

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Extended Abstract of Bachelor Thesis

Business plan of a new restaurant in Prague

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Summary

The bachelor thesis under consideration deals with establishing and developing of a new restaurant of fast food located in Prague. Theoretical part gives strong theoretical background and covers all necessary aspects of business planning. Practical part gives an understanding about vision and mission of the future company identifying economic factors and providing practical calculation to prove the project is workable and profitable. The practical framework is based on verifying legal issues of gastronomical business in the Czech Republic, lean canvas diagram, SWOT analysis and detailed financial plan with revenue projections for 5 years of project lifecycle, analysing and calculation of total costs and start-up budget, break-even points on monthly and daily basis, evaluation of investment using NPV and IRR approaches. As the result, the income prediction for the first year of operating will be 2 446 246 CZK with break-even point of 46 units per day and 1 398 units per one month. The average selling price for one unit (soup, toast, drink) is 175 CZK. The amount of product per one day during the first year is 113 units as an average. The NPV showed 79 235 439 CZK while IRR is 181,34% that means that the project should be accepted.

Keywords: business, business planning, restaurant, development of a restaurant, lean canvas, marketing plan, financial plan, start-up budget, “Bowls and Spoons”.

1 Goals and methodology

1.1 Goals

The Bachelor Thesis specializes in the business planning, establishing and development of a new restaurant located in Prague entering the market of the Czech Republic.

Theoretical objectives of the Thesis are to define relevant information that provide clear understanding of the business planning, market and marketing researches, financial issues.

Practical objectives are to apply all the information gathered for the development of the restaurant project, stabilizing and increasing profits of the restaurant, evaluation of risks.

1.2 Methodology

Theoretical part is based on literature research after business planning that provides definitions of relevant terms, describes the structure of the business plan, defines strategies and tactics are necessary for implementation.

Methodology of the practical part deals with identifying factors with micro-environment of the company through SWOT analysis and LEAN CANVAS method. Investments will be evaluated by dynamic methods, namely calculation of Internal Rate of Return and Net Present Value.

2 Theoretical part

The first chapters of theoretical part define what business is. It analyzes conditions ones to succeed in business and what business objective are. Then it goes into designation of business planning. The following paragraphs find criteria which each business plan should get to be suitable. Also, the chapter gives a description of purpose of business plan and its definition. The following point is exposition of lean canvas that is one-page diagram of a business plan. The last part of the thesis is structured business that includes a description based on literature research of how ones should write a business plan and what parts of relevant field should be involved in creation of the document. It covers introduction; executive summary; company analysis; market analysis; strategic marketing and tactical marketing planning; financial plan; investment evaluation techniques; appendices. Each of the points provide a reader with all necessary and valuable information and data for business planning.

3 Practical part

The practical part under consideration is the application of theoretical part and into a real case – establishing of a new restaurant in Prague. The business plan does not follow the structured business plan because of limited extent of the work. Thus, the first half of the practical part is grounded on lean canvas diagram. There are 9 sections of lean canvas to be assigned in the practical framework: problem; customer segments; unique value proposition; solution; unfair advantage; revenue stream; cost structure; key metrics; channels. Moreover, the author verifies legal issues under Czech law that should be fulfilled for running gastronomical business in the country. The last section of the first half is SWOT analysis based on conducted interview and authors self-researches. The second part is detailed financial plan that includes details about initial investments, start-up budget, total costs, cost of production, break-even analysis, revenue projections, expenditures on equipment, evaluation of an investment using net present value, internal rate of return and other relevant information.

4 Conclusion

The aim of the thesis was to create realistic and clear business plan for the concept of a new restaurant “Bowls and Spoons” in Prague. Using lean canvas diagram approach the author analyses and identifies various aspects of preferred business, namely problem; customer

segments; unique value proposition; solution; unfair advantage; revenue stream; cost structure; key metrics; channels. After conducting SWOT analysis the author specifies that the greatest Strength, Weaknesses, Opportunities and Threats of the project. The financial part gives clear understanding of figures. The start-up budget is estimated in amount of 3 018 670 CZK. Fixed costs are calculated with inflation of 5% per each year taken into consideration. As the result, the income prediction for the first year of operating will be 2 446 246 CZK with break-even point of 46 units per day and 1398 units per one month. The selling price in average is 175 CZK per unit (soup, toast and drink). The amount of product sold per one day during the first year is 113 units as an average. The investment is evaluated using NVP and IRR values. The NVP showed 79 235 439 CZK while IRR is 181 ,34% that means that the project should be accepted.

5 References

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