotion section of the practical part, there is a survey where it's seen evidence of the effect of word-of-mouth marketing. Basri and Siam (2017) suggest that early starters with limited budgets should use social media as a promotional platform to promote, increase brand awareness, educate customers, and present the competitive advantages of products and services offered.

The fourth 'P' in the marketing mix is **Place**. This component of the business plan involves specifying where the business will be located. Entrepreneurs should decide whether they want customers to come to them, or if they prefer to go out to find customers. In the kindergarten business plan, there is a renting of the building. Therefore, the main goal is for the potential customers to come to this building to enroll their children. It is very critical to choose a location suitable for the target audience.

3.4.3 Financials

The financial analysis of a business venture is crucial for strategic planning and decision-making. This section includes various financial aspects, providing a comprehensive overview of the economic feasibility and potential profitability of the proposed kindergarten venture. However, only some of these financial aspects will be applied in the practical part.

Initial Cost Calculations

The initiation of a kindergarten requires a sensitive estimation of initial costs and covers expenditures essential for establishment. This incorporates expenses such as facility acquisition or construction, licensing fees, initial staffing, educational resources, and any necessary renovations. A thorough evaluation of these upfront costs is imperative for accurate financial planning and resource allocation.

Fixed and Variable Costs

Fixed costs represent the consistent, recurring expenses that remain stable irrespective of the level of service provision. In the context of a kindergarten, fixed costs may include salaries of permanent staff, rent payments, insurance, utilities, and administrative expenses. Identifying and understanding fixed costs is crucial for developing a sustainable budget and ensuring financial stability.

Variable costs fluctuate in direct proportion to the level of service or production. In the context of a kindergarten, variable costs may comprise supplies, maintenance, and other expenses tied to the number of enrolled children. Recognizing and categorizing variable costs aids in assessing the impact of increased enrollment on overall expenditures.

Profit Calculations

Profit calculations involve the determination of the financial gain or loss resulting from the kindergarten's operations. Profit is calculated by subtracting total costs from total revenue. Evaluating potential profits provides insights into the venture's financial viability and long-term sustainability.

Break-Even Point

The breakeven analysis identifies the point at which total revenue equals total costs, resulting in neither profit nor loss. Understanding the breakeven point is crucial for measuring the level of operations needed to cover all expenses. Once a business exceeds its

break-even point, the entrepreneur can confidently conclude that it is operating profitably, provided that there are no changes in the gross profit or overheads.

3.5 Risk

Risk permeates many aspects of people's lives and touches everyone at different points. For example, an entrepreneur embarking on a new business venture risks capital in anticipation of a market that may not perform as expected. However, economic progress is not possible without taking risks. Entrepreneurs must act accordingly and consider the risks.

The core of effective risk management lies in initially assessing these risks and subsequently integrating them into the decision-making process. This exploration spans diverse business, economic, political, and social contexts, necessitating a comprehensive consideration of various forms, with PESTEL analysis being a significant component, as detailed in section 4.3.2 (Moore, 1984).

Precision in understanding the nature and size of risks faced increases the quality of decision-making. Embracing uncertainties without a thorough assessment may lead to unexpected outcomes, and surprising decision-makers (Moore, 1984). There are varieties of risks that might be faced, and most of the time it's not possible to prevent and estimate it. Moreover, one risk can mean an increase in another risk. What can be done to prevent this is to do the best estimation for a business with analysis and plans. In section 4.6, it's considered detailed about the key elements that must be followed through risk analysis.

4. PRACTICAL PART

4.1 Business Introduction

In the heart of the enchanting city of Prague, we are thrilled to introduce Puzzle, a distinguished international kindergarten designed to provide a nurturing and stimulating learning environment for young minds. As an international kindergarten in Prague, we are aware of the importance of the globalization era, and we are aiming to be the most diverse school in Prague with children from different nationalities.

Our philosophy is hidden in our name. Every child is special and different. They have different backgrounds, languages, and religions. Each child represents a piece of the Puzzle, and when they all come together, the big picture is formed, which is all gathered under the title of education to make the world a more beautiful place.

Our teaching is based on the National Curriculum of England, which is a key commitment for us to ensure high educational standards for our children. Teaching is exclusively in English, except for the second and third languages.

For each child to develop to the best of their abilities, it is necessary to take care of them individually. Therefore, we maintain a small ratio of pupils to teachers at all levels. Moreover, hobbies are essential for any child's development. We offer our students a choice of many leisure activities.

In this globalized era, the need for an international kindergarten that goes beyond borders is evident. Families in Prague seek an educational institution that not only imparts essential academic skills but also fosters a sense of curiosity, cultural understanding, and linguistic proficiency. Puzzle is poised to address this need by providing a comprehensive and holistic approach to early childhood education, which includes 2-5 ages.

In conclusion, we anticipate that our students will develop a strong foundation for future academic success, intercultural competence, and a lifelong love for learning.

4.1.1 Description of Product and Service

Puzzle is an international kindergarten. It doesn't offer tangible products or goods. It has services to offer, and its primary service is modern English education. In this part, some of the services of Puzzle Kindergarten are introduced.

Early-year children include 2 groups. Reception and Year 1. The reception group is divided into 3 levels. Starters, Movers, and Flyers. Children are included in these levels according to their development. The group belonging to these levels is 2-3-4 years old respectively. The Year 1 group is 5 years old. Children level up as they develop.

During the daily program, children are taught according to their abilities and age level after they are divided into groups as mentioned above. The maximum number of students in the reception group is 12 children. For year 1, there is a maximum of 16 students per class. In the beginning, it's planned to have 3 classes. One is for year 1 students. The other 2 are for the reception group.

English

Puzzle's Early Years section is intended for all children with or without knowledge of English. It provides high-quality services adapted to the individual needs of the children and their parents. The educational program and classwork are taught in English by native speakers with the support of English-speaking assistants.

The School Bus Service

Puzzle International School offers the possibility of safe door-to-door transport for children to school and back home after school. The price depends on the distance between home and school. For bus services, it's planned to have a contract with a firm, and they will identify the prices after the Puzzle shares the address of the children with them.

School Meals

Puzzle International School will offer school lunches provided by the famous Czech catering company **Fresh and Tasty**. Breakfast and snacks served to children are freshly prepared by the kitchen staff. There are 2 meal menus: International and vegetarian. So, Puzzle will present them with an opportunity to choose what they want.

Additional Services

There will also be other activities and events externally and internally such as clubs, cultural events, sports activities, theatres, outside trips, etc.

4.1.2 Vision and Mission

Vision

The vision of Puzzle Kindergarten is to provide the best children's care and education to make our students' families happy as a modern, multinational, and affordable school in Prague.

Mission

To achieve our vision, we serve by focusing on our students and their family's needs and create such a developing environment with the help of our well-educated and experienced managers, teachers, and staff according to our strategic plan.

4.1.3 Location Selection

The location research can be done in two ways at first. First, renting a place that was previously a kindergarten. This will make the entrepreneur's jobs easier. Second, finding a building and a location that will suit the kindergarten that will be created from scratch. It's found a villa that can be used as a building of a Puzzle kindergarten by sreality.cz for renting (398 m²).

Several factors must be paid attention to when determining the kindergarten building. Some of these:

- The building must be of a suitable size and shape for kindergarten education.
- There must be a place for the kitchen in the building.
- Sleeping room for children (Since they are in their developmental age, their sleeping hours will be included in their schedule)
- Teacher's room
- Locker's area (Small lockers for children's belongings such as bags, shoes, and clothes)
- Classes (according to the number of children)
- A playground outside is vital.
- Restroom (Small toilets suitable for children)
- The school must be surrounded by fences.
- Licensing and specific requirements for the educational facility of the kindergarten are met.

Several factors must be paid attention to when determining location. Some of these:

- It is important that expats live in the surrounding area.
- The location should offer access to basic amenities such as parks, playgrounds, libraries, theatres, cinemas, as well as medical centers and shopping areas.
- The location must be safe for children. There are detached houses in Prague 6. It is an affordable, quiet, and safe area for children.
- Most importantly, families prefer to bring their children to school themselves. Therefore, the kindergarten location must be close to the families' homes.

The location research has been completed, considering all the above-mentioned factors. It has been determined locations such as Dejvická, Anděl surroundings, Vyšehrad region, or Evropská close to the airport as the target locations. Ultimately, **Sušická, Praha 6 – Dejvice** (sreality.cz), **Na Viničných horách 1844/7** (precise location) is the final address that is determined for the Puzzle kindergarten, and it fits all the criteria for the optimal kindergarten building.

4.2 Company Establishment

4.2.1 Form Selection

Reducing kindergarten expenses and establishing the company as cheaply as possible will help the entrepreneur reach the profit point more quickly. In this sense, the decision was made by choosing the limited liability type of firm, which is the most preferred type in the Czech Republic. The main reason is the cost of its incorporation. When it's considered the costs of the incorporation process and preparation of all the necessary documents move within the range of hundreds of euros. The planned capital will be sufficient to cover it. Moreover, the administration and establishment of this type of company are simple.

The Organizational Structure of a limited liability company is clear and uncomplicated. Includes Supreme Body, Statutory Body, and Supervisory Board (optional), as shown in more detail below:

Supreme Body - The director of the school (author) will be the sole shareholder who exercises the powers of the General Meeting.

Statutory Body - There is one executive at the beginning. With development over time, the number of executives will increase.

Supervisory Board - Every new person brings costs. There will be no one in the Supervisory Board structure.

A trade license is needed to run the business an entrepreneur will establish. To obtain this license, applying to the Trade License Office is a must. This process is initiated with any of the Directory of Trade License Offices in Prague 1 or Prague 7. Once the Trade License is obtained, the entrepreneur becomes a legal person with obligations and rights as the owner of the company. Registration is also required for commercial and tax. Apart from these, much of the paperwork must be done during the establishment phase of the company, which can be learned through experience. Therefore, it is logical and important to seek consultancy and/or assistance from professionals (accountants, lawyers, external services, etc.) during the process and to ensure a correct installation to prevent potential problems in the future.

4.2.2 Labor

For most businesses in their early stages, the first few years are very risky. So, it is necessary to have an experienced and assertive team for kindergarten business. Starting with a team that is successful and experienced in their fields will be the right decision for the future and reputation of the school. The potential team members should have a history of success and a good working relationship. The school team will involve a school director, finance manager/accountant, admission manager/receptionist, school lawyer, native teachers, assistant teacher, maintenance guy, and cleaning lady. Educational staff includes native and assistant teachers, while support staff includes a maintenance guy and a cleaning lady. As the director of the school, the author will be doing the recruitment and marketing. In this way, he plans to get rid of the salary burden that will occur from different departments. In the following years, the team will grow, and the numbers will increase, however for kick-off, the author will take on most of the workload.

The financial manager and the accountant will be the single person who can manage these two departments together correctly. A job posting will be posted on the kindergarten's website and social media accounts. Recruitment of personnel and native teachers will be done by posting job postings on well-known sites such as **expat.cz** and **job.cz**. The cleaning lady will be provided by the cleaning company that Puzzle will contract with, and it's planned to make a contract with **CDV služby, s.r.o.**

4.2.3 Management

Identifying the signs of poor management in a business is often more straightforward than specifying the attributes of effective management in a successful business. Uncoordinated activities, lack of planning and objectives, and poor motivation of employees are some of the poorly managed business features (Stimpson & Farquharson, 2014).

Knowing how to do poor management is important to have a different perspective, but this part will be focused on effective management. For that, leadership qualities and styles of the manager take importance in the kindergarten business. All the other activities of the business structure are based on the manager's style of leadership. Meaning, the success or failure of the kindergarten is the reflection of the management.

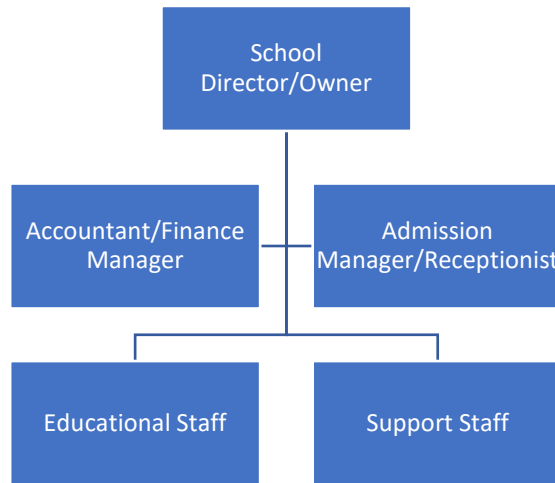
The kindergarten will have native teachers and it will not be possible to interfere with what/how teachers teach their courses. They know what teaching methods to use, but the manager doesn't. The manager's job is to get the things done in school. The manager will be a paternalistic leader and listen and consult with the other managers or personnel in the organizational structure of the kindergarten, but at the very end, the manager will make the last decision. It's hard to fit with all leadership styles, however, it's planned for the Puzzle's manager to be a mixture of democratic and paternalistic leaders.

4.2.4 Organisational Structure

It is important to be clear about who will communicate with whom within the school for things to run smoothly. For this, organizational structure is required. For small firms, this may not be necessary at first because there are fewer people to manage, and it can be managed with an unwritten structure.

2 important things must be considered: Span of control and delegation. The more extensive the span of control, the higher the delegation level involved. For example, imagine you have 20 subordinates (wide span of control). It is almost impossible to closely control and follow the work of each person. The manager or entrepreneur needs to use time for strategic matters. Because the motivation of the employees and the level of trust in the manager are directly related to the accuracy and strategic choices in the operation of the company.

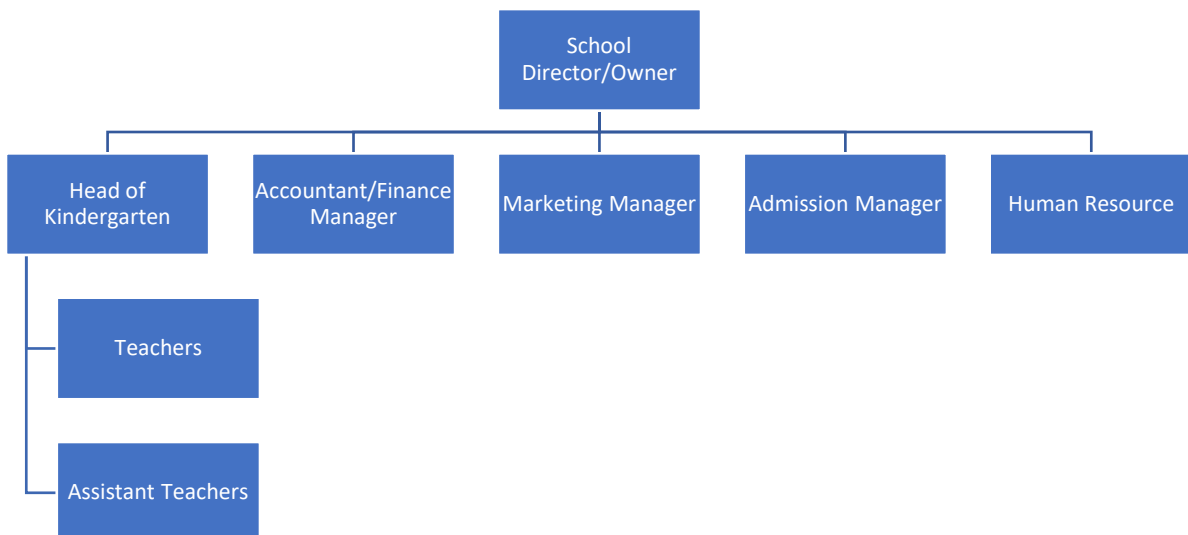
Figure 1 Organisational Structure of Puzzle Kindergarten



Source: Author

It is planned to apply a flat organizational structure for kindergarten in the following years. Since it will be a new kindergarten, the number of personnel will not be large at first. Over time, the number of employees will increase according to the recruitment needs. Further structural changes will be a necessity if the business achieves success and develops. So, the 1st organizational structure of the kindergarten is shown in Figure 1 and the developed one is for the future framework as demonstrated in Figure 2.

Figure 2 Expanded Organizational Structure for Puzzle Kindergarten



Source: Author

4.3 Strategic Analysis

To examine the current situation, advantages, disadvantages, threats, and opportunities of establishing an international kindergarten in Prague, a set of strategic analyses including SWOT Analysis, PESTEL Analysis, and Competitor Analysis was conducted.

4.3.1 SWOT Analysis

Strengths

One of the most necessary features for Puzzle to stand out from its competitors is having high-quality education. If parents allocate a significant budget for their children, they want it to be worth it. Puzzle meets the demands of parents in terms of using the English curriculum and having teachers who speak native English. In addition, the fact that it is more affordable than all its competitors is an advantage in terms of preference. It is important to be able to provide education to a small number of children to increase the efficiency of the education given to children. Because one-on-one attention is easier for the teacher. For this reason, the number of students in classes is kept small. Education in an international environment means the unification of cultures, languages, and religions, and this is richness. Children may have different food preferences. With care, two types of menus, international and vegetarian, are prepared specifically for children. In addition, Puzzle helps children expand their perspectives and develop themselves through various activities.

Weaknesses

Puzzle is new to the market. It's unknown. To compete with schools that have been on the market for about 20 years in Prague is a challenge for Puzzle Kindergarten. Expanding within a market with existing services and persuading parents to use more of the kindergarten service takes time.

Since Puzzle will be a new school, the number of children registered will be low at first. So, the capacity of the kindergarten building, and its garden will be small. It may affect parents' decisions.

Children in Puzzle are preschoolers, and their families bring them by car. Therefore, parents may experience busyness and chaos in the morning and after school hours. There may be a parking problem.

Table 3 SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ High-quality education ▪ Affordable Price ▪ British Curriculum ▪ Low number of students in classes ▪ Multinational Environment ▪ Native Teachers ▪ International/vegetarian menu option ▪ Various leisure activities for children 	<ul style="list-style-type: none"> ▪ Not well-known at the beginning ▪ Limited Capacity ▪ Market Penetration ▪ High parent population, which may disrupt at certain times
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ New branches in future ▪ Rising Demand for Quality Education ▪ Partnerships ▪ Technology Integration 	<ul style="list-style-type: none"> ▪ Competition ▪ Regulatory Changes ▪ Teacher Retention ▪ Economic Fluctuations

Source: Author

Opportunities

Every business needs time to expand to other cities and countries. Mainly, the quality of education must be considered. Afterward, it brings a reputation with it and new branches are established with the right strategies in the prospective future.

In the profitability evaluation section, profitability was calculated and concluded that Puzzle could make a profit starting from the 2nd year. The more money is made, the more the quality of the services is increased. Because the earned money is spent on quality. So, the demand for quality education rises.

Nowadays, partnerships are important in terms of cooperation and reputation. As an example, Puzzle will register with firms that carry out recycling projects that include batteries, paper, plastic, etc. These firms organize competitions between schools. So, Puzzle will participate in this competition. Rewards are given to the winning school. A certain amount of money might be the reward, and it can be used as compensation for massive paper usage (etc. photocopy).

With the integration of technological developments into Puzzle, increasing the quality of education is seen as an opportunity.

Threats

Changes in regulations may necessitate adjustments to the kindergarten's operations or facilities, leading to additional costs for compliance. Kindergartens that fail to adapt to regulatory changes may face a competitive disadvantage compared to rivals that comply with updated standards or regulations.

Quality teachers being convinced that the advantages in other schools are greater or some inadequacies in the institution where they work may cause the teacher to lose.

Although economic fluctuations have many effects, the most important one is the increase in operating costs. This creates difficulties in terms of the continuity of planning.

4.3.2 PESTEL Analysis

Political Factor

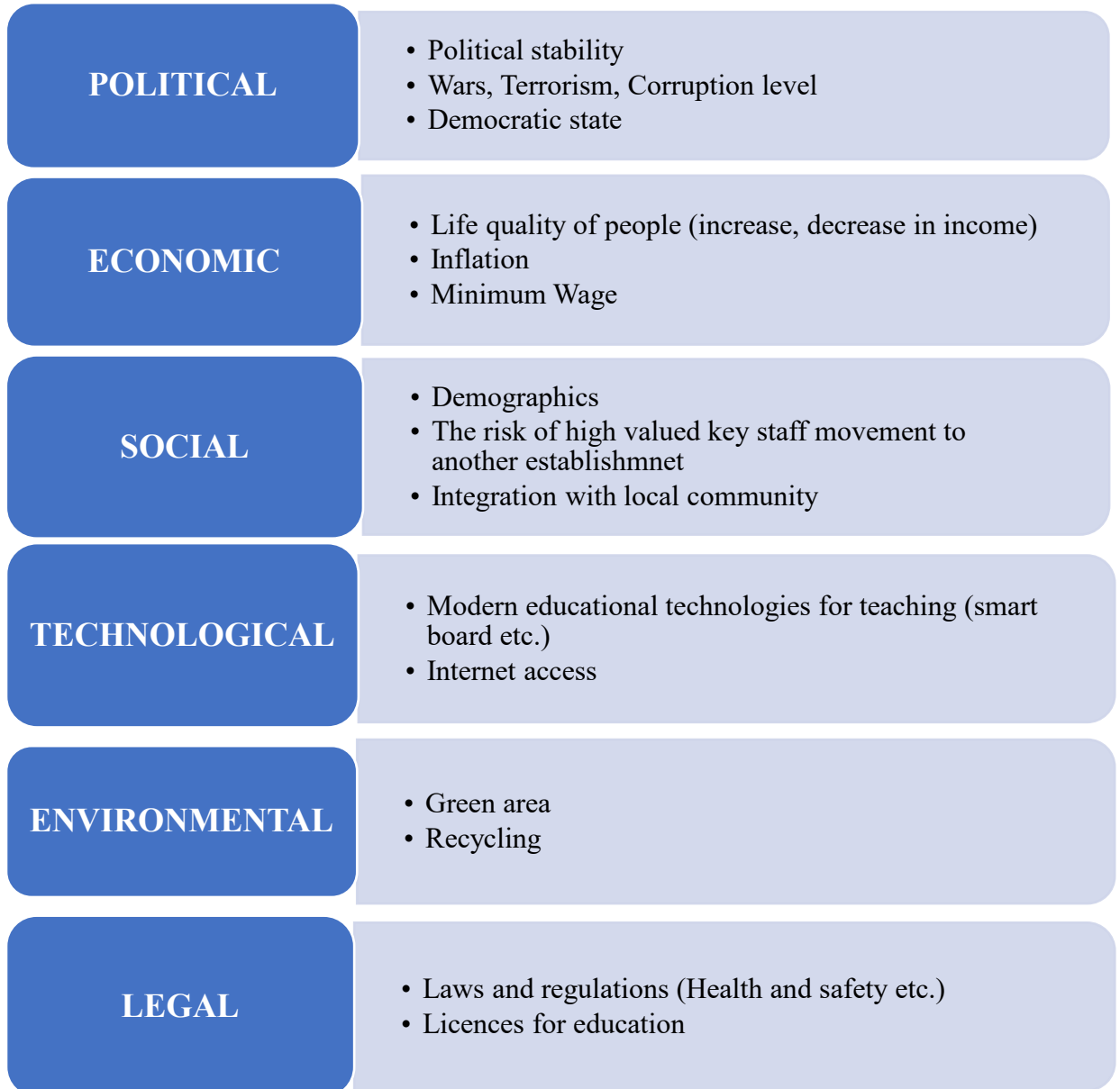
The Czech Republic is a sovereign, unitary, and democratic state governed by the rule of law, founded on respect for the rights and freedoms of man and of citizens (Chamber of Deputies, 1992).

According to the Global Peace Index, with a peacefulness score of 1.38, the Czech Republic is the 12th most peaceful country. The lower the score, the more peaceful the country. Evaluations are made between 1-5. The environment appears conducive to kindergarten establishment, free from war and terrorism (Vision of Humanity, 2023).

According to the Corruption Perceptions Index, The Czech Republic is ranked 41st out of 180 countries and has a 57 score where 0 means (highly corrupt) and 100 (very clean). Therefore, there is no obstacle to starting a new kindergarten business (Transparency International, 2023).

According to the World Bank, the political stability of the Czech Republic is 0.82 points according to the latest value in 2022 which means (-2.5 weak; 2.5 strong). By comparison, the world average in 2022, spanning 193 countries, stands at -0.07 points (The World Bank, 2022).

Figure 3 PESTEL Analysis



Source: (Stimpson & Farquharson, 2014)

Economic Factor

If people's quality of life increases, this will be possible by increasing their income. As people's income increases, families may choose to send their children to higher-quality private schools. This creates an opportunity for kindergarten.

According to the Czech Statistical Office (2023), the average year-on-year Czech Republic inflation rate in 2023 was 10.7%. It is considered high compared to many other European countries. Inflation may lead to increased operating costs for kindergartens, including expenses related to utilities, maintenance, and staff salaries. Additionally, inflation may

affect the purchasing power of parents, influencing their ability to enroll their children in kindergarten or access additional educational services.

The national minimum wage in the Czech Republic is lower than in other European countries. Therefore, the low minimum wage is an advantage for the entrepreneur when recruiting for kindergarten.

Social Factor

Parents are aware that they are in a globalizing world. Therefore, they are aware of the importance of international schools and the importance of integrating their children with the locals. This makes international kindergarten more attractive. There is tough competition in every sector. Therefore, kindergarten must stand out with some features and be different from its competitors. At the same time, it should give trust, opportunity, and importance to its highly valued staff. Otherwise, staff will inevitably leave the job.

Demographic data aids in forecasting the demand for kindergarten services, crucial for capacity planning, staffing, and resource allocation. Accurate demand forecasting ensures efficient operations and maximizes profitability.

Technological Factor

Incorporating technology into the curriculum prepares children for the digital age, enhances learning outcomes, and engages students. Therefore, ensuring internet accessibility is essential for these advancements in education.

Environmental Factor

Prague is a green city that has big parks such as Královská obora Stromovka, and Letna Park. The availability of green spaces and outdoor facilities promotes physical activity and enhances the kindergarten experience. In addition, Puzzle attaches importance to recycling as well as giving importance to green areas. Garbage is separated within the school, and it aims to participate in recycling competitions between schools. Implementing sustainable practices sets a positive example for students.

Legal Factor

Meeting legal requirements for operating a kindergarten ensures legitimacy and avoids penalties. Adhering to employment laws and regulations ensures fair treatment of staff and avoids legal issues.

4.3.3 Competitor Analysis

Families may select international schools based on their preferred teaching methods or language of instruction. In the Czech Republic, these schools are often identified as either British or American, primarily determined by factors like their curriculum. Our teaching is based on the National Curriculum of England. For this reason, this section is the competitor analysis amongst the 4 international schools that used the British curriculum. To compare, first, the schools were introduced with a short description to understand their mission, philosophy, and backgrounds. Then comparison was made mainly in terms of price, location, quality of staff, facilities, and class sizes. As the last step, it briefly considered the strengths and weaknesses of schools based on the author's observations.

Riverside School Prague

Description: Riverside School was founded in 1994 by two expatriate families, who had been seeking a suitable school for their children. They decided to open their own and found a building for primary-aged children under the headship of Simon Beavan, who remained the principal for the first five years of the school. In the years, they expanded in Prague and the school developed separate sites for Early Years, Primary, Junior High, and Senior High. In Autumn 2009 Riverside opened its Early Years School in Bubeneč.

Mission: Riverside Schools values the uniqueness of the individual, providing high-quality education and skills for life to students of diverse cultures, within a Christian ethos and supportive family environment.

Location (Early Years School): **Bubeneč at Chittussiho 14, Bubeneč, 160 00 Praha 6**
The building is well situated in a quiet location and can accommodate up to 60 children between the ages of 3 and 5 years.

Price: *Table 4 Annual Tuition Fee at the Riverside School*

Year Group	Annual Tuition Fee
Nursery Half Day	222 500 CZK
Nursery Full Day	290 000 CZK
Reception	348 000 CZK
Years 1 (Kindergarten)	437 500 CZK

Source: (Riverside School Prague, 2023)

Facility: The facility includes a Nursery Floor, a Reception Floor, a Parent Lounge and Toddler Room, a mini gym & Dining Hall, and extensive Gardens.

Quality of staff: They have a successful and international team. Since there is a high number of staff. Two prominent examples are given below.

- A member of the Founder & Management Board spent 25 years at this school. He is also a trustee of an international aid organization working in conflict resolution. I see such a person as valuable in resolving conflicts within the school.
- One of the teachers is from Northern Ireland and taught in countries with different cultures and environments, such as China and Slovakia, before moving to the Czech Republic. It's important to experience different cultures before going to an international school.

Strength: It has a playground, which is beautifully designed in the greenery, and has various equipment for children to have fun with.

Eco-schools are a growing phenomenon that encourages young people to engage in their environment by allowing them to protect it actively. Riverside as an Eco-school grows sensitive children to their environment, and they have bronze and silver awards for Early Years & Primary School Eco-School.

Weaknesses: ‘Education at Riverside is underpinned by a Christian ethos that promotes the Christian faith as the foundation of a meaningful and fulfilling life.’ Saying this openly may bring about prejudice and prevent some families who are against Christian ethos from sending their children to this school.

Prague British International School

Description: The school boasts a rich and notable legacy spanning over three decades. The consolidation of the Prague British School and the English International School of Prague in 2018 united two schools with remarkable academic achievements and vibrant communities, culminating in the establishment known today as PBIS. They are now the largest international school community in the Czech Republic, with three thriving campuses in Prague.

Mission: British International School makes your child love attending school every day and developing the skills they need for success – whatever they choose to do or be in life.

Location: Kamýk Campus: **K Lesu 558/2 142 00 - Praha 4**. It serves ages 2–14.

Price: *Table 5 Annual Tuition Fee at the Prague British International School*

Year Group	Annual Tuition Fee
Pre-Nursery	329 000 CZK
Nursery	371 000 CZK
Reception	462 500 CZK
Year 1	549 000 CZK

Source: (School P. B., 2023)

Facility: ECO gardens, multipurpose pitch to test their sporting skills, state-of-the-art auditorium, Forest School space, Professional-standard auditorium, black box theatre, music rooms, and dance studios.

Quality of staff: Its highly qualified team has a wealth of experience in the UK and overseas. They all hold UK teacher status or equivalent, and many have a master's degree.

- Their principal has a career span of 25 years and several countries. The international mind brings the establishment of international study places.
- Their business director is originally from France, but he has lived in Prague since 1993.
- The school has very experienced world-class native teachers. Moreover, graduates of quality universities such as Oxford are included in this team.

Class Size: 16 students per class.

- The age range of kindergarten at this school is from 2 to 5.
- Teacher-student ratio: 1:7

Strength: They don't give standard education, there is diversity too within the organization. As examples:

- There is a parents' group. So that they aim to have close relationships with the parents of their children.
- There are laboratories and studios, interactive whiteboards, smart TVs, iPads, 3D printers, and state-of-the-art robots in the classrooms, bringing the lessons to life.
- They have exclusive collaborations with UNICEF, MIT, and The Juilliard School to enrich our students' school experience in and beyond the classroom.

Weaknesses: I found their website a bit complicated and not very well designed. It is obvious that they are of high quality, but this is not reflected to the extent it deserves.

Parklane International School

Description: Park Lane International School operates as a co-educational day school with three campuses located within or in proximity to central Prague and neighboring districts. Initially established as Nessie English Preschool in 2006, which now serves as the Prague 5 campus, the school is managed by two proprietors, the principal, the head of primary (vice principal), the head of secondary, and the director of operations (non-academic). Supporting this leadership team are five committees, each comprised of both parent volunteers and staff members.

Mission: To foster in our learners a reflective, open-minded, and inquisitive approach to both their education and the broader school community.

Location: Prague 5 campus, Nad Bertramkou is in a spacious villa with a large outside area specially designed for children in the Early Years. Furthermore, it is in an exclusive neighborhood on a hill. The location is Nad Bertramkou Street, just a few minutes from Anděl metro station. This campus accepts children from 2 to 6 years old (Pre-Nursery to Year 1).

Price: *Table 6 Annual Tuition Fee at the Park Lane International School*

Pre-Nursery (2-3 years old)	Annual Tuition Fee
Full-day program, 5 days per week	258 000 CZK
Half-day program, 5 days per week	205 000 CZK
Nursery (3-4 years old)	
Full day program	307 500 CZK
Reception (4-5 years old)	
Full day program	307 500 CZK
Year 1	
Full day program	361 500 CZK

Source: (School P. L., 2023)

Facility: The classrooms are furnished with modern resources and technology. There are essential facilities such as a school hall, playground, versatile sports pitch, and library to

support effective teaching and learning. Technological amenities encompass Apple Mac computers, Smart Boards, Visualizers, and data show projectors.

Quality of staff: Educators are vibrant and enthusiastic professionals with expertise in the field of education. As native English speakers, they hold qualifications from the UK and possess extensive experience, having taught in various international schools globally. Regularly engaging in continuous professional development, they stay abreast of educational practices and innovations, making optimal use of opportunities provided by Karen Ardley Associates and The National College (UK).

Class Size: Nessie English Preschool's student-to-teacher ratio is 8 to 1. In the Pre-Nursery class, the ratio is 1:4.

Strength: They have a 'Sport for Us All' approach. All the Early Years children have two PE lessons each week in Park Lane sports facilities or school hall. Swimming, Gymnastics, Athletics, Dance, Racket Skills, Core Fitness, and Net Games complete a year's program of study.

Meridian International School

Description: Founded in 2004. It has made serious progress over the years and increased the number of branches. They provide kindergarten, primary school, secondary school, and high school education in 3 different locations. Secondary school and high school education are provided in the same building. As of 2024, it has 70 students from 25 different nationalities in the early years. It's owned by the single proprietor who is also the school's director assisted by a deputy director.

Mission: The philosophy of Meridian International School perfectly captures the Meridian. Each Meridian line travels across the planet and connects the world, uniting different cultures and ideas. This is our greatest desire: to combine the best of British and Czech culture; to incorporate the best virtues and qualities from nations across the globe.

Location (Early Years School): Chabařovická 8, 182 00 Praha 8

Facility: In their educational setup, a playground fosters a unique learning environment. Equipped with SMART boards and quality student desks, the classrooms engage students in interactive learning. It also offers specialized facilities like Science Labs, Art and Music classrooms, and ICT labs to ensure a well-rounded education.

Price: *Table 7 Annual Tuition Fee at the Meridian International School*

Year Group	Annual Tuition Fee
Reception (half day)	268,000 CZK
Reception (full day)	296,000 CZK
Year 1	351,300 CZK

Source: (Meridian International School Prague, 2023)

Quality of staff: The entire teaching staff, without exception, consists of experienced, qualified, and successful teachers who are native speakers of English. Not only assistant teachers' native language is English. But they are also people who speak English at a good level. In this way, children learn English from their masters.

Class Size: 12 students per class.

Strengths: Their websites are very well designed, and you can easily find everything you are looking for. Websites with a detailed, guiding, and explanatory style contain the necessary information for parents in the best possible way.

Weaknesses: Kindergarten branches opened in September 2023. Previously, it was in the same building as the primary school. Therefore, age differences in common playgrounds could sometimes cause minor problems. Max between the old building and the new building. It is a 10-minute walk away. However, the fact that the building is new, and its location has changed may be a disadvantage for families in some ways.

- The equipment and variety in the playground are low. Also, there is not a large enough area for children to run around.

- Most Czechs live around Meridian Kindergarten. Even though it is an international school, they preferred to choose such a location.

4.3.4 Customer Analysis

In this section, a semi-structured interview was selected to gain insights into kindergarten education and business. The interview with the director of the Meridian International School was conducted based on customer analysis. The interview was created with the questions that were prepared before the interview. Besides, during the interview, sub-questions were asked to clarify the subject in an hour-long interview. Below the main summary of the interview was presented and the outcomes of the interview were discussed.

Interview with Meridian International School Director

For customer analysis in preparation for establishing a kindergarten in Prague, an interview with the director of Meridian International School, an experienced figure in Prague's education and kindergarten establishment scene, was conducted. With 18 years of directorship and expertise in education, the director provided invaluable insights into parental preferences, challenges faced, and strategies for success in the international education sector in Prague. Through 15 comprehensive questions, the interview aimed to gather crucial information to tailor educational offerings and services to meet the community's needs effectively for the kindergarten that will be established.

In the interview, the director highlighted the ideal customer profile, emphasizing expats and local parents seeking English education and private schooling for their children. Key factors influencing parents' decisions include location, school fees, and recommendations. Challenges such as diverse parental expectations were discussed, alongside strategies for maintaining high levels of satisfaction and loyalty, including enhanced communication and responsive service. Insights regarding trends, technology use, and enrollment considerations were also provided, culminating in essential advice for establishing a successful international kindergarten in Prague, emphasizing location, staff expertise, initial fee structures, and quality facilities.

There are conclusions the author drew from the answers of the interview. Some of them are listed below in items.

- Target customers are expatriate families.
- Families are educated and generally have high incomes.
- The children of the parents are between the ages of 2 and 5.
- English education is more important for new-generation families.
- Families want events and activities to be held and prefer clubs to be diverse.
- The playground and garden must be beautiful and useful. This is necessary so that the first impression is positive.
- Families, teachers, and administrative staff should meet from time to time through events and exchange ideas.
- Location and school fees are among the important factors.
- Word-of-mouth promotion has a great impact on families.

Customers must be analyzed well and be aware that must meet their requests most accurately. If the customers can't be satisfied in terms of services of kindergarten, then Puzzle will not be satisfied either.

4.4 Marketing Plan

4.4.1 Product

Puzzle is a modern educational home. In addition to providing many various services, its main skill is to teach English to children from experienced teachers whose native language is English with the British Curriculum and to prepare them for the globalized world and make them effective individuals with comprehensive activities carried out within and outside the school borders for the development of children.

The idea of an international kindergarten will not only add perspective to children but will also teach them to act towards common goals, even if they are from different nations or cultures, and will enable them to become contributing people to the future.

Its motto is low-price, high-quality education. Puzzle stands out with this motto. It was mentioned Puzzle's services in chapter 4.1.1. So, in the following, there will be provided more details about how your children will spend their day.

During the daily program, children are divided into three groups according to their age and abilities (from 2 years of age). The daily lessons are designed to develop in young children an understanding of the English language in addition to literacy (alphabetical + phonetics); Math (numeracy skills such as addition and subtraction); introduction to History; introduction to Geography, Science, creative representation, Music, and Art.

4.4.2 Price – Tuition Fees

In section 4.3.3, four kindergartens with which Puzzle will potentially compete were analyzed. When the price lists on the websites of the schools for 2024-2025 were researched, it was concluded that the school with the most affordable price was Meridian International School. Competing schools have discounted prices. If a sibling is registered, the second one may get a discount, depending on some conditions. There are some differences between schools in categorization such as pre-nursery, nursery, and reception. As an example, in one of them, the reception covers children between the ages of 4-5, and

in the other, the reception covers children between the ages of 2-5. There are also differences in nomenclature.

To avoid confusion, a comparison will be made by taking the price table and categorization nomenclature of the main competitor of Puzzle as a reference and creating a tuition fee table suitable for my main competitor. So, the author decided to enter the market with a price of 5% less than the Meridian Kindergarten tuition fee, which is the main competitor. Therefore, Puzzle aims to become the market's most affordable kindergarten bound to the English Curriculum in Prague by lowering the price of the tuition fee. In addition to reducing prices, it is planned to start with quality teachers whose native language is English. Moreover, it is believed that good progress will be made when the budget is spent correctly on advertising. Table 8 below shows Puzzle International Kindergarten's planned tuition fees for the year 2024/2025.

Table 8 Tuition Fee 2024/2025 of Puzzle Kindergarten

Year Group	Annual Tuition Fee
Reception (half day)	254,600 CZK
Reception (full day)	281,200 CZK
Year 1	333,735 CZK

4.4.3 Place

The location of Puzzle will take place in the desirable locality of **Na Viničných horách 1844/7**. The total area is 398 m². The villa is in the middle of a large garden with mature trees and many corners filled with flowers and shrubs. It's planned to use this part as a children's playground. In front of the villa, there is a parking lot for 4-5 cars and a garage that is part of the house. This parking lot will initially be sufficient for employees and parents bringing their children. Closest to this location are restaurants, theaters, cinemas, markets such as Kaufland and Tesco Express, and a doctor. Theaters and cinemas can be used for outdoor activities for children within the planned external events, and being close to the school may be an advantage. Apart from that, the school is only 242 meters away from the Sušická bus stop. Parents prefer bringing their children by car as mentioned in previous chapters. Therefore, transportation access will not be a problem. The building, which will be rented as a kindergarten, is shown below as Picture 1. It is planned to form a

more beautiful and aesthetic environment suitable for the kindergarten with the painting and maintenance works carried out on the outside of the building.

Picture 1 Location of Puzzle Kindergarten



Source: Google Maps

4.4.4 Promotion

The most important thing for a kindergarten is its customers. That is, parents. The promotion method to be used to reach families is very vital for the future of Puzzle Kindergarten. This section includes a comprehensive survey conducted by Meridian International School, conducted on a total of 414 families from 58 nationalities. The survey seeks answers to the question "How did you find out about MIS?" It's expected this survey to be a reference for determining the promotional methods that are used to announce the Puzzle kindergarten that will be established.

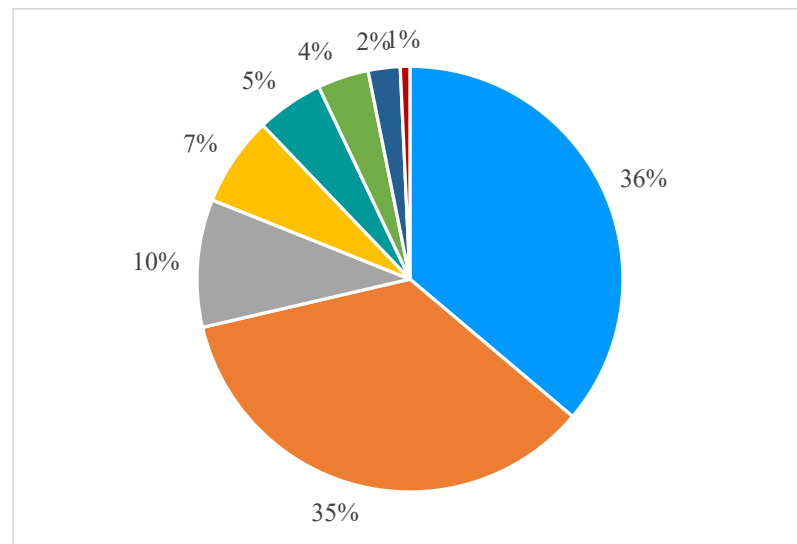
Many methods can be used for promotion. The methods and choices that will be made are critical in promoting a kindergarten. The author will plan a promotion based on the above information. Nowadays, people mostly do their research using the Google search engine. Therefore, many of them will use Google when searching for kindergartens for their children. Table 9 shows that 35% of parents did their kindergarten research actually on the Internet.

Table 9 Survey of MIS

How did you find out about MIS?	Number of Families	Percentages
Recommendation	149	36%
Internet (Expats.cz, Internat. S. Dat., Social M.)	145	35%
Novartis	40	10%
Older Sibling	28	7%
Embassy (Ghana, Azeri, Saudi, Iraqi, Kazakh, Romanian, Albanian)	21	5%
MIS Employee	16	4%
Advertisement (Billboard, Open Day, Science Fair)	10	2%
Geographical Proximity	3	1%
Relocation Agent	2	0%

Source: Meridian International School Archive

Figure 4 Pie Chart of the Survey



Source: Meridian International School Archive

So, advertising with Google Ads will be used as the first promotion method. Since the kindergarten will be new, it is a necessity to attract traffic. As a bid strategy type, target impression share will be used. By using this, it's aimed to make Puzzle International Kindergarten's name appear at the top of Google searches.

The allocated budget for this will initially be 20,000 CZK. It must be paid per click. The money to be paid per click depends on the words used by other kindergartens Puzzle competes with, the quality score of the ad, etc. The most crucial aspect is that the advertisements are of high quality. There is an option to divide the budget into months, days, or weeks. In this way, the advertising budget is used economically. However, the

author prefers to use 20,000 CZK in one go. The name of the Puzzle must be announced and its awareness as soon as possible. So that Puzzle can enroll children.

Apart from Google Ads, the author will use social media accounts such as Instagram and Facebook. He will use these places to announce and reflect on the beautiful events and brand awareness that will take place within the school to target customers. He plans to support the social media accounts with Puzzle's channel on YouTube. Furthermore, he does not find it appropriate to constantly advertise on social media accounts. However, he will boost the kindergarten advertisements here, especially before registration times. For Puzzle to grow, it's needed to attract customers from everywhere.

Billboard and partnership are 2 other effective methods. Billboards can be effective when placed in the right locations. For this, annual agreements must be made, and it is an expensive method. Partnership is the same way. For example, an agreement can be made with expat.cz. There is a pro partner package on their website for 99,000 CZK and it covers everything. It will display the advertisement of the kindergarten under the education category and will constantly advertise you. Expat.cz is the #1 site used by foreigners. Considering that Puzzle's target customers are also foreigners, a partnership with expat.cz would make sense. However, the author will not use the partnership method to start with. He will make these moves as the kindergarten makes a profit and its budget becomes available.

Another important point that must be focused on most is WOM. If Puzzle manages to introduce itself well, parents will introduce Puzzle well to other potential customer parents. Therefore, the advertisements placed on social media or the school's website must be well-designed, eye-catching, and of high quality.

As illustrated in the survey above, 36% of families have heard of Meridian International School upon recommendation. This means that 36% of them have enrolled their children in this school. This high percentage emphasizes the importance of word-of-mouth marketing.

4.5 Financial Plan

The financial plan section of this thesis includes calculations and analyses essential for kindergarten business operations. It determines initial costs, outlines monthly budget planning, and evaluates profitability.

4.5.1 Initial Costs

Notary expenses, trade license costs, license fees, tax registration costs, costs in the Trade Registry, notary costs, and more. All these costs are included in the start-up costs for the company set-up. Accountants and lawyers that will be agreed with will proceed with the whole process of setting up. Furthermore, webpage set-up will be done by a web developer, marketing agency, or marketing specialist. School furnishing will be done by **IKEA** due to its affordability. However, materials for the classes (chairs, tables, etc.) will be supplied by **Vs-moebel**, a German-based furniture manufacturer and one of the leading furniture manufacturers in Europe. The remaining amounts of startup costs were estimated by detailed research and asking entrepreneurs. Initial costs are shown in Table 10 below. When the initial costs are considered, around 2 million CZK capital is required for an International Kindergarten investment in Prague.

Table 10 Initial Costs for Establishing the Company

DESCRIPTION	AMOUNT
Deposit + 1 st month rent + agency commission (for kindergarten building)	700,000 CZK
School Furnishing + Preparing the classes	600,000 CZK
Painting and Construction	500,000 CZK
Company and webpage set-up	100,000 CZK
Other small possible expenses	200,000 CZK
TOTAL COST:	2,100,000 CZK

Source: Author

In addition, it is necessary to be aware that these initial costs may vary in each country or other cities of the Czech Republic. The construction company you agree with may repair your building at a cheaper or higher cost, or prices will vary for the installation of your website. Expenses will increase and decrease in proportion to the area of the school. Every business requires its plan.

4.5.2 Budget Plan

In this section, the possible monthly gross profit from the moment the active education period begins in Puzzle Kindergarten is shown in the table below. The school's only income comes from student registrations, and the expenses are detailed below.

Considering the salaries of the personnel and the jobs they do; an average amount was selected by researching **job.cz** and similar job posting sites and added to the table. Health

and Social Insurances costs of staff were calculated by using the calculator in **kurzy.cz**. However, they are not shown separately, but their total is placed in Table 11.

Table 11 Budget Plan of Puzzle (monthly)

PUZZLE	MONTHLY EXPENSES	MONTHLY REVENUE
Salary for the School Director (Gross)	60,000 CZK	
Salary for Finance Manager/Accountant (Gross)	40,000 CZK	
Salary for Admission Manager/Receptionist (Gross)	40,000 CZK	
Salary for 3 Native Teachers (Gross)	150,000 CZK	
Salary for an Assistant Teacher (Gross)	30,000 CZK	
Salary for Cleaning Ladies (Gross)	30,000 CZK	
Monthly Rent for the Building (Price per m²:302 CZK)	120,196 CZK	
Utilities (Gas, Electricity, Water, Internet etc.)	100,000 CZK	
Staff Health and Social Insurance	118,308 CZK	
Stationary + Books and Other Small Expenses	40,000 CZK	
Google Ads Advertising	20,000 CZK	
Students Income (40 Students)		980,780 CZK
TOTAL EXPENSES:	748,504 CZK	
GROSS PROFIT:	232,276 CZK	

Source: Author

4.5.3 Profitability Evaluation

Generally, it takes 2-3 years for startups to make a profit. Profit is expected in the 3rd year. Otherwise, continuing the business may result in more harm to the entrepreneur. Therefore, the profitability calculation will be made over 3 years. In this part, it's determined whether Puzzle can make a profit if it has the same number of students for 3 years in different scenarios. The main goal is for the kindergarten to reach 40 children at the very end. Because the capacity of the building that will be rented has only enough space for 40 children. This will be the optimistic scenario. However, pessimistic, and realistic scenarios are also included in the calculations in this section with the different numbers of children.

Optimistic Scenario

In the optimistic scenario, the reception half day was planned to consist of 12 children, the reception full day to consist of 12 children, and Year 1 to consist of 16 children.

Calculations were made accordingly. Since the business plan is to have 3 classes in total and considering that reception classes have a maximum capacity of 12 children and year one classes have a maximum capacity of 16 children, the numbers are suitable for this. It

cannot be expected to make a profit in the first month of any new business. There will be a loss in the first month, however as shown in Table 12, profit is made by starting from the first year, and at the end of the 3rd year, a net profit is made of almost 21 million CZK. When it's thought realistically, the kindergarten may not have 40 students as soon as it opens. But if it achieves 40 students and even no longer enrolls for the following 3 years, Puzzle can easily make a profit.

Table 12 Profit/Loss Statement in CZK (40 Students)

	First Month	First Year	Second Year	Third Year
Revenue	980,780	11,769,360	23,538,720	35,308,080
Initial Budget	2,100,000	2,100,000	-	-
Operating Expenses	748,504	8,982,048	8,982,048	8,982,048
Total Expenses	2,848,504	11,082,048	8,982,048	8,982,048
Profit/loss (EBIT) net income	(1,867,724)	687,312	14,556,672	26,326,032
Profit/loss (EAT) %21 income tax		542,976.48	11,499,770.88	20,797,565.28

Source: Author

Realistic Scenario

Puzzle will be a new international kindergarten on the market. Therefore, it would be realistic to start with 30 children. The distribution of the children here is planned to be as follows: 7 children in reception half day, 7 children in reception full day, and 16 children in year 1. As the number of children decreases, revenue and costs will also decrease. In this scenario, 2 teachers will be sufficient. Puzzle will get rid of the entire cost of 1 teacher. Insurance, salary, etc. Also, since the number of children is decreasing, it will get rid of stationery and book expenses for 10 children. If considered 1000 CZK per child, 10 children, 10,000 CZK is saved per month.

Table 13 Profit/Loss Statement in CZK (30 Students)

	First Month	First Year	Second Year	Third Year
Revenue	757,530	9,090,360	18,180,720	27,271,080
Initial Budget	2,100,000	2,100,000	-	-
Operating Expenses	671,603	8,059,236	8,059,236	8,059,236
Total Expenses	2,771,603	10,159,236	8,059,236	8,059,236
Profit/loss (EBIT) net income	(2,014,073)	(1,068,876)	10,121,484	19,211,844
Profit/loss (EAT) %21 income tax			7,995,972.36	15,177,356.76

Source: Author

In this scenario, the earnings do not cover the expenses, the first month and the first year are losses made. However, as shown in Table 13, profits will be made in the 2nd and 3rd years.

Pessimistic Scenario

The pessimistic scenario includes the scenario with the least number of children the Puzzle will have. The distribution of the children here is planned to be as follows: 5 children in reception half day, 5 children in reception full day, and 10 children in year 1.

While the kindergarten building is under renovation and has not yet been opened for education, it will be advertised aggressively, and the name of the school will be announced to parents during its installation. Therefore, registering 20 children is not the most difficult part of this initiative.

As in the realistic scenario, revenue will decrease along with costs. 2 teachers are planned to be sufficient for 20 children. All costs of 1 assistant and 1 teacher will be eliminated. Also, Puzzle will get rid of stationery and book expenses for 20 children. This means it will save 20,000 CZK per month.

In Table 14 below, it can be observed again that if Puzzle assumes that it has the same number of students (20) for 3 years, it will make a profit starting from the 2nd year. The amount of profit will vary. However, as in the other two scenarios, it has been concluded that it is certain to make a profit from the 2nd year onwards for Puzzle, an international kindergarten.

Table 14 Profit/Loss Statement in CZK (20 Students)

	First month	First Year	Second Year	Third Year
Revenue	501,362.5	6,016,350	12,032,700	18,049,050
Initial Budget	2,100,000	2,100,000	-	-
Operating Expenses	621,462	7,457,544	7,457,544	7,457,544
Total Expenses	2,721,462	9,557,544	7,457,544	7,457,544
Profit/loss (EBIT) net income	(2,220,099.5)	(3,541,194)	4,575,156	10,591,506
Profit/loss (EAT) %21 income tax			3,614,373.24	8,367,289.74

Source: Author

4.6 Risk Analysis

Strategic, financial, and operational risks are paramount in conducting risk analysis for establishing the international Puzzle kindergarten in Prague. Puzzle offers a diverse and cosmopolitan environment that attracts expatriate families seeking international education. Factors such as evolving demographic trends, and fluctuations in expatriate population could influence the kindergarten's market positioning and demand.

Public schools pose a particular risk to Puzzle. They receive financial support from the state. In this way, they can give scholarships to their students. However, since Puzzle will be a private kindergarten, it will stand out with its teachers, quality, and international environment different from public schools. All the fees will be suitable for this.

Prague has a stable political environment, and the increasing expatriate population creates a favorable market for Puzzle. However, there are potential economic risks to consider. Economic downturns or shifts in government policies could impact disposable incomes and affect families' ability to afford international kindergarten tuition fees.

Competition in the education sector is another risk. It is important to have a competitive advantage. It is not easy to achieve this. A unique difference in service or a price reduction is genuinely required. Diversifying services, such as increasing the variety of clubs and providing transportation for children, will also bring extra costs. Instead, increasing diversity over the years and starting with the lowest price compared to competitors will be Puzzle's competitive advantage.

There are specific operational risks to consider. It was mentioned in the previous sections that the teachers of Puzzle will be native English speakers. There may be difficulties in the initial phase due to cultural differences. However, the management team will have a good command of English and will include local people. Therefore, problems related to cultural differences will be solved by strong communication between the 2 parties. Additionally, as another solution in the recruitment process, Puzzle will give priority to people who have previously taught in other countries. Apart from this, it is possible that teachers go to other schools and this shortage may cause problems. Puzzle must keep the atmosphere in the school positive and make everyone as happy as possible.

Despite all the risks, the time it takes for a startup to make a profit can usually be 2–3 years. The important thing is to be resilient and hold onto the market during this period.

5. RESULTS AND DISCUSSION

The result and discussion section of the thesis highlights the central objective of assessing the feasibility and viability of establishing a kindergarten in Prague. To address this, a comprehensive analysis was conducted, focusing on factors such as initial costs, market demand, and competitive landscape.

5.1 Results

The key findings emphasize the importance of adequate capital for the entrepreneur, thorough competitor analysis, and accurate profit calculations in ensuring the success of the kindergarten venture.

In this research, it was found that opening a kindergarten in Prague is indeed a feasible and profitable venture. Calculations revealed that a capital of approximately 2 million would be necessary to cover initial costs. Through secondary data research, it was determined that factors such as location, staff quality, pricing, and class size held significant importance for families seeking kindergarten services. Recognizing the importance of competitor analysis in the business planning process, it was concluded that a detailed comparison enables making more informed decisions and finding optimum solutions.

Additionally, conducting a semi-structured interview with the director of the Meridian International School, an established institution in Prague, provided valuable insights into families' perspectives, expectations, and demographic information. Moreover, it shed light on their financial situations, any concerns they had, and how these were addressed. Also, the survey conducted by MIS to 414 families from 58 nationalities gave clear ideas about which promotion method could be effective.

Finally, a financial calculation led the author to conclude that profitability can be achieved at the earliest in the first year of kindergarten with 40 children, and the latest in the second year of kindergarten with 20 and 30 children.

Analysis of the research results reveals that having sufficient capital is crucial for the smooth setting up of an international kindergarten in Prague. Additionally, the entrepreneur's ability to conduct detailed research and develop a healthy business plan plays a critical role in achieving profitability in the kindergarten business. Everyone is an entrepreneur in some sense. Just like in Shane's research, about 40% of entrepreneurs are born and 60% are formed. Percentages vary. This gap can be closed with discipline and hard work.

Moreover, the research of Swenson, Rhoades, and Whitlark (2014) emphasizes the impact of WOM (Word-of-mouth marketing) for a rapid and successful launch of a business. With the survey in the practical part, it's seen word-of-mouth marketing at the top of the list. Therefore, the found results coincide with the research that has been done.

5.2 Implications and Recommendations

In terms of a broader perspective, the establishment of kindergartens contributes to the self-sufficiency of a country by addressing labor shortages, boosting GDP, and fostering the education of future generations. Therefore, the kindergarten business not only generates profits but also nurtures quality children who can make significant contributions to society in the future.

Based on the insights gained from the thesis, entrepreneurs seeking to establish an international kindergarten in Prague are advised to prioritize key strategies. Thorough market research is vital to understanding local demand, demographics, and competition. Developing a detailed business plan, including clear goals and financial projections, is crucial for securing funding and guiding effective operations. Furthermore, a strong emphasis on providing high-quality education, qualified staff, and safe facilities will be essential for attracting families and differentiating the kindergarten from competitors. By focusing on these fundamental aspects, entrepreneurs can increase their chances of success in the competitive landscape of Prague's kindergarten market.

6. CONCLUSION

This bachelor's thesis aims to conduct a comprehensive analysis to explore the feasibility and viability of establishing an international kindergarten in Prague. Through a blend of theoretical frameworks and practical insights, this research has provided invaluable perspectives on the practicality of such a venture. The methodology employed incorporated both theoretical and empirical methods, including literature review, secondary data analysis, market research, and qualitative interview with the industry expert. The strategic analysis, encompassing the SWOT Analysis, the PESTEL Analysis, and the Competitor Analysis, offered a robust examination of the current landscape and potential challenges and opportunities for an international kindergarten in Prague.

The findings from this study underscore the feasibility and profitability of opening an international kindergarten in Prague. Through precise financial calculations and market research, it was determined that adequate capital, thorough competitor analysis, and attention to factors such as location, staff quality, and pricing are vital for success. Insights collected from the semi-structured interview with the director of Meridian International School and survey data clarified families' perspectives, expectations, and demographic information, guiding strategic decision-making for the kindergarten venture. It is recommended that future research should gather more detailed information regarding the perspectives, expectations, and demographic data of families to obtain more precise results.

Fundamentally, this research emphasizes the importance of disciplined entrepreneurship and effective marketing strategies, including the significant impact of word-of-mouth marketing in launching and sustaining a successful business. Moreover, the establishment of kindergartens not only promises profitability but also contributes to societal self-sufficiency by addressing labor shortages, boosting GDP, and nurturing future generations' education.

In conclusion, entrepreneurs seeking to establish an international kindergarten in Prague are advised to prioritize thorough market research, detailed business planning, and a commitment to delivering high-quality education and facilities. By following these key strategies, entrepreneurs can position themselves for success in the competitive landscape of Prague's kindergarten market. This ensures a profitable and impactful venture that contributes positively to society's future.

7. REFERENCES

- ALEX Yaw, A., Israel Kofi, N., & Som, G. (2016). Competitor analysis in strategic management: Is it a worthwhile managerial practice in contemporary times. *Journal of Resources Development and Management*, 24(1), 116-127.
- ARAGAW, T. (2019, May). THE ROLE OF SERVICE QUALITY ON CUSTOMER SATISFACTION: A CASE STUDY ON KOLFE KERANYO SUB-CITY WOREDA 8 PRIVATE KINDERGARTEN AND PRIMARY SCHOOLS. *Institutional Repository*, 18-20. Retrieved from <http://hdl.handle.net/123456789/4883>
- BARROW, C., Barrow, P., & Brown, R. (2005). *The Business Plan Workbook* (5th ed.). London: Kogan Page.
- BASRI, W. S., & Siam, M. R. A. (2017). Maximizing the social media potential for small businesses and startups: A conceptual study. *International Journal of Economic Perspectives*, 11(2), 341-346.
- Chamber of Deputies. (1992, December 16). *The Constitution of the Czech Republic*. Retrieved from Chamber of Deputies Parliament of the Czech Republic: <https://public.psp.cz/en/docs/laws/constitution.html>
- CREMERS, J., & Carlson, A. (2013). SEs in the Czech Republic. *A decade of experience with the European Company*, 107-122.
- Czech Statistical Office. (2023). *Inflation, Consumer Prices*. Retrieved March 10, 2024, from <https://www.czso.cz/>
- DJANKOV, S., Qian, Y., Gérard, R., & Zhuravskaya, E. (2007, 06 01). What Makes a Successful Entrepreneur? Evidence from Brazil.
- FLEISHER, C., & Bensoussan, B. (2003). Strategic and competitive analysis: methods and techniques for analyzing business competition. 6.
- FLEISHER, C., & Bensoussan, B. (2003). *Strategic and Competitive Analysis: Methods and Techniques for Analyzing Business Competition*.
- FLEISHER, C., & Bensoussan, B. (2005). *Business and competitive analysis: effective application of new and classic methods*.
- FLEISHER, C., & Bensoussan, B. (2015). *Business and competitive analysis: effective application of new and classic methods*. New Jersey: FT press.
- FRIEDMAN, B., Bobrowski, P., & Geraci, J. (2006). Parents' school satisfaction: ethnic similarities and differences. *Journal of Educational Administration*, 44(5), 471-486.
- GARTNER, W. B. (1990). What are we talking about when we talk about entrepreneurship? *Journal of Business Venturing*, 5(1), 15-28. doi:[https://doi.org/10.1016/0883-9026\(90\)90023-M](https://doi.org/10.1016/0883-9026(90)90023-M)
- GENE, R., & Wright, G. (2001, 01). Expert Opinions in Forecasting: The Role of the Delphi Technique. *International Series in Operations Research and Management Science*. doi:10.1007/978-0-306-47630-3_7
- HANSEN, M., & Birkinshaw, J. (2007). The innovation value chain. *Harvard business review*, 85(6), 121.

- HUSSEY, D., & Jenster, P. (2000). *Competitor analysis: Turning intelligence into success*. Chichester: Wiley & Sons Ltd.
- LAVERTY, Michael; Littel, Chris;. (2020, 11). Entrepreneurship. *OpenStax College & OpenStax (Nonprofit organization)*. Retrieved from <https://openstax.org/details/books/entrepreneurship>
- Meridian International School Prague. (2023). *2024/2025 Tuition Fees*. Retrieved February 14, 2024, from Meridian International School Prague: <https://meridianedu.cz/admissions/tuition-and-fees/>
- MINAZZI, R. (2008). Customer Satisfaction Surveys in the Hospitality Industry : A Comparison of International Hotel Chains Questionnaires. *Proceedings of the 11th Toulon-Verona international conference on quality in services : higher education, health care, local government, tourism, banking*, 1-12. doi:10.1400/96205
- MOORE, P. G. (1984, January 27). *The Business of Risk*. Cambridge: Cambridge University Press.
- PARASURAMAN, A., Zeithaml, V., & Berry, L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- RIAZ, W., & Tanveer, A. (2012). Marketing mix, not branding. *Asian Journal of Business and Management Sciences*, 1(11), 43-52.
- RIES, E. (2017). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*. Currency. Retrieved from <https://books.google.cz/books?id=prDZAQAACAAJ>
- School, P. B. (2023). *Prague British International School Fees 2023/2024*. Retrieved February 14, 2024, from nordangliaeducation: <https://www.nordangliaeducation.com/pbis-prague/admissions/tuition-fees>
- School, P. L. (2023). *Park Lane International School Fees 2024/2025*. Retrieved February 14, 2024, from Park Lane International School: https://www.parklane-is.cz/wp-content/uploads/2024/03/cenik_full_nessie_toddlers-group_2024-2025_04.pdf
- STIMPSON, P., & Farquharson, A. (2014). *Cambridge International AS and A Level Business Coursebook* (Third edition ed.). Cambridge : Cambridge University Press.
- SWENSON, M. J., Rhoads, G. K., & Whitlark, D. B. (2014). Startup marketing: Leveraging leverage. *The Journal of Applied Business and Economics*, 16(6), 56-62.
- The World Bank. (2022). Retrieved March 10, 2024, from <https://www.worldbank.org/>
- TITLEY, B. (2015). *Complete Business Studies for Cambridge IGCSE and O Level* (Second edition ed.). Oxford New York: Oxford University Press.
- Transparency International. (2023). *Corruption Perceptions Index*. Retrieved March 10, 2024, from <https://www.transparency.org/>
- Vision of Humanity. (2023). *2023 Global Peace Index*. Retrieved March 10, 2024, from Vision of Humanity: <https://www.visionofhumanity.org/>

8. LIST OF PICTURES, TABLES, FIGURES, AND ABBREVIATIONS

8.1 List of Pictures

Picture 1 Location of Puzzle Kindergarten.....	46
--	----

8.2 List of Tables

Table 1 Comparison of Company Forms.....	16
Table 2 SWOT Diagram	20
Table 3 SWOT Analysis	33
Table 4 Annual Tuition Fee at the Riverside School.....	37
Table 5 Annual Tuition Fee at the Prague British International School.....	39
Table 6 Annual Tuition Fee at the Park Lane International School	40
Table 7 Annual Tuition Fee at the Meridian International School	42
Table 8 Tuition Fee 2024/2025 of Puzzle Kindergarten.....	45
Table 9 Survey of MIS.....	47
Table 10 Initial Costs for Establishing the Company	49
Table 11 Budget Plan of Puzzle (monthly).....	50
Table 12 Profit/Loss Statement in CZK (40 Students).....	51
Table 13 Profit/Loss Statement in CZK (30 Students).....	51
Table 14 Profit/Loss Statement in CZK (20 Students).....	52

8.3 List of Figures

Figure 1 Organisational Structure of Puzzle Kindergarten.....	31
Figure 2 Expanded Organizational Structure for Puzzle Kindergarten	31
Figure 3 PESTEL Analysis.....	35
Figure 4 Pie Chart of the Survey	47

8.4 List of Abbreviations

SWOT	Strengths, Weaknesses, Opportunities, And Threats Analysis
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
HRM	Human Resource Management
WOM	Word-of-Mouth Marketing
UNICEF	United Nations Children's Fund
MIT	Massachusetts Institute of Technology
ICT	Information and Communication Technology
EBIT	Earnings Before Interest and Taxes
EAT	Earnings After Tax
GDP	Gross Domestic Product
MIS	Meridian International School

9. APPENDIX - Interview with Meridian International School Director

Q-1. What factors do parents commonly consider when choosing Meridian International School as an educational institution for their children in Prague?

- **Location, school fees, and recommendations are the main reasons.**

Q-2. To what extent do financial considerations impact parents' decisions when selecting your school?

- **According to their income, if parents are officers or doing small business. As a British school, we are also open to middle- or low-income families.**

Q-3. Who is your ideal customer?

- **Expats who live here in Prague and of course local parents.**

Q-4. What does your ideal customer really want?

- **English education and private school for their children.**

Q-5. How do you measure and ensure high levels of customer satisfaction?

- **Main one is feedback from local parents who are Czech citizens and other Europeans, as well as their recommendations to their relatives or friends, etc. I have a parent who brought us 4-5 new parents because of his satisfaction with our school and quality education.**

Q-6. What are the professions of your target customers (*parents*)? Could you please give a few examples?

- **Our school parents must have enough financial ability. Mostly embassies staff, expats who work in foreign companies, and business people.**

Q-7. Can you discuss any challenges or obstacles your Kindergarten has encountered in understanding and meeting the needs of your customers?

- **It mostly depends on nationalities. For example, Asian families may complain about the food. Parents from warmer countries do not want their children to be taken out into the garden on cold days. European families want schools to be open on holidays or stay in the school longer with additional club hours. There can be problems such as families who do not like to be warned about school pick-up times of their children. However, all problems can be solved with the parents' meetings.**

Q-8. What is the level of parent's loyalty to your school? How would you define it?

- **Feedback, comments from parents, or complaints about every little issue to the school admin.**

- Q-9. When you think about the initial establishment of your school, in which year did you start making a profit?
- **3th year**
- Q-10. Have you noticed any specific trends or shifts in parental preferences over the years?
- **Young families are looking for English schools.**
- Q-11. What communication channels and strategies do you find most effective in reaching and engaging with parents?
- **We organize more parents' activities with their children or celebrate some important days with them and hear their voices about the school when we are together. We aim to have good relations with families. That's why we try to see their satisfaction and care about their thinking about education and other activities.**
- Q-12. Can you provide examples of any changes or improvements made to your services based on customer feedback or insights?
- **More play time in the garden, outdoor activities, and some additional clubs.**
- Q-13. Can you elaborate on any considerations that parents commonly emphasize during enrollment?
- **All main class teachers are Native English-speaking staff in our school. However, they want to see all staff are Native English-speaking people, but it's difficult.**
- Q-14. Have you noticed any changes in parental expectations regarding technology in education and do families support the use of technology within school?
- **We have IT lessons when they are 5 years old, and teaching according to the curriculum makes families happy. By the way, we do not allow them to use 3 and 4 years of any tech. So, no complaints.**
- Q-15. What would be the most important advice you would give me about setting up a successful international kindergarten in Prague?
- **Location, and staff experience, are important. School fees must be lower in 1st couple of years. Facilities in the building and playground are so important when families have their 1st tour of the school. Also, admission officers' quality like replying on time call back shows the school well and increases its reputation.**