

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

**Feasibility study of a tearoom on Czech University of
Life Sciences campus in Prague**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Economics

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Petra Jovbaková

Economics and Management

Thesis title

Feasibility study of a tearoom on Czech University of Life Sciences campus in Prague

Objectives of thesis

Survey paper-based and computer-based with students as potential customers and with representatives of tearooms in Prague as competition. Calculation of the establishment costs and earnings for a tearoom. Business plan of a tearoom.

Methodology

For this thesis there was research done. After the personal meeting with representative of tearooms in Prague and questionnaire done with those representatives and after questionnaires done partly paper-based and partly computer-based with students as potential customers of a tearoom on campus there were data collected and put into SAS Visual Analytics. There are visualized data from market research and also prediction for the future tearoom. With this research there are also other aspects as market research and maximum and minimum price, average and mean with prices of tea, milk and sugar. For new company as a tearoom is important to do a SWOT and PEST analysis and both are done in this thesis. There are also goals set with SMART analysis.

The proposed extent of the thesis

60 – 80 pages

Keywords

Tearoom, tea, SAS Visual Analytics, Business plan, survey

Recommended information sources

ELLIOTT, Ralph Nelson. Tea Room and Cafeteria Management. Cornell university: Little, Brown, 1926.

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WHITAKER, By Joyce Ann Whitaker and Charles J. How to start your own tea room and Victorian gift gallery: from A-Z : English tea room. Bloomington, IN: AuthorHouse, 2004. ISBN 14-184-2842-6.

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Declaration

I declare that this thesis "Feasibility study of a Tearoom on Czech University of Life Sciences campus in Prague" I developed independently under the guidance of the supervisor Ing. Petr Procházka, Ph.D., MSc and the use of literature and other information sources that are cited in the work and listed in the bibliography at the end of work. As the author of the referred thesis I also declare that I did not infringe the copyright of third parties in the context of its creation.

In Prague, 31. 3. 2015

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Feasibility study of a Tearoom on Czech University of Life Sciences campus in Prague

Úvodní projekt čajovny v kampusu České zemědělské university v Praze

Summary

This work deals with a possibility to open a tearoom on a campus of the Czech University of Life Sciences in Prague. The aim of this work is to determine whether there is a demand in this area and thus a sufficient market for this kind of a small business. Methodology of this thesis is based on computer-assisted survey spread by internet where it was filled by 247 students from the university and paper-based survey done on the campus with 500 students as potential customers. Collected data were put into *SAS Visual Analytics* tool and there are results provided in a business plan in the practical part of this thesis. There was also done a research among competition. There is a Cash flow overview in financial part prepared. Next aspects affecting the tearoom are prices of commodities mostly used in the tearoom and therefore there was Median, Mode, Average and Maximum and Minimum price calculated with prices of tea, milk and sugar. There are used SWOT and PEST analysis which are both important tools for the new businesses, Marketing mix and seven P's. Theoretical part was used as a background for the business plan. The most important part is conclusion. In the conclusion is a research question answered and the business plan is summarized.

Souhrn

Tato práce se zabývá možností otevření čajovny v kampusu České zemědělské univerzity v Praze. Cílem této práce je zjistit, zda je v této oblasti poptávka, a tak dostatečně velký trh pro tento druh malého podniku. Metodologie této práce je založena na průzkumu počítačovém, rozšířeném pomocí internetu, kde byl vyplněn 247 studenty pouze z univerzity a průzkumu papírovému, který byl udělán v kampusu univerzity s 500 studenty jako potenciálními zákazníky. Získaná data byla vložena do SAS Visual Analytics programu. Výsledky jsou poskytnuty v obchodním plánu v praktické části této práce. Průzkum byl též udělán mezi konkurencí. K dispozici je také přehled o peněžních tocích ve finanční části. Jako další aspekt ovlivňující čajovnu je cena základních surovin. Byl tedy vypočítán průměr, Medián, Mode, a maximální a minimální cena čaje, mléka a cukru. V práci byly použity nástroje SWOT a PEST analýzy, které jsou významným nástrojem pro nové podniky, Marketingový mix a sedm P. Teoretická část byla použita jako základ pro obchodní plán. Nejdůležitější částí je však závěr, kde je zodpovězena výzkumná otázka, a kde je shrnut celý podnikatelský plán.

Keywords: Tearoom, tea, SAS Visual Analytics, Business plan, survey

Klíčová slova: Čajovna, čaj, SAS Visual Analytics, obchodní plán, průzkum

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1 INTRODUCTION

Tearoom is well known as a home-like place which is cozy and mostly small room or more small rooms with friendly staff and quiet atmosphere. Tearooms are popular among young people and because of that the idea is to start-up a tearoom in area which is visited mostly by students. This place, where could be the tearoom build is the Czech University of Life Sciences in Prague (further CULS) campus. The CULS would be the first university with tearoom in the Czech Republic and this is why it could be opportunity for the university to be unique and wanted by new students. The tearoom would be also a possibility for students to spend free time between lessons and seminars in a place which is not full of cigarette smoke and disturbing noise. When weather is good students or other customers could be outside in the garden of the tearoom and therefore outside on fresh air. The tearoom would be also a quiet place for them to work on their school works and projects. This could be important for the university itself because of better environment on the university campus. A lot of people like tea more than coffee and this is a good opportunity to offer them healthier but as good variant to wake up in the morning as coffee has. For this there could be take-away window open all day.

A business plan for the tearoom which preparation is the subject of this diploma thesis is important for every business whether operating or newly established. Business plan is important if the company wants to attract possible investors or banks. In the business plan there is specified the idea for a new business or how the operating business wants to innovate or grow. In the business plan there is provided where the business is, where it wants to go and last but not least how to get there. In the business plan there is also stated the target market, survey designed, marketing plan, financial plan and other parts so whoever read it can see if the business have real and deep knowledge about the field in which they want to do the business. For every business there should be market research done so the owners know their competition and their customers well. This is also a part of this business plan.

2 GOALS AND METHODOLOGY

2.1 Goals

Main aim of this diploma thesis is to answer a research question and thus find out if there is a demand for the tearoom on CULS campus.

Secondary aims of this thesis are:

- To find a theoretical background for preparing a business plan
- To find a theoretical background for all kinds of tea and its history as well as for tearooms
- To do a survey in the area of potential customers
- To do a research in the area of competition
- To create a business plan for start-up of a tearoom on CULS campus

2.2 Research question

The main aim of this diploma thesis is to answer research question: *“Is there a demand for the tearoom on the CULS campus?”*

2.3 Methodology

Practical part of this work is based on computer-assisted and paper-based survey. The paper-based survey was done on the CULS campus with 500 students as potential customers of the tearoom on the CULS campus. The computer-assisted survey was done by internet on *vyplnfo.cz* web page where it was filled by 247 students.

Collected data were put into *SAS Visual Analytics* program and in practical part there are results provided. This SAS tool is helpful with transformation of data collected into insights that give a fresh perspective on new business and shows data in understandable and nice to look at way. It can identify what’s working - fix what isn’t and discover new opportunities if people put there the data in the right way. For that there is need to think about how to use it and which data to compare with which data. SAS licenses are used in the Czech University of Life Sciences in Prague by students every day for their study and their theses. The research question of this thesis can be answered on the basis of this tool and the decision can be made weather or not open the tearoom at CULS university campus in Prague. This is provided in conclusion of this work.

With this survey there are also other aspects affecting prospective tearoom as is price of tea, milk and sugar. There was Maximum price, Minimum price, Average, Median and Mode calculated with prices of tea, milk and sugar.

The tearoom is also examined by SWOT and PEST analysis in this thesis that both are important tools for new businesses.

Practical part also includes every part of potential business plan as is marketing plan which is based on the survey and history of tea which is overviewed in theoretical part. In the marketing plan there is also specified the marketing mix and its seven P's.

There is also financial plan in the practical part which is processed with Excel table as a Cash flow overview.

The most important of this thesis is conclusion where is a research question answered and the business plan is summarized and evaluated.

3 THEORETICAL PART

3.1 Business

“A business can be defined as an organization that provides goods and services to others who want or need them.” (University of Minnesota, 2009)

In the Commercial Code in the Czech Republic in § 2 there is explained that business is a continuous activity performed independently by an entrepreneur in his own name and on his own responsibility in order to gain profit. (Business.center.cz, 2015)

3.1.1 Small and medium-size enterprises

Extract from the Commission Recommendation 96/280 / ES dated 3rd April 1996 concerning the definition of small and medium-size businesses (L 107, 30. 4. 1996, s. 4) says that:

Small and medium businesses are defined as those that:

- have less than 250 employees
- fulfill the independence criterion¹
- have either; an annual turnover not exceeding € 40 million; or
- total annual balance sheet not exceeding € 27 million

A small business is defined as an enterprise which:

- has less than 50 employees
- fulfill the independence criterion¹
- has either; an annual turnover not exceeding € 7 million; or
- total annual balance sheet not exceeding € 5 million

(Česká republika. Nařízení Komise (ES) č. 70/2001)

The tearoom would be therefore a small business. More to this is provided in practical part of this thesis.

¹ Independent business outside of the exception is under Article 3, paragraph 1, Annex I Commission Regulation no. 70/2001 company in which 25% or more of the capital or voting rights owned jointly by one or more undertakings not meeting the inclusion criteria among small and medium enterprises.

3.1.2 Legal structure

The tearoom would be a trade license business.

The trade license business regards the business covered by Trade Licensing Act and it is a general modification of business, which is applicable to any business, if it is not explicitly excluded from it (concession trade is not excluded, although they are often edited with special regulations). It is a continuing activity carried out independently in own name, on his own responsibility, in order to achieve a profit and under conditions set by the Trade Act.

This is applicable to both natural person and legal person. (ÚZ 1050 - Živnostenské podnikání, 2014)

3.1.2.1 Natural person

A natural person is a citizen, who gets a trade certificate and meets other conditions of business resulting from the Trade Licensing Act, tax legislation, laws on pension, social insurance, etc. (iPodnikatel.cz, 2014)

3.1.2.2 Legal person

Legal entities are defined by Act on Business Corporations (Law no. 90/2012 Coll.) as a business corporation. Czech legislation knows five kinds of corporations: limited companies, general partnership, limited partnership and cooperative. (iPodnikatel.cz, 2014)

3.1.3 Hygienic regulations

Due to Mrs. Ing. Petra Kolářová who is a referent of the Department of Nutrition Hygiene, tearooms have to meet the same specifications as other catering premises. Although the tearoom is only focused on preparation of drinks this activity falls under category of activities epidemiologically relevant.

Premises where the tearoom would be operated has to be approved. If these premises were used for another purpose before the tearoom owner of the tearoom can ask the relevant local building authority to change the use of premises at the tearoom. To change the use of premises or for the construction of a new facility there should be developed project documentation to which the regional health authority as one of the concerned government authorities give a binding opinion. In case of approval from the government authority the construction can be realized. Subsequently there will take place approval procedure where

is checked whether the building is corresponding with the approved project documentation. If everything is in order then there will be given a permission to use the building. (Expert opinion) (Česká republika, ES, 2004)

3.2 Tearoom

Tearoom is well known as a home-like place which is cozy and mostly small room with friendly staff. There are different kinds of tea served in tearooms, food and also other beverages.

3.3 Tea

Tea is a hot beverage made by infusing the dried crushed leaves of the tea plant, fruits, herbal or flowers in boiling or nearly boiling water. (Oxford dictionary, 2015)

3.3.1 Tea harvest and processing

Every maker of tea has a special way of creating the tea. Tea leaves are plucked and within two to three hours brought. The freshly plucked leaves may undergo one or more of the following processes.

The first stage is withering when fresh, green leaves and buds are withering. The leaves are placed in heated room or sometimes they let them air-dry in the sunshine. Then biochemical reaction and change in moisture occurs. Tea leaf can be than rolled without breaking. It takes from ten to twenty-four hours but it differs with the kind of tea. Without this process tea leaves produce bitter taste. For hundreds of years workers tested the progress by squeezing a hand full of leaves but today there are machines that measure it.

The second stage is rolling. It is done either by machine or by hand. Leaves are crushed and releasing the sap and then exposing it to oxygen. It takes mostly two hours.

The third stage is oxidation. This is the most important part because in this stage is determined the flavor and this stage also creates different categories. It is spread to a thickness of three to six centimeters then it is left in a cool, damp place to oxidize for one to three hours. It is left in heat because of chemical reactions. In this phase the aroma, flavor and color are determined.

The fourth stage is drying or desiccation. Leaves are dried with hot air and though it stops the fermentation process. In the last two stages it is important to watch over the leaves

because if there is too much of drying or too high temperature, the leaves are burned and their taste is not good. But if it is not enough high the flavor is also not good.

The fifth stage is grading or sorting when the dried tea leaves are separated into different leaf grades, depending on the size of the leaf particles. There are different categories which include whole leaf or broken leaf, dust and fanning. The fanning and dust are generally used to make the quick-brewing teas most often used in tea bags. (Martin, 2007)

3.3.2 Kinds of tea

3.3.2.1 Black, Ooiong, Green and White tea

The stages of the harvest and processing described in previous part make the different kinds of tea.

Black tea goes through all five processing stages and is oxidized fully.

Ooiong tea is partially oxidized, heated and sorted.

Green tea is tightly rolled and the flavor is robust. After rolling it is immediately heated to prevent oxidation. They can be pan-frying in China and in Japan they are generally steamed. Flavors are different but both of them are green tea. There is kind of green tea which is ground to a powder. In the fifteenth century it was and it still is done in the Japanese tea ceremony. This tea is called Matcha.

White tea is the least processed of all teas. It is lightly oxidized. Leaves for white tea undergo no withering, fermentation or rolling and produce a liquid that is pale yellow or clear. (Martin, 2007)

3.3.2.2 Herbal tea

Nettle is not just weed or the plant which can sting the skin by the hair on the leaves. Nettle is nature remedy. When there is tea done from the nettle, it can help cure anemia, high blood pressure, rheumatism, arthritis, coughs and colds, congestion, urinary tract infections, and kidney and bladder problems.

Chamomile is a popular herb which is used for shampoos, creams, lip balm and other cosmetics. It is used for making teas all around the world. It does not calm just mind but also stomach and relieves bloating and indigestion. Chamomile is also used for relaxing and drinking the chamomile tea is the best way how to fall asleep naturally.

Ginger tea has anti-inflammatory properties. Ginger gives energy to body and is well known for its beneficial effect on people experiencing nausea.

Peppermint tea helps with digestion. Peppermint tea is also soothing stomach when somebody experience nausea and vomiting. The other benefit of this tea is ease chronic or other pain. People with stress can also use peppermint tea to lessen the stress.

Lavender tea was known already by our grandmothers and their grandmothers too back to the centuries. Lavender tea soothes mind and body and helps lead to the sleep. This tea can also help with stress. Cough, bronchitis, asthma, cold and other respiratory issues can be reduced thank to this tea. High body temperature can be dangerous for children and adults and with that the lavender tea can help. It also helps heal wounds, cuts, ulcers and sores.

When somebody's muscles are in pain or are tired the Rosemary tea can help. In the case of cold or cough the Rosemary tea can help as Lavender one can.

Hibiscus flower tea can help with blood pressure, high cholesterol and it can help strengthen the immune system thank to Vitamin C.

Cardamom tea is from cardamom and this is grown only in India and Guatemala. Cardamom tea helps handle indigestion and it helps prevent stomach pain, and relieves flatulence. When somebody feel nauseous tea from Cardamom is good. It also relieves cough. It also helps detoxify the caffeine from system.

Milk thistle as a tea clear and regenerate livers. It also helps with digestive process.

Rosehip tea is full of Vitamin C. Thanks to this value it is good for immune system, skin and tissue health as well as adrenal function.

Aid with digestion is also a tea from Lemongrass. It contains citral and it is the ingredient in lemon peels which helps.

Other kind of herbal tea is made from Echinacea. Echinacea tea helps to enhance the activity of the immune system, relieve pain, reduce inflammation and have antioxidant effects.

Blackberry leaves are used for the tea too. This tea is also used as antioxidants.

Hawthorn tea helps to improve cardiovascular health by helping to relax and dilate blood vessels, which increases blood circulation and lessens stress on the heart. (Rbgfitchclub.com, 2012)

3.3.2.3 Blooming tea

Blooming tea was invented in China in 1990. Blooming tea is made of many young green or white tea leaves gathered together. There is a flower or a several flowers put in the middle of the pack mostly from herb plants. It is tied together with string and wrapped in a cloth to a ball. The ball is then unwrapped and put into the water. In the water it blooms and then it is amazing not only for taste but also for eyes. (Čaje Řipská, 2009-2015) (Richardson, 2009)

3.3.3 History of tea

The story of tea most likely begins in China. There is a legend which says that Emperor Shen Nong decreed that to preserve health of his subjects they must boil water before drinking it. In the story when they were boiling water some leaves were blown by the wind and accidentally fell into the pot. Shen tasted the result and was delighted with the flavor. They found those leaves and found that the leaves came to the pot from the plant which was named *Camellia sinensis*.

The other story came from Japan. In Dharma, a missionary Buddhist monk travelled from India to China at the end of the fifth century. The missionary Buddhist monk dedicated seven years to a sleepless devotion to the Buddha. During his meditation he found concentration failing so he cut off his eyelids in believe that he will stay awake. He threw the eyelids on the ground and a tea plant grew from each spot where the eyelids had fallen. The plant had leaves in the same shape as the eyelids were. The leaves of this plant were made into a drink which stimulates the man and his flagging worshippers. (Saber, 2010)

3.3.3.1 Tea at five o'clock

Based on this historical event there can be events planned at the tearoom on CULS campus. The year is 1840 and Anna, seventh duchess from Bedford, is exhausted and depressed. She had only little lunch and there is too much time left to the dinner. She is looking for a way to spend this time better so she invite her girlfriends. She serves snacks such as little cakes, sandwiches and most importantly tea. Talking about this event spread to other cities and a lot of people and it becomes a national custom. In Britain they start to make biscuits which were consumed with coffee and tea. It did not take a long time to extend this

custom to something more fun. They started to dance. High tea it become when it started to be served as dinner instead of in the afternoon. (Thomová, 2002)

3.3.4 Tea and health

The benefits of the tea are in the leaves. Leaf contains polyphenols. Epigallocatechin gallate and in addition an enzyme, polyphenol oxidase, are in those polyphenols. (Augustín, 2001)

Tea has positively effects against cancer and that mainly green tea. The tea is also a good help against diseases of hearth and blood-vessels. The substances in tea have a good influence on elasticity of blood vessels. It also prevents from negative impact of free radicals. Tea has anti-inflammatory effects and helps digestion. Tea also stimulates the brain and supports cardiac activity. Everybody should drink several cups of quality tea per day but too much of cups of tea are also harmful because of the relatively high content of caffeine. This increases a blood pressure and due to this it is dangerous for those with these problems. Drinking of green tea regularly prevents clumping of bacteria in plaque and thus reducing the risk of caries. When drinking too much of the black tea it can cause browning of teeth. (Pössl, 2010)

Dr.Thomas Stuttaford gave 28 of March in 1995 to the British readers of London's Times these words: *"The latest researches in Japan, which were printed by British Medical Journal, analyzed influences of drinking of a green tea on 1371 people, who live in Jošimi city. It was found that it reduces heart attacks and cardiovascular diseases."* A research of influences of drinking of tea has started around 1970 in Japan Centre in Mitsui Norin Food Research Laboratories. All of those researches and other confirm that tea has beneficial effects on health. (Pratt, 1999)

3.4 Fairtrade

„Unlike fair-trade coffee, which is produced by cooperatives of small farmers, fair-trade tea is produced mostly on large privately owned plantations in India, Sri Lanka, and East Africa. To become fair-trade-certified, a tea estate has to provide its workers with fair wages and good working conditions, and ensure adequate housing and health care. Certified estates encourage sustainable farming, they prohibit child labor, and the workers and managers together decide how the fair-trade premium will be used to benefit the workers –

for housing, health care, education, or income – generating projects. There are around 50 fair-trade-certified tea estates in India, employing more than 120,000 workers.” (NORTON, 2005)

Fairtrade is a fair trade. There is given the opportunity to earn enough money to live to people from countries in Africa, Asia and Latin America. They get paid fairly, grown with respect for the environment and their children can go to school.

Now, it is due to the official web page of Fairtrade 2.5 million of Fairtrade farmers and craftsmen. There were 174 million CZK turnovers of Fairtrade products in the Czech Republic in 2013. Certified growers received 86 million euros on social premium in 2012. 1452 cities in the world support Fairtrade, six of them in the Czech Republic. Czech University of Life Sciences in Prague also supports Fairtrade. Mark Fairtrade ® is today best known and most widespread ethical mark on the world.

- Principles of Fairtrade:
 - Fair price (for products is a fair purchase price)
 - Community development (social allowance eg. for education, infrastructure development, health care or improving production)
 - Nature Conservation (not using of agrochemicals preventively)
 - Long-term business relationships (Fairtrade grower knows how much money and when will be received)
 - Decent working conditions (labor rights - employment contract, safe working conditions)
 - Equality (Women and men have equal voice, as well as migrants or ethnic minorities. Fairtrade strengthens the position of women in society and their economic independence)
 - Democracy (Fairtrade cooperatives operate on democratic principles: the vote of each member has the same weight)
 - Prohibition of child labor (work that harms mental and physical development of the child is disabled)

3.5 Business plan

“The plan may be presented through a planning document, but the business plan itself should be a set of management decisions about what a company will be doing to ensure success in the future.” (Edwin, 1995)

3.5.1 Purpose of the business plan

Business plan process consists from three stages. First stage understands where we are. Second stage is about decision where we want to go and third stage is about planning how to get there. Business plan is similar to maps. There is decision where we want to go, plan the road to the chosen city and vehicle which will be used for it. There are more ways how to get there but the roads have different lengths and they are differently risky. Planning is therefore complex and systematic. There is established target and how to get there. (Abrams, 2013)

3.5.2 Where we are

The first stage is where we are as was written above. It is important to understand what is a product or service of the company and if it is better or worse from others. It is important to understand the competitive advantage.

To understand this situation there are questions which should be in a plan determined and therefore help the situation.

- How to compete in price or quality with our products or services?
- Is our product or service different from others?
- Can our product or service be copied?
- Can you identify market systems?
- Who your customers will be?
- What are your targets?
- Are you a good leader?
- Do you have enough financial resources?
- Is the market rising?
- Does the market change?

- Do you understand your company in terms of PEST and SWOT analysis?
- Do you have a big competition? (Abrams, 2013)

3.5.3 Where to go

Decision what are and where are the targets of the company.

There should be set specific tasks so it is possible to check which targets were already achieved and which were not. Our targets should be specific, measurable, assignable, realistic and time-related. (Abrams, 2013)

3.5.4 Planning, how to get there

Strategy is created in this part. Strategy is done about how to achieve the targets. There is a coordination of individual area as marketing, operations, people and finance. In this part is business plan created. (Abrams, 2013)

3.5.5 Structure of the business plan

3.5.5.1 Introduction

The introduction of the business plan is a summary which is supposed to be short and interesting. It is a brief form of preview of the business plan. This part is the most important for possible investors and banks. This part is the most important to interest readers in order to read more. In introduction there are questions which should be answered:

- Is the basic concept of the business meaningful?
- Is the business activity planed thoroughly?
- Is the management good?
- Is there a blank space in the market which is going to be fulfilled by the business?
- What are the advantages of business compared to competitors? (Abrams, 2013)

3.5.5.2 Description of the business

The next part of the business plan is a description of the business and a brief description of the services that the company provides. These facts make picture of the company. This section provides information about the organizational structure of the company, about its development and legal status. There is information about web pages. There also is

information about owners, co-owners and main shareholders. There is information about headquarters. This part continues with description of company's products and services and industry in which it operates. Despite the fact that there is a whole chapter concerning the financing of the company, it is necessary to briefly outline the situation in this section.

There may be other factors listed as:

- Licensing and distribution contracts
- Trademarks, copyrights, patents,
- Other legal means to ensure the protection of business
- Other facts that relate to legal relationships which have a major impact on the activities of the company (Abrams, 2013)

3.5.5.3 Target market

The company's success depends on whether the company can meet the needs and desires of customers. In order to do that, it is necessary to identify those customers. These types of customers are our target market. Customers need to be identified, must exist. It is important to know who the customers are and what they want. These customers should be enough to keep the business prosperous. It is necessary to know in what area they occur. How customers think. Why do customers buy anything? What they want. All this information must be trustworthy data supported by survey.

Target market should be definable (individual character, customer identification, specific target group), meaningful (customer behavior), sustain business (size) and products or services must be distributed efficiently at low cost (available).

In this part should be defined:

- Geographical location of the target market
 - Market Research
 - Market Coverage
- Demographic characteristics of the target group
- Motivation of customers and their behavior
- Size of the market
- Market trends

To know who our customers are, what they want and when and why they shop is key part of the plan. (Abrams, 2013)

3.5.5.4 Competition

Competition exists in every kind of business. The market is viable when there is competition. Monitor what the competition is doing helps improve services and products helps not to repeat their mistakes, or conversely, to learn something from the competition. There should be written share of individual competitors on the market. The other important analysis should be about strengths and weaknesses of our competition. After evaluation of the forces of the competition, it is necessary to sort the competition firms from the strongest to have an overview about competitors. In the business plan should be mentioned why the company has an advantage.

There are two types of competition:

- Direct
 - Here are companies which have similar or the same products or services.
- Indirect
 - Here are companies which have not the same products or services but they fulfill the same or similar needs and wants of our customers.

(Abrams, 2013)

3.5.5.5 Marketing plan

If the company has some product or services it is time to say it to the world. If there is a product or service but no message that customers can buy it - it is useless.

Marketing activity get customer acquainted with the company's product or service.

In business plan there have to be (mainly for investors) seen:

- Realistic and from costs point of view effective way how to inform potential customers about the product or service and their positives
- Effective team of sellers
- Appropriate techniques of sale

Marketing activities includes advertisement in television, radio or press. There is making of information materials as publications and information leaflets. The firm can have

presentations on web pages. Other way is public relation and it includes information for press and presentation actions. Company should be at exhibitions and fairs. There are other possibilities as billboards, samples for free or events.

Every enterprise sends through marketing a message to the world. This message should be about character of the company and how they are different from competition. This message or slogan should be short and easy to remember. It should help customer to make a quick decision where to buy product or service they need or want.

For example there is Nike with “You can do it!” or L’Oréal with slogan “Because you’re worth it”. Visa is good example too with slogan “Everywhere you want to be”.

The next way how to propagate the firm’s products or services is through:

- Strategic partnership
 - Connection with other firms. Due to this connection there is promotion of other company in our own offers and the other way around.
- License agreements
 - The opportunity to sell our licenses to other companies so they can sell it as their own.
- Distribution agreements
 - Agreement with other companies that they will sell our products or services. Distributor has its own sell strategy and logistic. They have their own stocks.
- Usage of wholesale
 - Wholesale is buying products in large numbers and then is producing less products to retail use.
- Work with agents
 - Cooperation with individuals which are selling our products. They can have a sales commission.

(Abrams, 2013)

3.5.5.6 Business operations

In this part of the business plan should be shortly described equipment and explained what are the company’s operating and producing processes. In this part can be also explained what the company devices and technologies are. Every company should have an evidence of

supplies and control of costs and purchasing. Control of quality is important too and should be also described with services to customers in this part of the business plan.

For the tearoom there should be described why the campus was chosen. There is supposed to be how the company is going to control the quality of service and quality of products. Optimal profit can be only if the company has supplies directly proportional to the demand for goods. Where is the firm going to take the supplies? How are the orders going to be processed? Is customer service done well? These questions should be answered in this part of business plan. (Abrams, 2013)

3.5.5.7 Management and staff

Lenders and investors want to know if the company is led by competent people. Employees should have qualification to do their job. In this part there should be set how the employees are going to be found in the case of new firm. The owner should have specified some criteria about those employees. Organizing structure should be adequate to the set goals.

If this part is written to find some investors it should be aimed at management and their experience with this area. Does someone from management have experience with well-known company or is the owner cooperating with some big name persons? In this part this should be mentioned to shine in the eyes of investors.

Key persons of this firm should be in this part with their experience, qualification and education. The main aim is to show that the team of leaders is capable and competent to lead the firm to success. (Abrams, 2013)

Key persons in a firm are:

- The main responsible person (President, Chief Executive Officer)
- Operational/Production (Head of Operations, Production Manager)
- Technology (Head or specialist for Technology, Head of IT)
- Marketing and sales (Vice President for Marketing, Head of Sales)
- Human resources (Head of Human Resources)

There should be maximum five persons but it can be only one. In each person there should be set their role for the business and in its structure. Which experience or education is his qualification for this job? What did they achieve? What are their vocational and human

virtues? Did they invest any money into the firm? These questions should be answered in this part.

There should also be an organization structure described and every consultant mentioned. (Abrams, 2013)

3.5.5.8 Survey design

“A survey is any activity that collects information in an organized and methodical manner about characteristics of interest from some or all units of a population using well-defined concepts, methods and procedures, and compiles such information into a useful summary form. (Survey methods and practices, 2010)

There was a survey needed for this diploma thesis because there are no data available about students and their relation to tearooms and also there are no data available of the competition of tearooms. To study the characteristics of a potential customers and competition and to build a database for analytical purposes there is survey needed. (Survey methods and practices, 2010)

The steps of the survey are:

- Formulation of the Statement of Objectives;
- Selection of a survey frame;
 - The units on the list correspond to geographical areas here it is CULS university campus and students of the university.
- Determination of the sample design;
 - This is a sample survey because there is only a sample of population not all of them.
- Questionnaire design;
 - Two types of sampling exist: non-probability sampling and probability sampling. Important is to try to fulfil as many requirements as possible.
- Data collection;
 - The questionnaire for this thesis is prepared as a self-enumeration when respondents are going to complete the paper by themselves. This was in the computer-assisted and also with the paper based one where it was a self-enumeration and partly interviewer-assisted. Partly interviewer-assisted is done with assistance of an interviewer. Benefit with the computer-assisted survey is

that invalid or inconsistent data can be identified more easily than with paper questionnaires.

- Data capture and coding;
 - At this survey the data will be numerically coded after the collection. Here it is important to be careful as it is time consuming part but any error can affect the result.
- Editing and imputation;
 - To ensure that the data are at the end complete, consistent and valid for this thesis there is going to be about 10 more questionnaires done so if there is some questionnaire not complete, with missing, invalid or inconsistent data, it can be exchanged and there are going to be still 500 paper-based questionnaires done.
- Estimation;
 - *“Estimation is the means by which the statistical agency obtains values for the population of interest so that it can draw conclusions about that population based on information gathered from only a sample of the population.” (Survey methods and practices, 2010)*
- Data analysis;
 - *“Data analysis involves summarizing the data and interpreting their meaning in a way that provides clear answers to questions that initiated the survey.” (Survey methods and practices, 2010)*
- Data dissemination;
 - This is delivery and presentation of the final results to public. It should be understandable and easy to read. Important details should be highlighted. A data quality evaluation should be performed.
- Documentation
 - *“Documentation provides a record of the survey and should encompass every survey step and every survey phase.” (Survey methods and practices, 2010)*

(Survey methods and practices, 2010)

3.5.5.9 Future of the business

3.5.5.9.1 SWOT Analysis

It is a tool which evaluates Strengths, Weaknesses, Opportunities and Threats of firm. It looks at potential problems. Opportunities are considered as external. New idea on the market or low interest rate in Czech National Bank could be taken as opportunities. Strengths are considered as internal. People tend to confound strengths and opportunities. In strengths are experience of management and other people involved. Other internal influence is weakness. The lack of experience in the field of business could be a weakness. Threats are on the other hand external. It is what would affect the business in the negative way. For example it is weather or unforeseen competition. Weaknesses, threats and risks could be covered by insurance. Every person sees a business from his or her own perspective and may think about the company differently. (Kime, 2015)

3.5.5.9.2 PEST Analysis

PEST stands for Political, Economic, Sociological and Technological factors which affect the company.

Political factors are those political issues within the organization or in the region where the organization is based. There are national and international political issues. There is for example change of government or its policy, a change of official policy towards a particular country, a change in legislation or in interpretation of legislation, privatization or within the organization there are for example issues as a change of ownership, a power struggle between individuals or changes in the mission, vision, goals and believes of an organization.

Economic factors are changes in national or local taxation levels, an excessive increase in wages, changes in the value of the national currency, an impact of the European Union, changes in trade agreements, foreign competition, inflation and other.

Sociological factors relates to lifestyle, habits, trends and fashions. Beliefs of people are also a part of it. Flexible working contracts, a tendency of companies to recruit absolvents and career expectations of employees, these all and more are part of sociological factors.

Technological factors involve changes or innovations in technology. New distribution processes, different manufacturing process or new computer software could be technological factors. There are other technological factors it depends on company. (Williams, 1997)

3.5.5.10 SMART Goals

“The SMART Goals technique helps you obtain clear agreement from your meeting group about exactly what any particular goal means. This technique is also excellent for improving the likelihood that a specific goal will be implemented to the satisfaction of everyone who is involved.” (Butler, 2014)

“Smith identifies five criteria for creating SMART goals: goals must be specific (S), measurable (M), action oriented (A), realistic (R), and timely (T).” (Zachary, 2012)

3.5.5.11 Financial plan

Based on forenamed Trade Licensing Act for business owners and entrepreneurs who have no legal obligation to keep accounting, it is preferable to use the possibility to prove income and expenditures in form of a Cash flow overview. This can be provided simply by Excel table. (Firemnifinance.cz, 2015)

The tax payer becomes a taxable person with its registered office in the Czech Republic, whose turnover for a maximum of 12 immediately preceding consecutive calendar months exceeds 750 000 CZK (This amendment becomes effective on 1 January 2015.) except those carrying out only exempt transactions from duty without entitlement to deduct. A taxable person referred to in paragraph 1 is the taxpayer from the first day of the second month following the month in which he exceeded the set turnover, failing under this Act before the payer. (Zákon o dani z přidané hodnoty, 2015)

4 PRACTICAL PART

4.1 Business Plan

4.1.1 Title page

- Name of the business: CULS Tearoom (provisional title)
- Place of business: Campus of CULS
- Owner of the business: Petra Jovbaková
- Legal form: Trade Licence
- Date of the start of the business: January 2016 (presumption)

4.1.2 Introduction

Although there is a broad representation of tearooms in Prague there is none on campus of any university or specifically Czech University of Life Sciences or anywhere around Suchdol. Because students are presumed to be the ones to visit a tearoom it is a perfect place where to open the tearoom. There is a hole in the market and this tearoom would be a perfect fit. Further in the business plan there is written who the target market is, financial plan and marketing plan and other descriptions of the tearoom. All this is built on the foundation of survey computer-assisted and paper-based done with students of the university and with representatives of tearooms in Prague.

4.1.3 Description of the business

This business will be based on Trade Licensing Act under natural person. The business will be based on serving of tea beverages on the CULS university campus to mainly students.

4.1.3.1.1 Consumption of tea in the Czech Republic

Due to the graph above the Czech Republic is 24th in the sequence in the graph and the consumption of tea is 0.931 pounds per person.

4.1.3.2 Target market

For the tearoom which would be opened on the university campus the target market generally are students. Due to the annual activity reports prepared by Czech University of Life Sciences in Prague in 2013 in accredited study programs at CULS have studied a total

of 22,710 active students. It is about 649 less than the previous year. When there was counting total number of students (including those with interrupted studies, foreign students staying in the CULS in the mobility and lifelong participants in training) were at the end of year at CULS 28,312 students in all forms and types of education. Even this number is for the first time in at least six years very small drop in such defined students. It was by 268 compared to 2012 (despite the increase in foreign exchange students). (Česká zemědělská univerzita, 2015)

To specify the target market there was survey done and more to this survey is in next few chapters. The target group is due to the graph at practical part 21st year old women because 93 of them checked in the questionnaire that they would visit the tearoom on the university campus and it was the majority group. The other target group is women which are 20 years old because 88 of them checked the same answer. Women in general should be the target group due to the graph but the basic target group still remains as students.

4.1.3.3 Location

The tearoom will be located on the CULS university campus. There is a place near the entrance of the university campus where the tearoom could be built from wood. If the tearoom will be made from wood and located on a grass there do not have to be a land damaged because walls are made from glued laminated timber and there are no foundations for the house. Students can sit on a grass around the house in the summer or inside the house.

4.1.3.4 Business hours

Due to the research in competition and due to the survey done with students and given that there should be a take-away window open for the students coming in the morning to the university the best business hours should be:

- **Monday – Thursday 6.30 am – 10.30 pm**
- **Friday – Sunday 8.00 am – 12.00 pm**

It is calculated that the business hours may vary according to the needs identified and according to the real time of customers leaving and coming to the tearoom.

4.1.3.5 Menu

Due to the research done with representatives of tearooms in Prague there should be a lot of kinds of tea available. The assumption is that this will change due to the taste and orders of customers. Due to the survey with students there should be some food to buy and also alcohol beverages. The competition has menu without pictures mostly and without English translation. In this tearoom there will be menu done in attractive way and there will be translation provided as there are a lot of students from abroad.

4.1.4 Survey among potential customers

The tearoom would be opened at CULS campus in Prague and because of that there was research done at the CULS campus in Prague with its students. To have appropriate outcome the research was divided into two parts. The first part was done by internet research by computer-assisted on-line questionnaire and the second part was done personally paper-based with students at the CULS campus in Prague.

The first question in the questionnaire was if the respondent is or is not a student at the university. In case that respondent checked that he or she is not a student the one questionnaire was excluded from the survey.

The second question was about the respondent's faculty. To have various sample the survey was done on six faculties Faculty of Agrobiological Sciences, Faculty of Food and Natural Resources, Faculty of Tropical AgriSciences, Faculty of Economics and Management, Faculty of Engineering, Faculty of Environmental Science and Faculty of Forestry and Wood Sciences.

The third question was about the respondent's age. There were no categories, just a blank space to fill in.

The fourth question was about respondent's gender if it is man or woman. These questions should categorize the respondent.

The fifth question was where the respondent lives so we know if he is mostly in the area of the university (dormitories) or in Prague or outside the Prague.

The sixth question was about visiting of the campus so we know how often the respondents visit the campus.

The seventh question was about respondent's income so there is shown if they only study or have some income as brigade, full or part-time job, pocket-money or other income as is some kind of rent.

The eighth question was there to specify the income and how much it is. The categories were adapted for students and assumption that students have less money than people after the study.

The ninth question was if the respondent visits a tearoom so we know if they know them and visited it in past.

The tenth question was about how often they visit it if they do.

The eleventh question was directed at a time in which they visit the tearoom.

The twelfth question was directed at the respondents which chose that they do not visit a tearoom. The twelfth question is then why they do not visit it.

The thirteenth question was about a tearoom on the campus and if they would visit it. This question is the most important for the survey.

The fourteenth question was about money and how much would respondent spent there. This question is important for financial part of the business plan.

The sixteenth question was about food so there is shown if there should be food available or not.

4.1.4.1 Results of computer-assisted survey

This survey was uploaded onto vyzplnto.cz where it was available for students from 19. 01. 2015 to 10. 02. 2015. This was completed by 247 of respondents. Response rate of questionnaire was 88.6%. There were fifteen questions. Filling time of the questionnaire was 00:02:08 in average.

4.1.4.2 Results of paper-based survey

A total of 500 paper-based questionnaires were filled in by students of Czech University of Life sciences.

The first survey was done on Friday at 5pm. Due to this time there were students from part time study mostly filling the questionnaires. Questionnaires were collected mainly in the whole area of Faculty of Economic and Management. The other part of questionnaires was collected in Farm restaurant on the CULS campus in Prague in the same day. The questionnaire could be filled only if the person is a student of the CULS in Prague and this was the only condition. The first day there were 100 questionnaires collected.

The second survey was done on Thursday at 10am mostly at Faculty of Agrobiology, Food and Natural Resources and it was done at the time of examination period so it was

harder to find a lot of students. The other part was done at Study and Information Centre mainly at the library. There were 100 questionnaires collected.

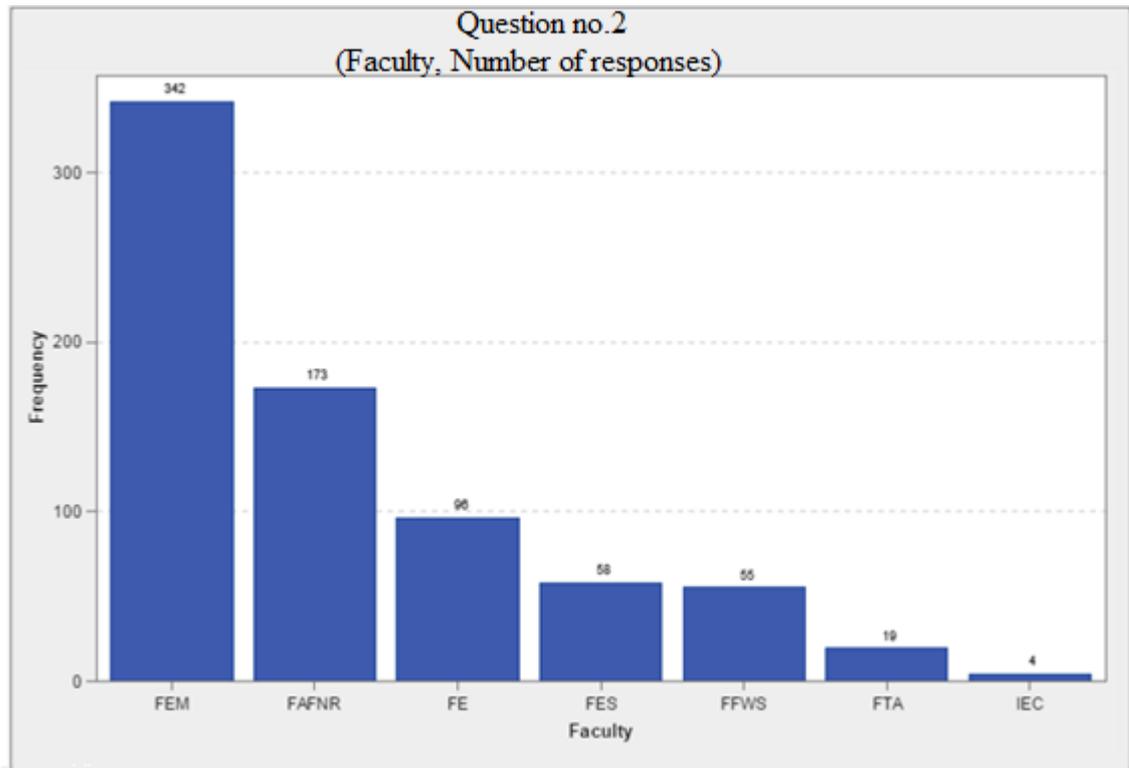
The third survey was done on Friday at 13pm at Faculty of Engineering, Faculty of Agrobiological Sciences, Faculty of Food and Natural Resources, Faculty of Agrobiological Sciences, Faculty of Environmental Sciences, Faculty of Forestry and Wood Sciences and Faculty of Economic and Management as well as at Farm restaurant and Mensa. There were 100 questionnaires collected.

The fourth survey was done on Tuesday at 9am at Faculty of Engineering, Faculty of Agrobiological Sciences, Faculty of Food and Natural Resources, Faculty of Agrobiological Sciences, Faculty of Environmental Sciences, Faculty of Forestry and Wood Sciences and at Faculty of Economic and Management as well as at Mensa restaurant. There were 100 questionnaires collected.

The fifth survey was the last and it took the most time. It was done on Wednesday at 9am it was done in the whole area of the university campus and there were 200 questionnaires collected. The most common question from the students when they were filling the questionnaires was, if there is going to be a tearoom in the campus because they would like to have it there. The survey after the evaluation showed that students are really inclined to have a tearoom on the university campus.

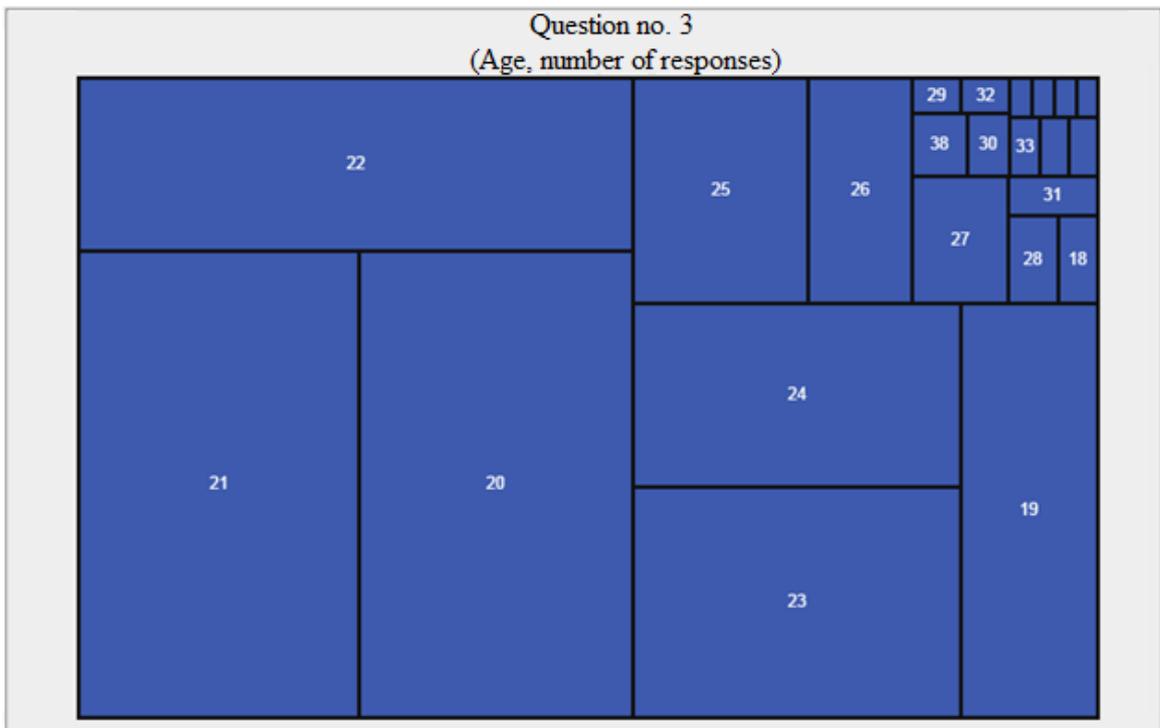
Questionnaires were collected together and the data were put to the excel table. This took about one week of concentrated and attentive work. The questions were filled in the first two rows and then because it is anonymous there was number assigned to every questionnaire in the first column. Then when the answer was checked by person there was number one written to check the response in the row. Every questionnaire took one row of the excel table.

4.1.4.3 Evaluation of paper-based and computer-assisted questionnaires

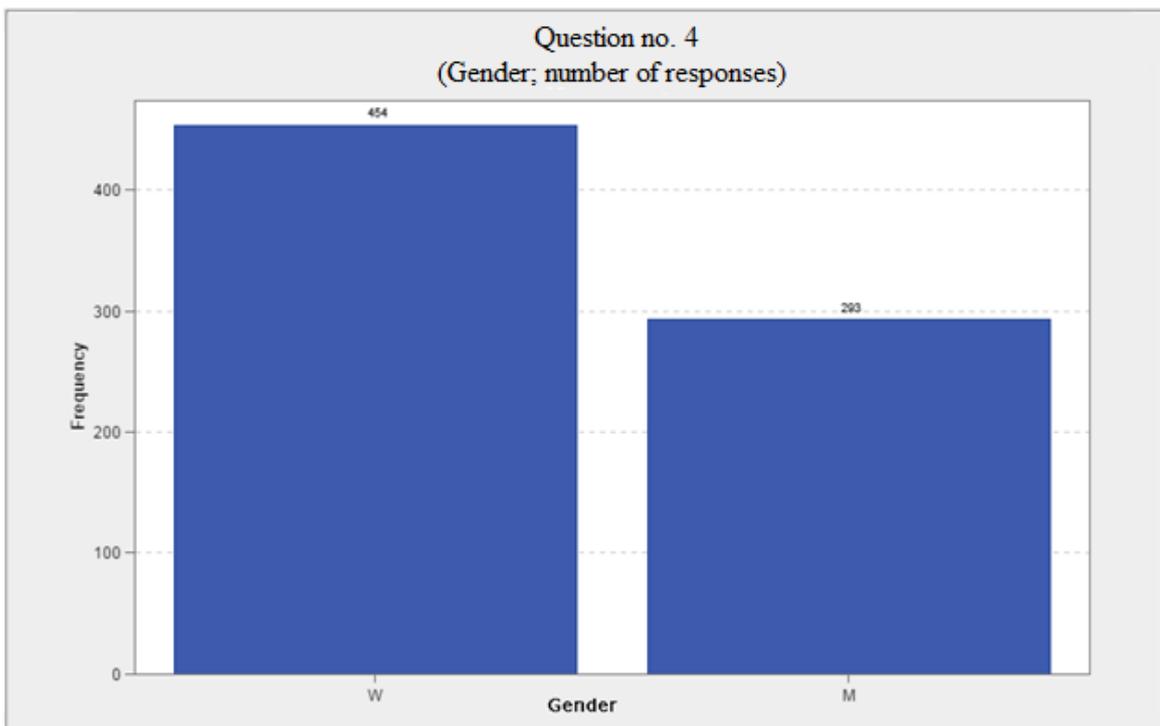


Graph 1, SAS Visual Analytics, Question no. 2; Faculty, Data source: Own input from survey

This graph shows how many of respondents visit which faculty. It is 342 checks for Faculty of Economics and Management, 173 of respondents are from Faculty of Agrobiolology, Food and Natural Resources, 96 of respondents are from Faculty of Engineering, 58 of respondents are from Faculty of Environmental Sciences and 55 of respondents are from Faculty of Forestry and Wood Sciences, 19 of respondents are from Faculty of Tropical AgriSciences and only 4 respondents are from Institute of Education and Communication.



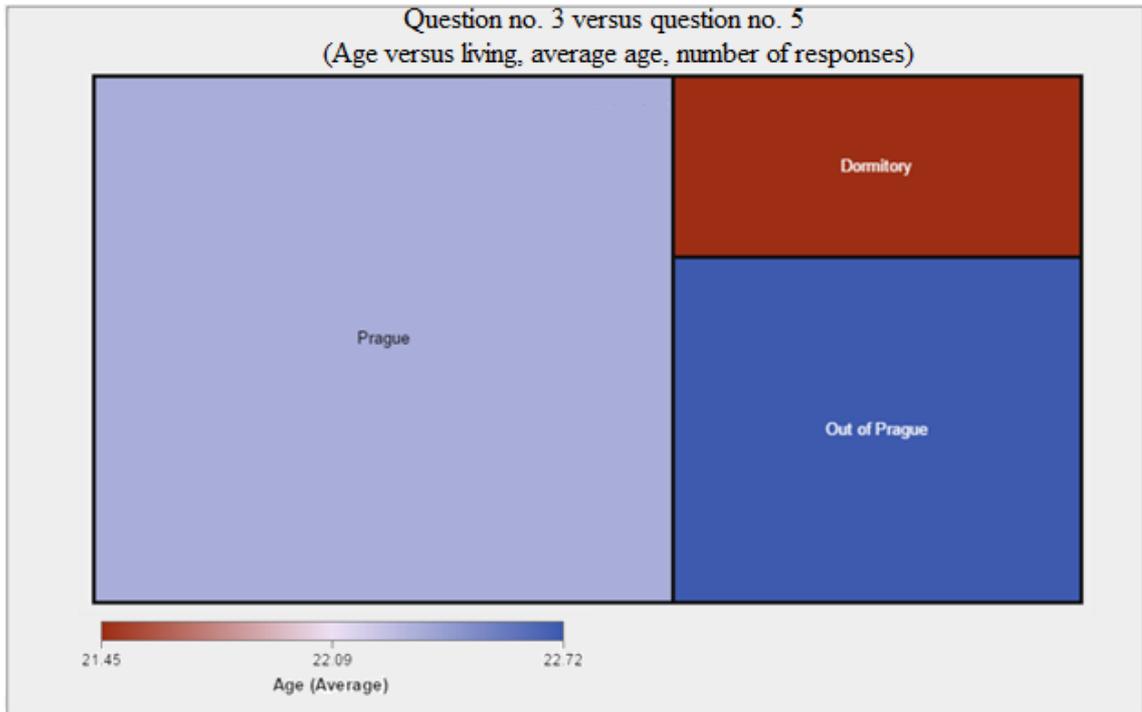
Graph 2, SAS Visual analytics, Question no.3; Age, Data source: Own input from survey



Graph 3, SAS Visual analytics, Question no.4; Gender, Data source: Own input from survey

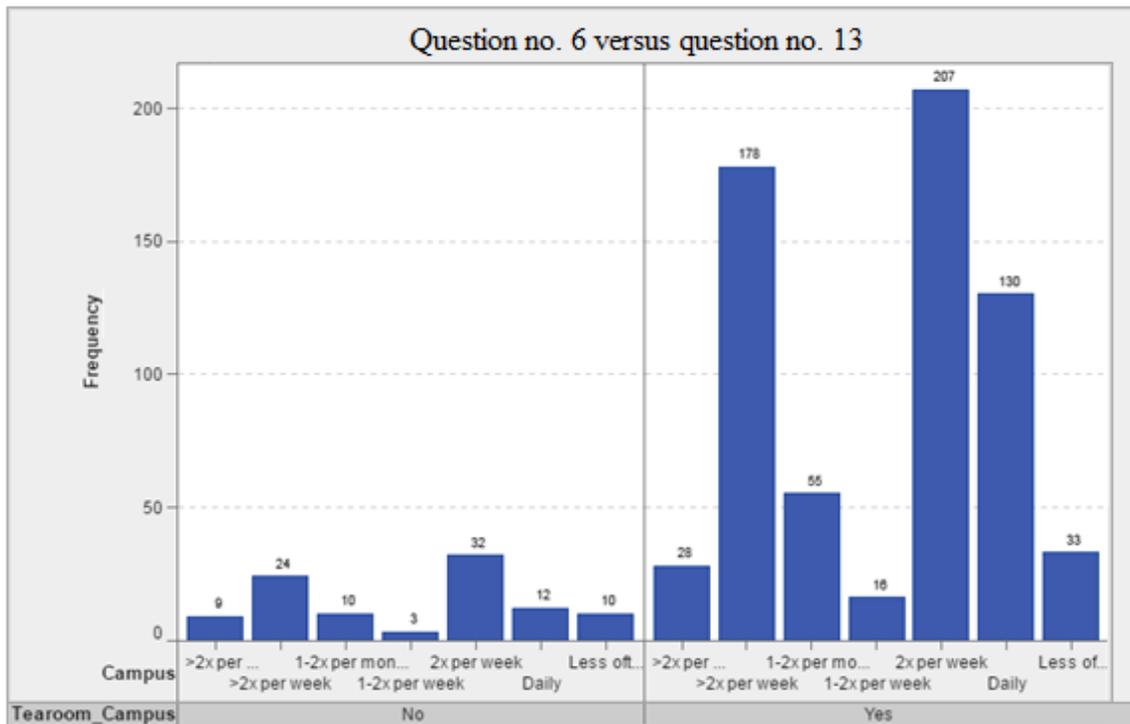
After the evaluation of the survey there is possible to see that 454 of respondents are woman and 293 of respondents are men at the first graph. At the second graph there are age

groups. The most frequent age is 21 which chose 150 people. The second most checked age is 20 with 146 checks.



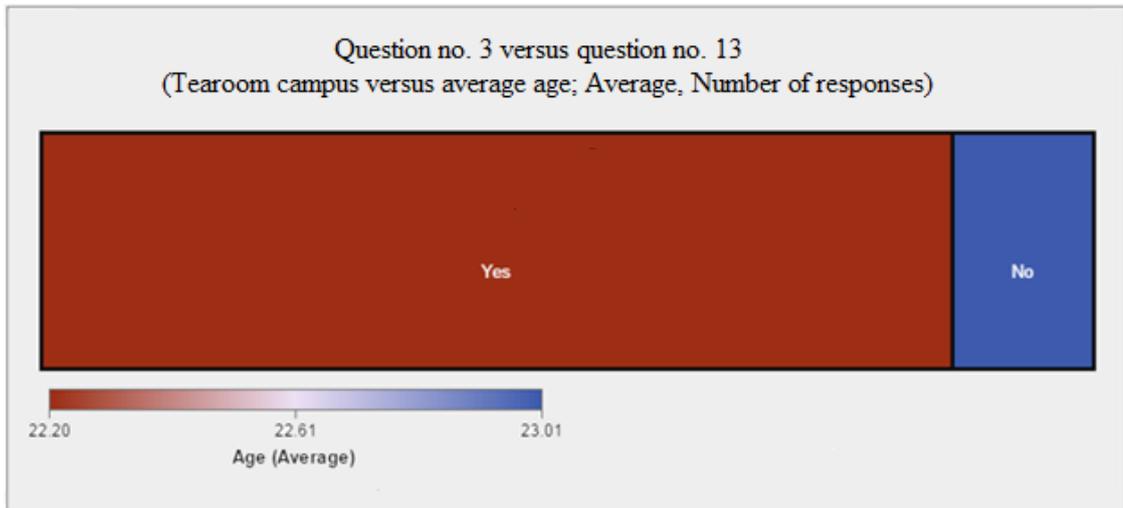
Graph 4, SAS Visual Analytics, Question no. 3 versus question no.5; Average age versus living, Data source: Own input from survey

This treemap shows how old are people living in which area. There are three areas: Prague, dormitories and outside the Prague. Under the graph there is showed the average of age of the respondents. At the treemap there is possible to see that the younger ones lives at dormitories, the middle ones lives in Prague and the older ones live mostly outside the Prague.



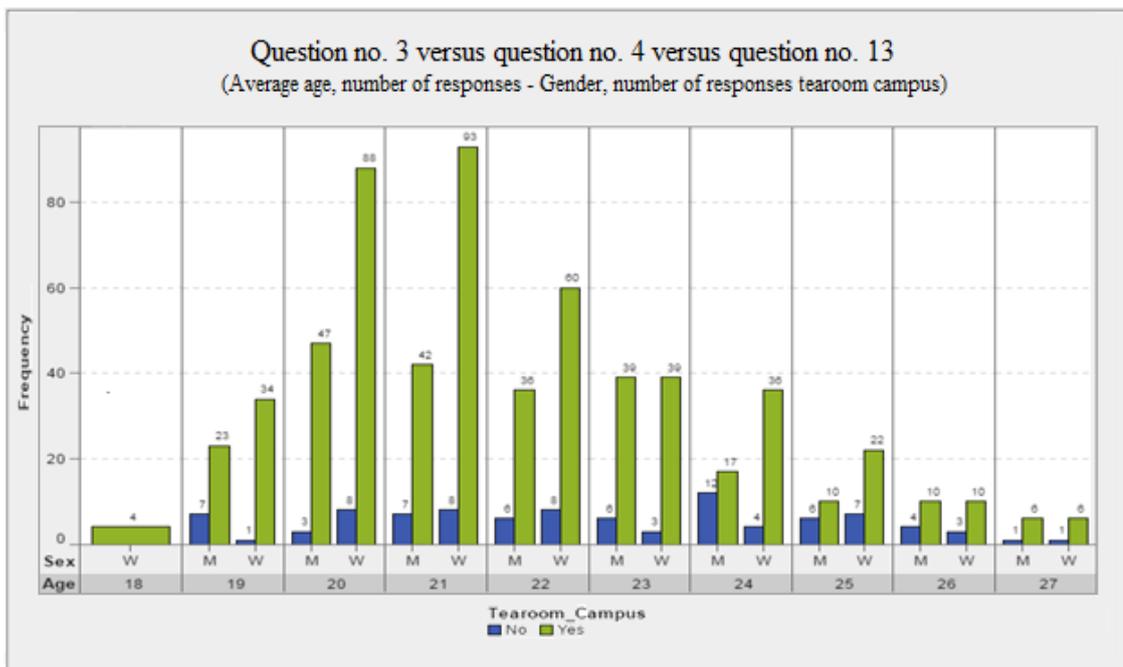
Graph 5, SAS Visual Analytics, Question no. 6 versus question no. 13, Data source: Own input from survey

At the question “*How often are you on the university campus of CULS University?*” the most respondents answered that twice per week or more often than twice per week or the third more checked response was that they are there daily. Exact numbers are 239 respondents for two times per week and 202 respondents more often than two times per week. 142 of respondents are there daily. In this graph there is seen that from the respondents who checked that they would visit the tearoom if it is on the university campus the most respondents checked that they are there twice a week, more than twice a week and daily. For this business plan there is a good result that students as our potential customers are on the campus two or more times per week and thank to that they can be regular customers.



Graph 6, SAS Visual Analytics, Question no. 3 versus question no. 13; Tearoom campus versus average age, Data source: Own input from survey

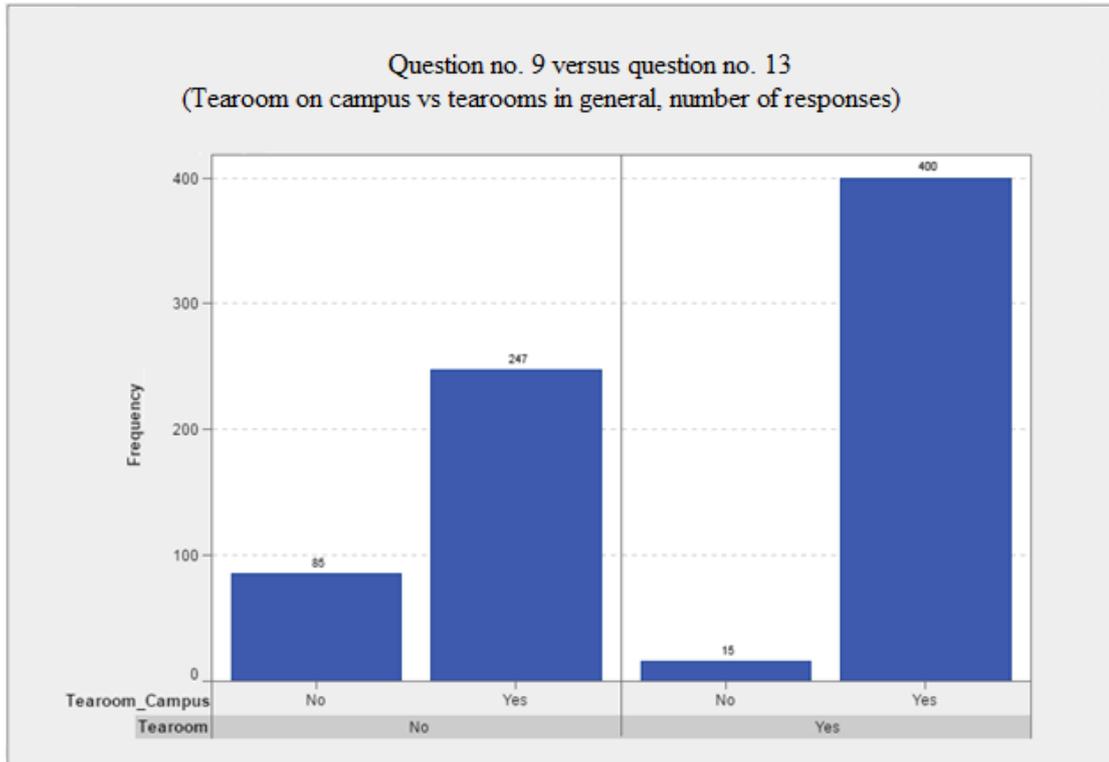
Due to this treemap there is shown that to the tearoom on the campus would mostly come people with age below 22 per average. On the other hand students older than 22 would most likely do not come to the tearoom on campus. This will also be taken into consideration when specify the target group.



Graph 7, SAS Visual Analytics, Question no. 3 versus question no. 4 versus question no. 13; Average age, Gender, Tearoom campus, Data source: Own input from survey

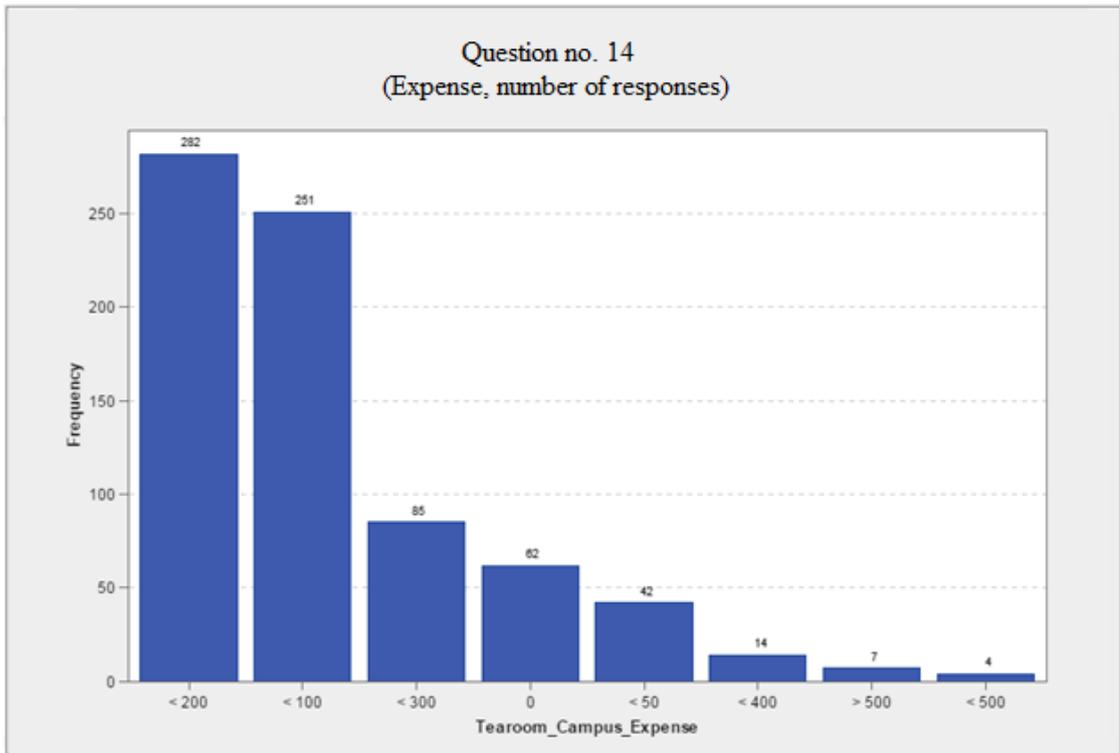
Due to this graph the target group should be 21st years old women because 93 of them checked in the questionnaire that they would visit the tearoom on the university campus and

women which are 20 years old because 88 of them checked the same answer. Women in general should be our target group due to this graph. The basic target group still remains as students and based on graph no. 7 it should be students 22 years old and younger.



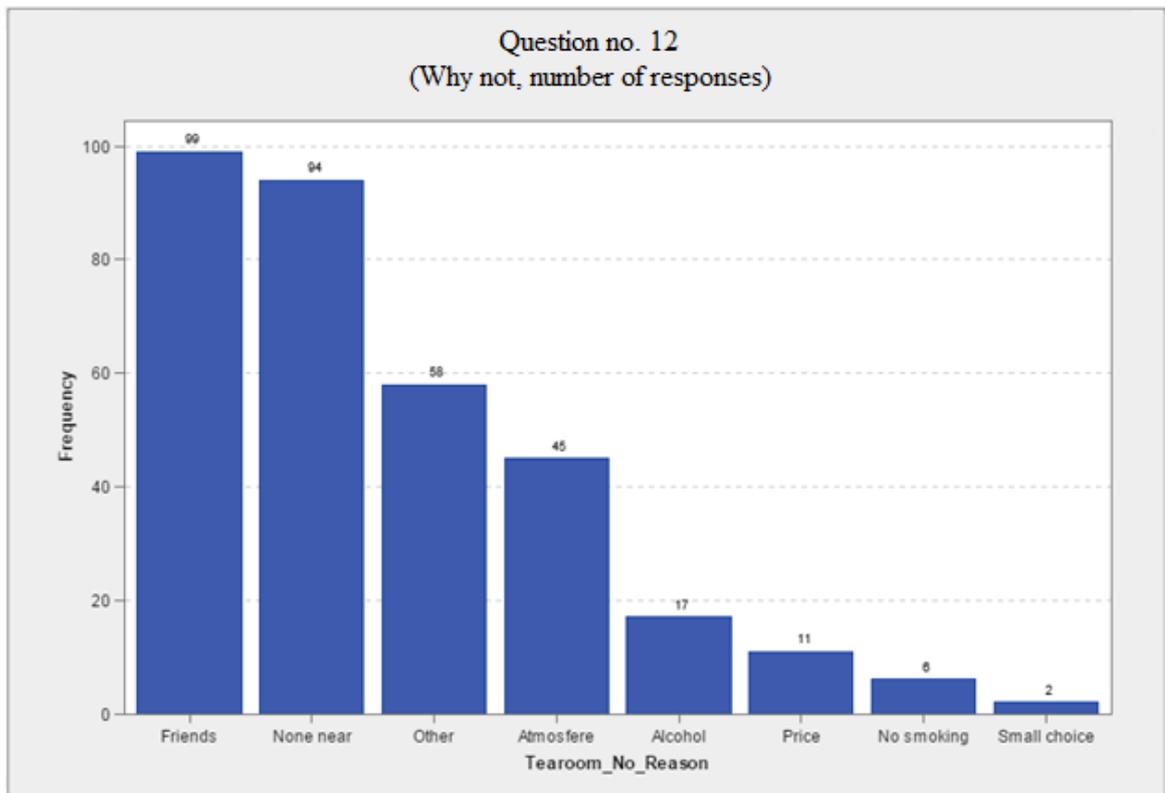
Graph 8, SAS Visual Analytics, Question no. 9 versus question no. 13; Tearoom on campus vs tearooms in general, number of responses, Data source: Own input from survey

This graph is focused on the question “*Do you visit tearooms?*” and “*If there was a tearoom on the campus, would you visit it?*” In this graph there are answers “*No – I do not visit tearooms*” and “*Yes – I do visit tearooms*”. At the part of graph with answers “*No*” we can see that 85 people would still not visit a tearoom on the university campus but 247 people who are not used to visit tearooms would visit the tearoom on the university campus. It is unexpected and good result for this thesis and for the tearoom on university campus. From the part where students checked “*Yes*” there only 15 students said “*No*” to the question “*If there was a tearoom on the campus, would you visit it?*” and 400 people said “*Yes*” to the same question.



Graph 9, SAS Visual Analytics, Question no. 14; Estimated Expense at the tearoom, Data source: Own input from survey

At this graph there is shown how many students would have spent how much money at a guess at the tearoom on campus. The majority of respondents have checked that they would spend more than 200 CZK. Exactly this checked 282 of respondents. The second most times checked was that they would spend up to 100 CZK and it was exactly 251 of them. In case students would come once a month and spend this much money the earning would be 120 000 CZK rounded.



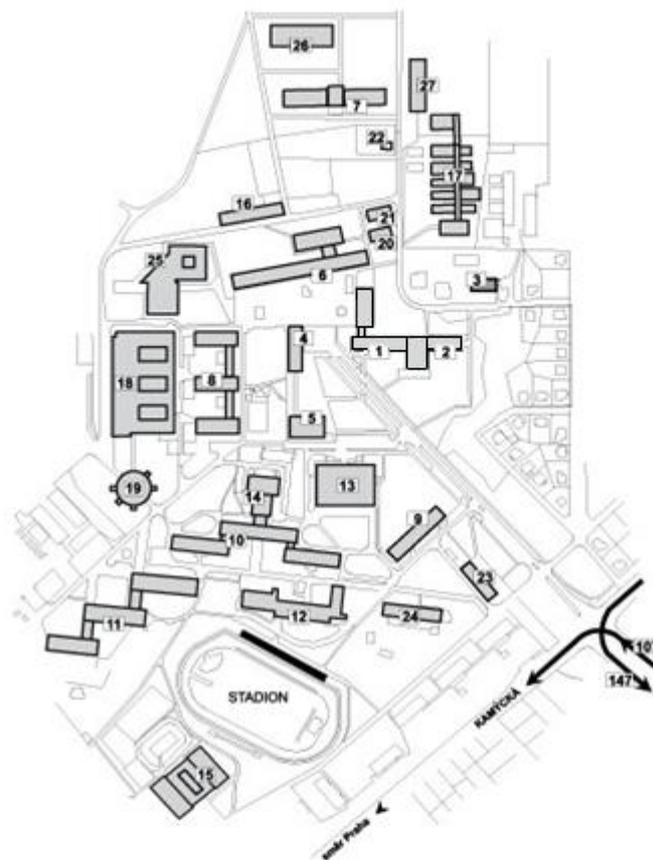
Graph 10, SAS Visual analytics, Question no. 12; Why not, number of responses, Data source: Own input from survey

332 of respondents answered that they do not visit tearooms and at the question twelve there were reasons why someone does not visit tearooms. The most selected answer (99 times selected) was that their friends also do not visit tearooms. The second most selected answer was that there is no tearoom around place where they live or move (94 times selected). The tearoom on the university campus therefore is perfect for them because it is near the place they moving around. There were other reasons as that they do not like tea (58 times selected) and it means that there should be other things to offer at the tearoom than tea. 45 of them selected that they do not like the atmosphere but this can be based on the bad experience from their first visit at some of tearooms. 17 of respondents checked that there is no alcohol at the tearoom but it is also not true for most of the tearooms which was found in the competition research. Prices at tearooms are problem only for 11 respondents and 6 respondents have problem that tearooms are nonsmoking and 2 of the students do not like there is a small selection in the menu of tearooms. This part of survey would be used for marketing purpose and if the tearoom would be opened management should learn from this too.

4.1.5 Competition

4.1.5.1 Indirect competition

There are few pubs and restaurants on the CULS campus. There are: Restaurant “Na Farmě”, C Club, Restaurant G and some small bistros and cafés for example at Study and Information Centre building or at Faculty of Agrobiology, Food and Natural Resources. Near the CULS campus is Creperie Cafe Girafe.



- | | |
|---|--|
| 1. Faculty of Economics and Management | 14. Club "C" |
| 2. FEM - CEMS | 15. Sport Center, Department of Physical Education |
| 3. FEM - Department of Languages | 16. FAFNR - Department of Veterinary Sciences |
| 4. Administration building, ITS | 17. Teaching Greenhouses |
| 5. Assembly Hall | 18. FE - Laboratories and Workshops |
| 6. Faculty of Agrobiology, Food and Natural Resources | 19. FE - Round Pavilion, Student Club |
| 7. Faculty of Forestry and Wood Sciences | 20. FAFNR - Pavilion A |
| 8. Faculty of Engineering | 21. FAFNR - Pavilion B |
| 9. Dormitory A + Health Center | 22. FAFNR - Weather Station |
| 10. Dormitory BCD | 23. Health Center for employees |
| 11. Dormitory EFG, restaurant G | 24. Unico Agric |
| 12. Dormitory JIH, restaurant JIH | 25. Study and Information Centre, Congress Hall |
| 13. Student's canteen, restaurant "Na farmě" | 26. FAFNR - Experimental Stable |
| | 27. Pavilion FEM - FLE |

Figure 1, Map of areal - CULS campus (PEF, 2015), Modified and translated

4.1.5.2 Direct competition

4.1.5.2.1 List of Tearooms in Prague

Table of tearooms in Prague you can see in Appendix 1: List of Tearooms. There are 48 tearooms divided into 9 groups. The groups are divided by Prague 1 to 9. There are addresses of each tearoom provided.

4.1.5.2.1.1 Research in competition

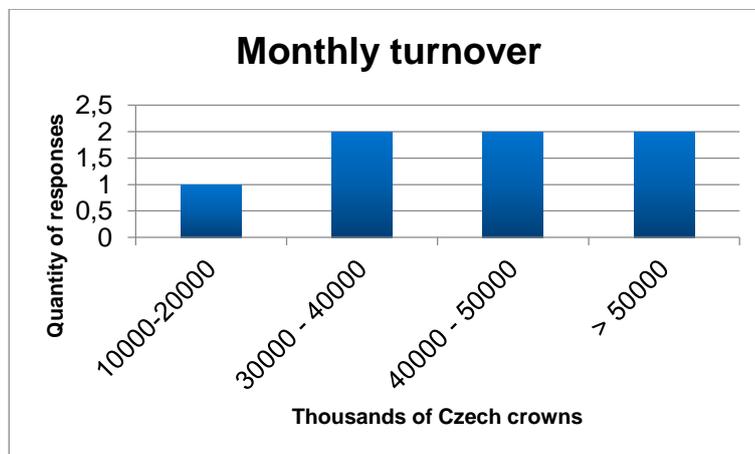
There was research done by interview in some of the tearooms in Prague. To have a good sample there were tearooms chosen from different parts of Prague. There was a promise made to representatives of tearooms that their identity will not be revealed. The reason for that is the use of sensitive data for this survey. For that the tearooms will be named *Tearoom 1*, *Tearoom 2*, *Tearoom 3*, *Tearoom 4*, *Tearoom 5*, *Tearoom 6* and *Tearoom 7*. These seven tearooms answered all the questions not just some of them. There is more information from other tearooms but they are not included in these results because there are not complete.

4.1.5.2.1.1.1 Number of guests

All of these tearooms answered in the same way that there is 50 – 100 of guests every day on average.

4.1.5.2.1.1.2 Monthly turnover

How much is the tearoom's monthly turnover was the second question. The question about monthly turnover was the most sensitive one and some of tearooms in Prague did not want to answer this question or was not specific enough.



Graph 11, Monthly turnover, Data source: Own input from survey

One of the respondents said that rent in the center is expensive and that it is most likely that any tearoom have lower turnover than 50,000 CZK if it is in Prague.

One of the respondents said that to have or run a tearoom it is a matter of life style more than it is done to gain profit. He said that it is more fun than money.

4.1.5.2.1.1.3 The cheapest and the most expensive tea

Each representative of seven tearooms was asked how much does the cheapest and how much the most expensive tea does cost in terms of the same size. On average the cheapest tea costs 51 CZK in round numbers and the most expensive tea costs 104 CZK in round numbers on average.

4.1.5.2.1.1.4 Menu

All of asked tearooms stated that they do not have their menu in English or other language. The menu is only in Czech language. All of asked tearooms stated that their service know at least English language and some of them more languages. For the tearoom on CULS campus it is important to have the menu also in English because of the number of students from abroad so service needs to know English too and this will be part of the recruiting process.

None of the seven tearooms have pictures in their menu.

4.1.5.2.1.1.5 Dogs

All but one of the respondents said that their tearoom is “Dog friendly”. This phrase is used to describe a place where you can stay with your dog. The tearoom would be “dog friendly” because there are some subjects based on a work with dogs at the university.

4.1.5.2.1.1.6 Size of a tearoom and number of floors

Because all the tearooms have from 50 to 100 guests it is most likely that the size of tearooms have no influence on it.

All but one tearoom have only one floor. The one with two floors has the smallest monthly turnover. It implies that one floor is enough for one tearoom.

4.1.5.2.1.1.7 Number of rooms and seats

Questioned tearooms have on average 4 rooms. Tearoom 1 and Tearoom 4 have 4 rooms and their monthly turnover is the same. Tearooms have on average 13 tables. There are 12 to 17 tables so it is similar in all the tearooms no matter the number of rooms. By

seats there is also meant sitting on the ground with just pillows or just on the carpet. All of the tearooms have sitting on the ground.

4.1.5.2.1.1.8 *Indoor*

All seven tearooms have at least one window and all but one tearoom have carpets hanging on their walls.

4.1.5.2.1.1.9 *Cigarettes*

In all seven tearooms there are just water pipes allowed otherwise they are nonsmoking.

4.1.5.2.1.1.10 *Beverages*

Although 91% on average of customers drink tea all seven tearooms also has a nice variety of other beverages.

4.1.5.2.1.1.11 *Location*

All seven tearooms are situated in the basement. On average the tearooms are 336 meters from public transport. CULS is also within 500 meters from public transport. Only one from the seven tearooms has garden outside where customers can sit. There are only three places in the garden.

4.1.5.2.1.1.12 *Business hours*

Tearoom	Tearoom 1	Tearoom 2	Tearoom 3	Tearoom 4	Tearoom 5	Tearoom 6	Tearoom 7
Business hours	11:00 - 23:00	11:00 – 22:00	14:00 - 22:00	11:00 - 23:00	12:00 - 23:00	12:00 – 23:30	10:00 - 23:00

Table 1, Business hours, Data source: Own input from survey

4.1.5.2.1.1.13 *Entertainment*

All seven tearooms have Wi-Fi connection available and some games or books to purchase. Almost none of the tearooms have any events planned.

4.1.5.2.1.1.14 *Shop*

Part of the seven tearooms is a little shop where can be purchased tobacco, ceramics, costume jewelry, tea or other items.

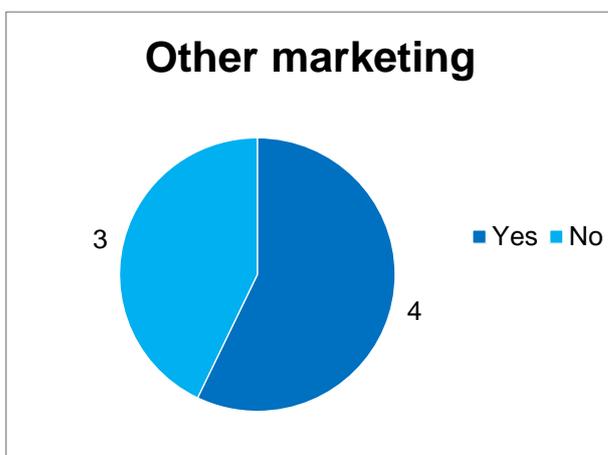
4.1.5.2.1.1.15 *Food*

All seven tearooms sell some food. Because majority of respondents from customer survey answered that they would buy a food at the tearoom it is not surprising that competition sell also food with their tea products.

4.1.5.2.1.1.16 *Events planning and other marketing*



Graph 12, Event planning, Data source: Own input from survey



Graph 13, Other marketing, Data source: Own input from survey

4.1.5.2.1.1.17 *Parking lots*

None of the seven tearooms have any parking lots so if the CULS can provide some space where customers could park their car it would be an advantage for the tearoom.

4.1.5.2.1.1.18 *Owner*

All seven tearooms have Czech owner and all seven owners visit the tearoom regularly.

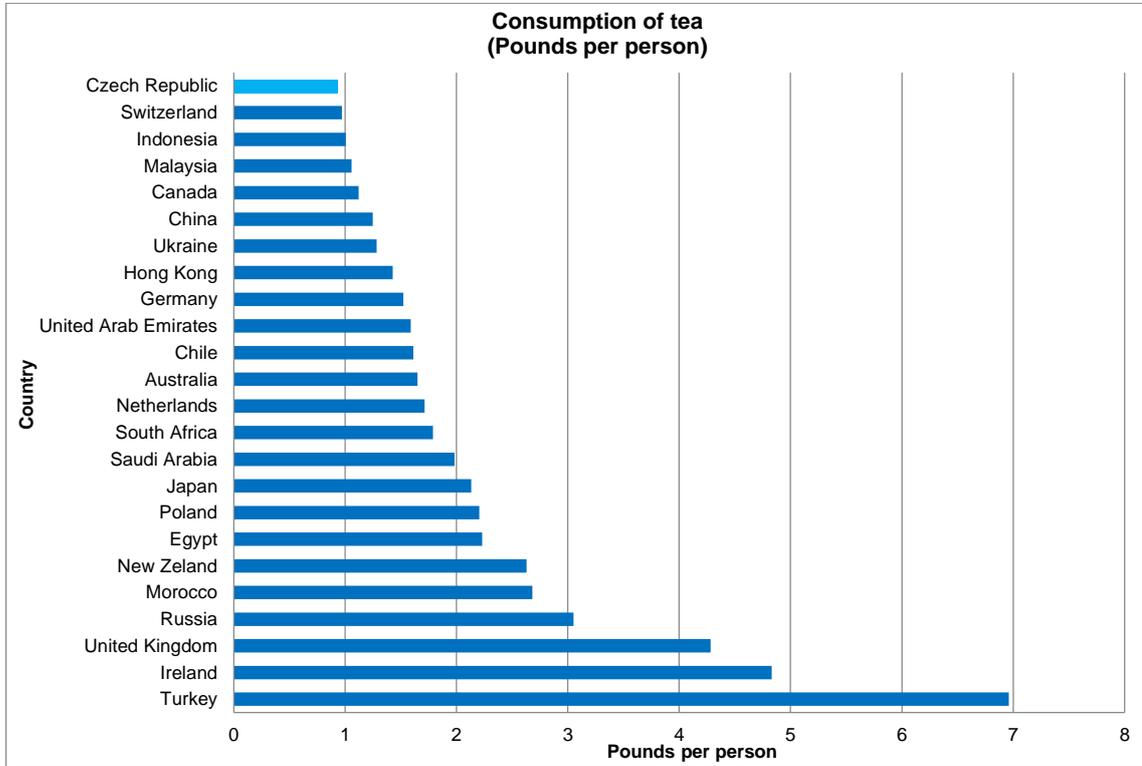
4.1.5.2.1.1.19 *Water pipes*

All of the seven tearooms have water pipes at their tearooms. Water pipe in those seven tearooms costs on average 118 CZK. All the seven tearooms have tobacco from 2 – 3 brands and on average 21 flavors of tobacco.

4.1.6 Analysis of market

4.1.6.1 Consumption of tea

4.1.6.1.1 Consumption of tea around the world

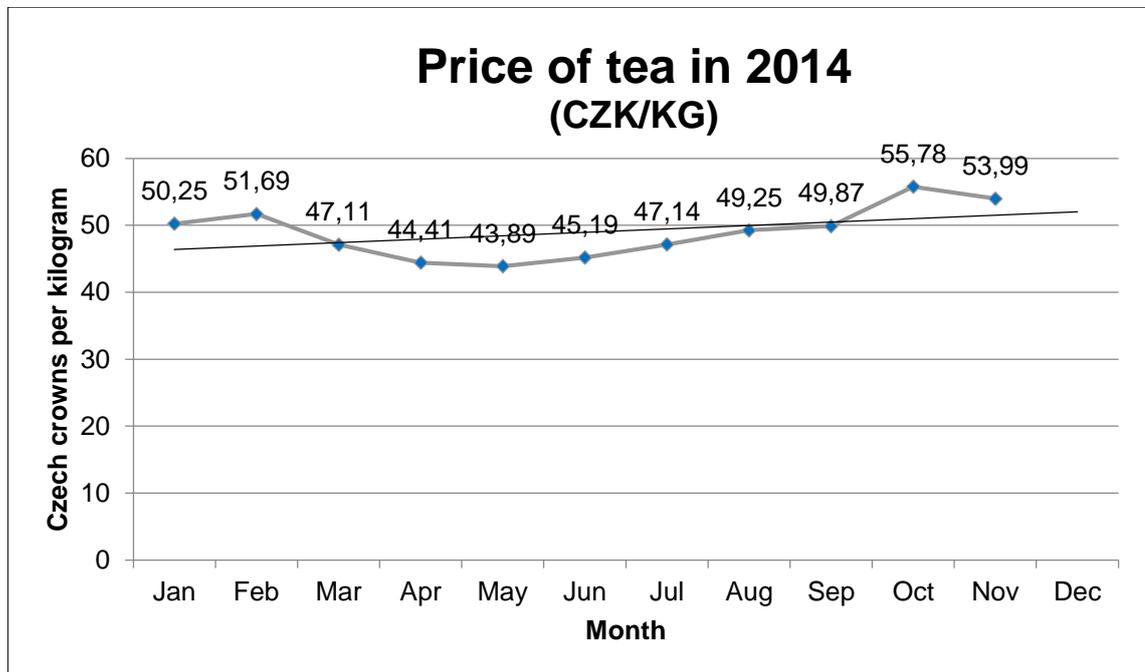


Graph 14, Consumption of tea, Data source: (Quartz, 2014)

As it is shown on this graph country with the largest consumption of tea is Turkey with 6.961 pounds per person. The second place has Ireland with 4.831 pounds per person.

4.1.6.2 Prices

4.1.6.2.1 Price of tea



Graph 15, Price of tea in 2014 (CZK/Kg), Data source: (Index mundi, 2014)

Price of tea in January in 2014 was 50.25 Czech Koruna per Kilogram. In February 2014 the price was 51.69 Czech Koruna per Kilogram so it increased by 2.86%. The third month of the year which was March decreased by 8.86% because the price of tea was 47.11 Czech Koruna per Kilogram. The second quarter of the year starts with 44.41 in April and it decreased again by 5.74%. In May the price of tea was 43.89 there was decline 1.16%. The sixth month of the year, June, meant growth in price and it was 45.19 Czech Koruna per Kilogram and increase was by 2.96%. Next month there was still growth by 4.32% and the price was in July 47.14 Czech Koruna per Kilogram. In August the price was 49.25 and the growth was though by 4.48%. In September the price was 49.87 and increase repeatedly by 1.25%. The biggest growth was in October by 11.85% and the price was 55.78. In November the price was 53.99 and it means decrease by 3.20%. Linear trend line is increasing.

4.1.6.2.1.1 Analysis of price of tea

The analysis of price of tea is done more to detail because tea is the base commodity for the tearoom.

4.1.6.2.1.1.1 Maximum and minimum price of tea

The maximum price of tea in 2014 was 55.78 Czech Koruna per Kilogram in October. The minimum price of tea in 2014 was 43.89 Czech Koruna per Kilogram in May.

4.1.6.2.1.1.2 Median

The values from graph with tea was sorted and divided into half to determine Median. Median refers for the two numbers in half. It divides them in half because it is odd. For August it was 49.25 CZK per kilogram and price per kilogram 49.87 for September.

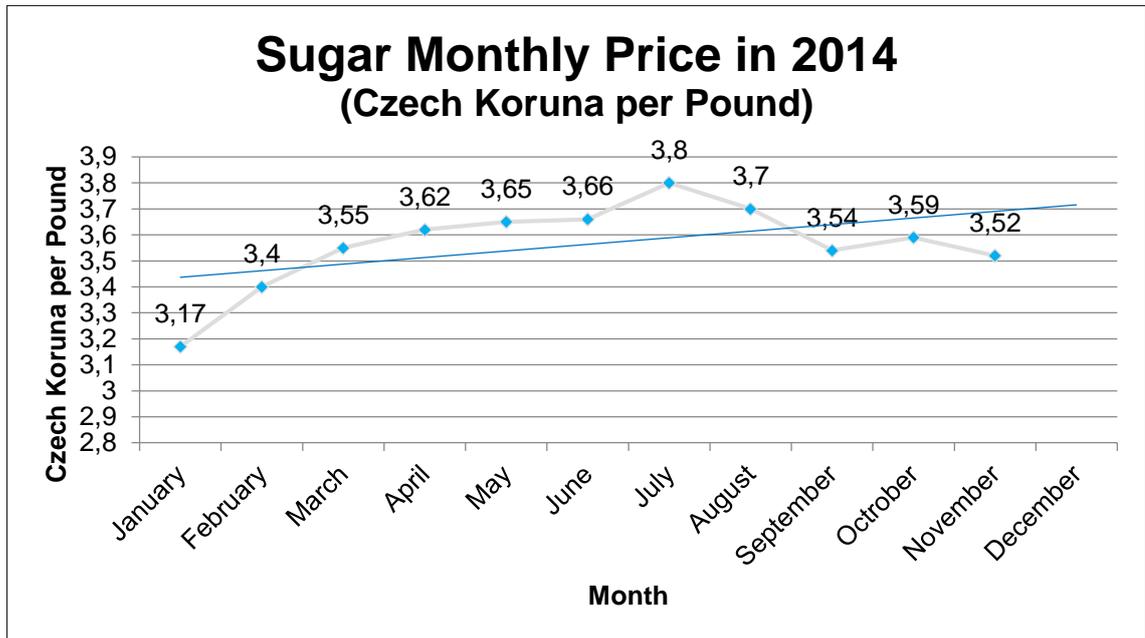
4.1.6.2.1.1.3 Mode

To determine the Mode of the sorted prices there was found the value which is repeated the most times. In graph with prices of tea per kilogram it is May and April with 44 CZK per kilogram after rounding. There is also March and July with price 47 CZK per kilogram. It is September with price 50 CZK per kilogram and it is 56 CZK per kilogram in October and December.

4.1.6.2.1.1.4 Average price of tea

The average price per kilogram is 50 CZK because sum of the prices is 594 and to achieve average it was divided by number of months and it is 12.

4.1.6.2.2 Price of sugar



Graph 16, Price of sugar, Data source: (Index mundi, 2014)

Price of sugar in January in 2014 was 3.17 Czech Koruna per Pound. In February 2014 the price was 3.40 Czech Koruna per Pound it increased by 7.16%. In the last month of the quart of the year, March, the price increased by 4.35% because the price of sugar was 3.55 Czech Koruna per Pound. The second quarter of the year starts with the price 3.62 Czech Koruna per Pound in April and it increased repeatedly by 2.09%. In May the price of sugar was 3.65 there was growth 0.76%. The sixth month of the year, June, meant growth by 0.43% in price and it was 3.66 Czech Koruna per Pound. Next month there was still growth by 3.74% and the price was in July 3.80 Czech Koruna per Pound. In August the price was 3.70 and there was the first decline in the year 2014 by 2.57 %. In September the prices was 3.54 and repeatedly decrease by -4.35 %. There was growth in October by 1.34% and the price was 3.59. In November the price was 3.52 and it means decrease by 1.80%. Linear trend line is increasing.

4.1.6.2.3 Price of milk

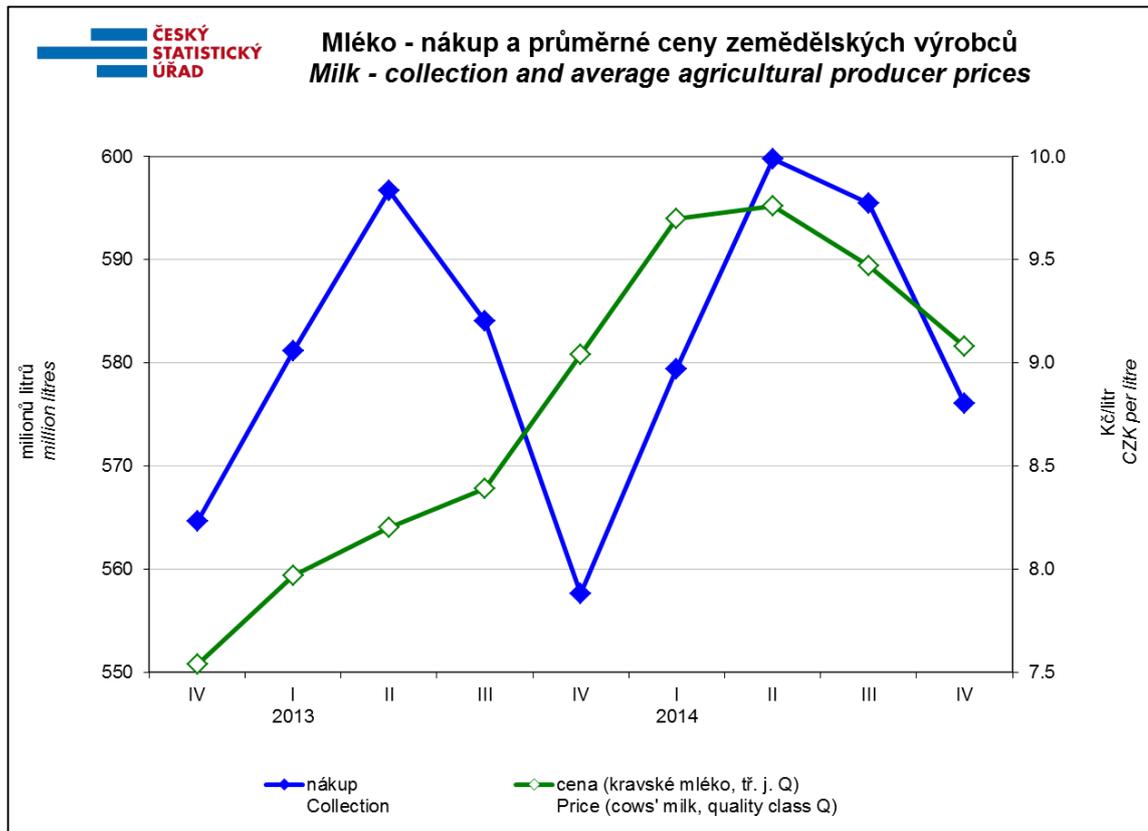


Figure 2, Price of milk in CZK per litre, Source: (Český statistický úřad, 2015)

In this figure there are average agricultural producer prices and collection provided in million litres and CZK per litre. The blue line stands for Collection and the green line stands for Price of cows' milk in the Czech Republic. There is possible to see that the price of milk is decreasing.

4.1.7 Business strategy

4.1.7.1 Marketing mix



Figure 3, Marketing Mix (Professional Academy, 2015)

4.1.7.1.1 *Product*

Customers have a lot of choices where to go and spend their money so the products and services in the tearoom have to be good. Preferences of our customers have to be monitored and menu should be changed due to their preferences.

4.1.7.1.2 *Price*

Customers have their own image about what is the product worth for. If the price is too low customers will think it does not have a good quality. The target market is focused on students though so the prices have not to be too high.

4.1.7.1.3 *Promotion*

Firstly people on the campus must be aware of the tearoom and that could be done by events planning. The second step is to give them more details for example with press advertising. This should be supported for example to get people to try the product for free. Encourage customers to buy the product and keep buying the item with digital and social media. Encourage them to visit the tearoom, recommend the choice to a friend or increase the purchase of the menu. People have to feel positive and remember it. The people served

in the tearoom have to be known well by the tearoom service and owners. Social media are low cost and reach large target audience.

4.1.7.1.4 Place

There are things which have to be inside the tearoom to make the visit the best experience. There should be free Wi-Fi, nice music, automatic order machines and window for quick and take away orders. If the tearoom will be at the grass students can sit around the tearoom at grass and enjoy sun in the warm months.

4.1.7.1.5 People

People play important role in customer relationship. People at the tearoom have to be kind and friendly so when customers come to the tearoom they have to feel at home. The charm of a tearoom is in its atmosphere which has to be friendly and cozy. For that reason people employed are going to be monitored by manager and recruited carefully, with a focus on his or her behavior. After the recruitment process there is planning training of the staff. People hired for these positions will be sought among students as students are mostly going to be the customers.

4.1.7.1.6 Process

The manufacturing process at the tearoom will be completely transparent. Customers will see that the process is clean and done with love. Also they will see into the place where food and drinks are prepared so it is transparent that it is clean.

4.1.7.1.7 Physical evidence

The tearoom will have clean and hygienic interior and outdoor. At the same time the interiors will be attractive to eye.

4.1.8 Marketing plan

There are at the beginning three pillars in the tearoom's marketing plan.

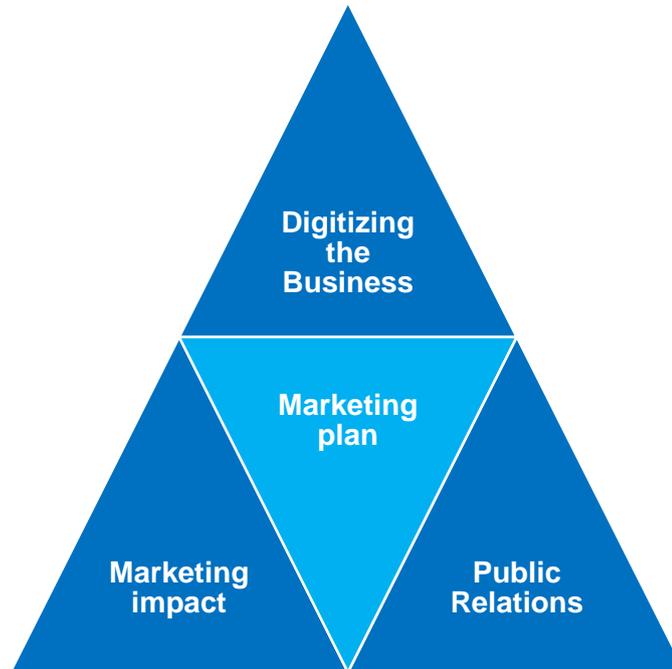


Figure 4, Marketing plan, Own input

4.1.8.1 Marketing impact - Event planning

If the tearoom will be opened there are going to be events planned as one of the managers have a lot of experience in this field. In the financial plan there are costs planned for this purpose. One of the regular events could be based on historical event "Tea at five o'clock" which is described in the theoretical part.

Customers will be also encouraged to buy the product and keep buying the item with digital and social media as social media are with low costs and reach large target audience

The aim is to encourage them to visit the tearoom, recommend the choice to a friend or increase the purchase of the menu. People have to feel positive about the tearoom and remember it.

SMART plan:

- Tea at five o'clock (connected to music or movies) (S),
- 1-2 events per month (M),
- It will be action oriented (A),
- More events at the beginning and in summer holidays (R),
- 1-2 events per month; every two weeks on Thursday (T)

4.1.8.2 Public Relations

The next step and goal is to give to the customers more details about the tearoom. For example with press advertising in students' newspapers and magazines. This will be support to get people to try sample of the product for free or with discount.

SMART plan:

- Student magazine (S),
- 1 post (M),
- It will be action oriented (A),
- The plan is to find a way how to get to some of the magazines (R),
- 1 post in one magazine every time it is released (T)

4.1.8.3 Digitizing the Business

The other aim is to build the name of the company and Product awareness through Digital channels. It means to create the widest community of tea lovers. The tearoom will be available at Facebook, LinkedIn, Youtube and Twitter. All of this social media channels are low-cost but reach large audience. For students there is no better way to let them know who the tearoom is or invite them for example through competitions or actions.

SMART plan:

- Social and Digital Media (Facebook, LinkedIn, Twitter, Youtube) (S),
- 1 post per day (M),
- It will be action oriented (A),
- It is possible to plan the posts and they are going to be added automatically so there is no need to post it every day and spent that much time at it (R),
- 1 post every day (T)

4.1.9 Business operations

The campus was chosen because this is place for students and students are the tearooms target market. The CULS campus was chosen because every building of the university is at one place which is different for other universities in Prague.

The tearoom is going to control the quality of service and quality of products. This will be also part of the manager's job description. All the supplies purchased will be written down and then what was sold too for example every two weeks. Optimal profit can then be only if the company has supplies directly proportional to the demand for goods.

4.1.9.1 Supplier

For the tearoom there was picked Oxalis. Oxalis is a leading European manufacturer and distributor of loose tea. The Oxalis offers more than 400 varieties of tea - green tea, black, oolong, white tea, rare teas, growing tea etc. Their quality is guaranteed by ISO 9001: 2009, HACCP, organic food, regular assortment attestation etc. (Oxalis, 2015)

4.1.9.2 Service

That the service is good will be monitored by manager and regular survey among customers. The orders have to be taken and done quickly and with a smile.

4.1.10 Management and staff

Structure of the tearoom will be very simple because it is a small business. In management there is only the owner of the business.

4.1.10.1 Structure

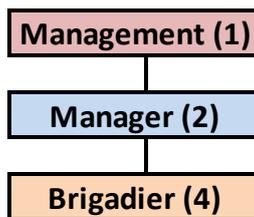


Figure 5, Structure of the business, Own input

There are going to be two managers so they can change every shift. The manager has the responsibility for the business but he or she does not have to be there the entire shift it is up to him or her decision. For the manager there is a minimum of 20 hours per week and he or she has to open and close the tearoom. The managers have to be picked carefully and there have to be chosen the one with high responsibility in his or her character. In this case at the beginning the managers will be picked from family members of the owner.

Four brigadiers are going to switch the shift every week. Two brigadiers are going to be there per one day and both of them 8 hours. Brigadiers are going to have long and short

week which will start with three days one week and four days second week. The rest of week they are going to have free days. The brigadiers are going to be picked from students so they can change their shifts with others and adapt their work to their schedules. This should help students with practice with the school.

4.1.10.2 Distribution of services

Day	Brigadier		Responsibility
	8 hours	8 hours	
Monday	B 1	B 2	M 1
Tuesday	B 2	B 1	M 1
Wednesday	B 1	B 2	M 1
Thursday	B 3	B 4	M 2
Friday	B 4	B 3	M 2
Saturday	B 3	B 4	M 2
Sunday	B 4	B 3	M 2
Monday	B 3	B 4	M 2
Tuesday	B 4	B 3	M 2
Wednesday	B 3	B 4	M 2
Thursday	B 1	B 2	M 1
Friday	B 2	B 1	M 1
Saturday	B 1	B 2	M 1
Sunday	B 2	B 1	M 1

Figure 6, Distribution of services, Own input

4.1.11 Future of the business

The main goal of the tearoom will be to have regular customers and to gain profit in two years.

4.1.11.1 Evaluation of risks

4.1.11.1.1 SWOT Analysis



Figure 7, SWOT Analysis, Own input

4.1.11.1.1.1 Strengths

- Strength for this tearoom is in location because it is surrounded by students and it is near a parking and bus station.
- One person of the management has experience from marketing and events planning

4.1.11.1.1.2 Weaknesses

- There is no one in management who is educated in the area of teas in this time. This weakness can be eliminated by additional study in this area.
- No water pipes in this tearoom.

4.1.11.1.1.3 Opportunities

- If there is a connection to the university there is the opportunity to have Fairtrade products in the tearoom as the CULS University have.
- Increasing demand of healthier food and drinks as is tea.

4.1.11.1.1.4 Threats

- The threats for the tearoom are other restaurants and pubs on the university campus as well as cafes are.
- There is limited semester time and because of that people are at university campus about 30 weeks.

4.1.11.1.2 PEST Analysis

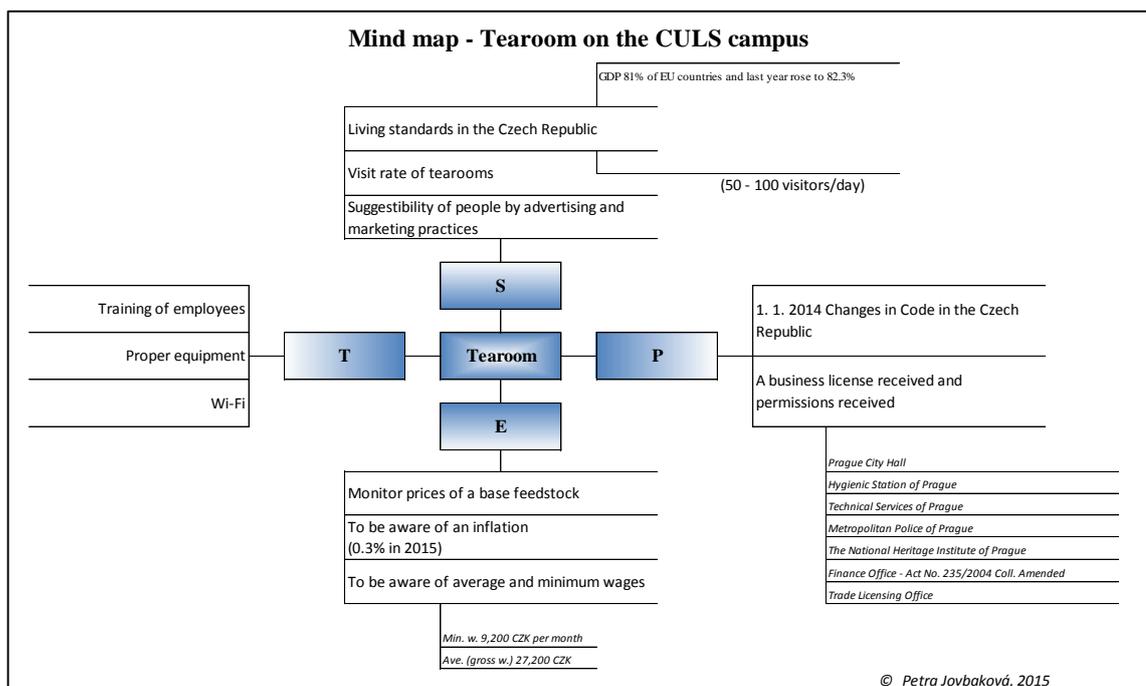


Figure 8, Mind map - Tearoom on the CULS campus, Own input

The tearoom is a small business. It can be therefore said that it is not necessary to disassemble macro surroundings of the company. However, it is good to have at least a basic overview. The PEST analysis can show some of the threats or opportunities. As an example there are regulations which breach may end with penalty up to one million Czech crowns.

4.1.11.1.2.1P - Political and legislative influences

- It is essential to obtain permissions and statements from the following institutions:
 - Trade Licensing Office
 - Prague City Hall
 - Hygienic Station of Prague
 - Technical Services of Prague
 - Metropolitan Police of Prague
 - The National Heritage Institute of Prague
 - Finance Office - Act No. 235/2004 Coll. Amended

- In January 1st, 2014 there was a change in the Civil Code of the Czech Republic, the establishment of Law of Corporations and Commercial Code was narrowed. Such changes are infrequent in the Czech Republic so it is not necessary to closely monitor the situation. However the new Code will be taken into Practice and certified in those years. We can expect some more changes so there should be attention increased at least in the next few years.

4.1.11.1.2.2E - Economic effects

- The economic impact has the tea market itself because significant increase in the price of tea as a base feedstock may have a negative impact on the economy of the business and other way around. Therefore in the interest of stable prices and quality of tea the business will be involved in the program named Fairtrade which is also supported by the CULS.

- In the economic environment this business should also be aware of inflation (average consumer price index in 2015 is 0.3% (Czech Statistical Office)) and also be aware of the rising prices of products of interest so it can be quickly anticipated and responded to the reactions of suppliers.

- It is also necessary to monitor rates of human resources, because these are the most important source of enterprise, for example the average and minimum wages. (The basic minimum wage for the working week of 40 hours is 9,200 CZK per month or CZK 55 per hour. (Ministry of Labour and Social Affairs) The average gross wage in 2015 is 27,200 CZK (Czech Statistical Office))

4.1.11.1.2.3S – Social environment

- Living standards
 - Czech economy in the years 2016-2020 by Deloitte analysis will grow by an average of 1.7 percent annually. This year, the domestic economy should grow by 2.3 percent. The standard of living measured by GDP per capita in purchasing power parity was the year before in the Czech Republic on 81 percent of EU countries and last year rose to 82.3 percent. (Novinky.cz, 2015)
- Visit rate of tearooms
 - 50 – 100 of visitors according to the survey among competition in the previous part of the business plan
- Suggestibility of people by advertising and marketing practices.
 - People in the Czech Republic are influenced by advertising. (Portál, 2012)
Due to this fact there is increased attention given to the marketing plan and research.

4.1.11.1.2.4T - Technological environment

- For tearoom it is important to maintain proper procedures in preparation of tea beverages. It is thus necessary to invest a sufficient amount of time and money in the training of employees.
- Proper equipment for preparation of tea beverages is needed and this is included in this part of PEST analysis. Today, for example, there are kettles which heat the water to the right temperature and it does not have to be a 100 centigrade.
- Wi-Fi is essential part needed in the tearoom and it is a part of technological environment of the tearoom

4.1.12 Financial plan

For this business plan there was draft of Cash flow table prepared in the currency of CZK. This table is provided in Appendix 2: Cash Flow overview - draft. This table is overview of an estimated movement of money into and out of the tearoom.

The table is prepared from January 2016 to December 2016 so it is for whole year. It is possible to change the table for example from March 2016 to February 2017 if the business needs it for tax return.

There are Cash on Hand, Cash Receipts (revenues from sales or other revenues (entrance fee from customers at events)) and Total cash receipts provided and then there is Total Cash Available (before cash out) shown. This first part stands for movement of money in the business.

Then there is a column Cash Paid Out (HR, rent, energies, communication, supplies, marketing, purchase of equipment and other operating expenses) and as a summarization there are Total operating expense payments. The VAT row is important only if the turnover is more than 750,000 per year.

There is also Total Cash Paid Out and Cash Position before capital increase. This first part stands for movement of money out of the business.

This draft starts with 500,000 CZK in January 2016. At the beginning there are higher costs as more supplies is needed and marketing for example has higher importance to get people to the tearoom than in the middle of the year. Also purchase of new equipment has higher amount of money as it is needed in a start-up business.

HR Gross Salaries are counted with minimum wage as it was discussed in PEST analysis in the practical part of this thesis.

This is only draft of estimated amounts but if the tearoom will be opened it is important to do this every month correctly and due to the reality.

5 CONCLUSION

The most common question from the students when they were filling the questionnaires was, if there will be a tearoom in the campus because they would like to have it there. The survey after evaluation showed that students are really inclined to have a tearoom on the CULS campus.

The research question “*Is there a demand for the tearoom on the CULS campus?*” can be now answered due to the survey done among students of the Czech University of Life Sciences in Prague that there is a demand for the tearoom on the CULS campus. It is because there were 747 students asked via internet and personal questionnaires if they would visit a tearoom on the CULS campus and 647 of them responded that they would visit it and also all of them provided estimated amount of money they would spend there.

For the business plan the result that students as potential customers are on the campus mostly two or more times per week is important because they can become regular customers.

Due to the Treemap which resulted from the survey can be said that people that are younger than 22 years on average would visit the tearoom.

Also interesting and important result when deciding whether or not open the tearoom there is that 85 students would still not visit a tearoom on the university campus but 247 students who are not used to visit tearooms would visit the tearoom on the CULS university campus.

There were some reasons provided from students which do not visit tearooms as that they do not like to drink tea and it means that there should be other things to offer at the tearoom than cup of tea. This supports result that 543 students would buy something to eat at the tearoom.

SWOT analysis was created in order to be aware of weaknesses and possible threats and on the other hand it highlights strengths and shows future opportunities. The main points from the SWOT analysis which should be concluded are that one person from the management team has experience in the field of marketing and events planning and also that there is the possibility to have Fairtrade tea. The opportunity which should be used to its maximum is that there is an increasing demand for healthier food. There is no one in the management who is educated in the area of tea at this time but this weakness can be eliminated by additional study. Threats for the tearoom are other restaurants and pubs on the university campus as well as cafes are. Anyway, the tearoom is so unique that this should be

balanced by a good marketing. The marketing could be also a solution for the time when semester is limited because people are on the university campus about 30 weeks only.

PEST analysis helped to predict external environment which is important for any business start-up. In the PEST analysis in the practical part there are listed the main institutions from which permission is needed to open the tearoom. There is also an economic aspects overview so the future business should take this into consideration. There was found out that people in the Czech Republic are influenced by advertising so there is again the recommendation to do a good marketing. Proper equipment is needed but practically the service is the most important. In the tearoom there has to be a Wi-Fi connection so students can work on their project to school there.

For the marketing plan there is most important to do the event planning and to digitize the business on social media and digital channels.

Research among competition showed that all of the selected tearooms answered in the same way that there is 50 – 100 of guests every day on average and that their turnover is moving between tens of thousands.

On average the cheapest tea costs 51 CZK in round numbers and the most expensive tea costs 104 CZK in round numbers on average in the researched tearooms. From the survey among students and from the marketing mix provided in the practical part of this thesis the price have to be chosen carefully because customers have their own image about what is the product worth for. If the price is too low customers will think it does not have a good quality. The target market is focused on students though so the prices have not to be too high.

None of the tearooms have menu in other language than Czech but in the tearoom on the campus there should be the menu translated because of the students from abroad.

Although 91% of customers drink tea, all seven tearooms also have a nice variety of other beverages and so should have the tearoom on the university campus.

This thesis was interesting for the author because she would like to realize this project right on the campus of the Czech University of Life Sciences in Prague.

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8 APPENDICES

Appendix 1: Table of tearooms in Prague

Appendix 2: Cash flow overview - draft

Appendix 3: Questionnaire for students

Appendix 1: List of tearooms in Prague

Prague	No.	Name of tearoom	Address
P1	1	Čajírna a kafírna Siva	Masná 8
	2	Čajovna Krulovo doupě	Soukenická 6
	3	Čajovna Ruspina	Krakovská 7
	4	Čajovna Setkání	Vojtěšská 209/2
	5	Čajovna Tea'n'Tea	Navrátilova 1421/11
	6	Čajovna U zeleného čaje	Nerudova 247/19
	7	Čajovna U zlatého kohouta	Michalská 3
	8	Čajový klub Cha Dao	Jeruzalémská 10
	9	Dobrá čajovna (Ostrovní ulice)	Ostrovní 26
	10	Dobrá čajovna (Václavské nám.)	Václavské náměstí 14
	11	Klub cestovatelů	Masarykovo nábřeží 22
	12	Růžová čajovna	Růžová 8
P2	13	Andělská čajovna	Ječná 26
	14	Café Lounge Marrakesh	Budečská 1005/12
	15	Café-bar a čajovna Jakara	U Kanálky 4
	16	Čajovna Amana	Záhořanského 6
	17	Čajovna Daruma	Trojanova 4
	18	Čajovna jedna báseň	Pod Zvonařkou 14
	19	Čajovna Na cestě	Kateřinská 4
	20	Čajovna pod Stromem čajovým	Mánesova 38
	21	Čajovna Šamanka	Hálkova 8
	22	Čajovna Shangri-la	Bělehradská 49/450
	23	Čajovna U dvou šálků	Blanická 8
	24	Čajovna U Džoudyho	Jugoslávská 7/670
	25	Květinová čajovna	Myslíkova 6
	26	Rybanaruby - klub, obchod, čajovna	Mánesova 1645/87
	27	Vinohradská čajovna	Mánesova 55
P3	28	Čajírna nad vokem	U Božích bojovníků 3

	29	Čajovna - čajový bar Peklo, Nebe, Ráj	Bořivojova 43
	30	Čajovna Shi-Sha II	Koněvova 67
	31	Čajovna Tea Lounge	Přibyslavská 10
P4	32	Křišťálová čajovna	Zakouřilova 955/9
P5	33	Čajovna Bílý jeřáb	Štefánikova 51
	34	Čajovna Chanting Cherokee	Elišky Peškové 6
	35	Čajovna Mechová skála	Zubatého 3
	36	Čajovna To chce klid	Plzeňská 38
P6	37	Břevnovská čajovna	Liborova 14
	38	Dejvická čajovna	V. P. Čkalova 12
	39	Klub Čajovna	Vaničkova 7
P7	40	Čajovna Basama	Sochařská 8
	41	Čajovna Symbioza	Janovského 44
	42	Čajovna U Kostela	Strossmayerovo náměstí 9
	43	Čajovna u Mamadua	Milady Horákové 388/54
	44	Čajovna ve věži	Na Výšinách 1
	45	Čajový klub Duhovka	Milady Horákové 73
P8	46	Čajovna Dharmasala	Peckova 15
	47	Liliová čajovna	Sokolovská 117
P9	48	Čajovna Shi-Sha	Drahobejlova 36

Appendix 2: Cash flow overview - draft

Czech Republic - currency CZK													
CASH FLOW: Current Month plus Out Months													
	01-Jan-18	01-Feb-18	01-Mar-18	01-Apr-18	01-May-18	01-Jun-18	01-Jul-18	01-Aug-18	01-Sep-18	01-Oct-18	01-Nov-18	01-Dec-18	Total
Cash on Hand	500 000	186 220	155 440	144 660	133 880	125 100	89 320	53 540	17 760	-18 020	-55 800	-76 580	
CASH RECEIPT \$													
Revenues from sales	100 000	120 000	130 000	130 000	130 000	100 000	100 000	100 000	100 000	100 000	120 000	120 000	1 360 000
Other revenues (entrance fee to some of the events etc.)	0	0	1 000	0	0	2 000	0	0	0	3 000	0	0	6 000
TOTAL CASH RECEIPTS	100 000	120 000	131 000	130 000	130 000	102 000	100 000	100 000	100 000	103 000	120 000	120 000	1 366 000
Total Cash Available (before cash out)	600 000	306 220	286 440	274 660	263 880	225 100	189 320	163 540	117 760	84 980	64 200	43 420	
CASH PAID OUT													
PR Gross Salaries	67 000	67 000	67 000	67 000	67 000	67 000	67 000	67 000	67 000	67 000	67 000	67 000	804 000
PR Employers Socialsecurity and Other Taxes	22 760	22 760	22 760	22 760	22 760	22 760	22 760	22 760	22 760	22 760	22 760	22 760	273 360
Rent and energies	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	324 000
Communication and Computer Expenses	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	24 000
Supplies	30 000	10 000	10 000	10 000	10 000	5 000	5 000	5 000	5 000	10 000	10 000	10 000	120 000
Marketing	5 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	27 000
Purchase of equipment	150 000	10 000	1 000	0	0	0	0	0	0	0	0	0	161 000
Other Operating Expenses	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	120 000
TOTAL OPERATING EXPENSE PAYMENTS	313 760	150 760	141 760	140 760	140 760	135 760	135 760	135 760	135 760	140 760	140 760	140 760	1 863 360
VAT													0
TOTAL CASH PAID OUT	313 760	150 760	141 760	140 760	140 760	135 760	135 760	135 760	135 760	140 760	140 760	140 760	1 863 360
Cash Position before capital increase	186 220	156 440	144 660	133 880	123 100	88 320	63 540	17 760	-18 020	-55 800	-76 580	-97 300	

Appendix 3: Questionnaire for students

QUESTIONNAIRE FOR THE PURPOSE OF A DIPLOMA THESIS
A TEAROOM ON THE CZECH UNIVERSITY OF LIFE SCIENCES CAMPUS

1. Do you study at the Czech University of Life Sciences?
 - Yes
 - No
2. Which faculty do you study at?
 - Faculty of Agrobiological Sciences, Food and Natural Resources
 - Faculty of Tropical AgriSciences
 - Faculty of Economics and Management
 - Faculty of Engineering
 - Faculty of Environmental Science
 - Faculty of Forestry and Wood Sciences
 - Institute of Education and Communication
3. How old are you?
 -
4. Your gender is...
 - Man
 - Woman
5. Where do you live?
 - At dormitories
 - In Prague
 - Outside the Prague
6. How often do you visit the CULS campus (approximately)?
 - Daily
 - Two times a week
 - More than two times a week
 - 1 – 2 times per month
 - More than two times per month
 - Less often
7. Do you have any income?
 - No, I only study
 - Yes, I study and have brigade
 - Yes, I study and have full time job
 - Yes, I study and have other income (rent and so)
 - Yes, I study and have pocket-money
8. What is your monthly income?
 - I have no income
 - Less than 500 Czech crowns
 - 500 – 1000 Czech crowns
 - 1010 – 2000 Czech crowns
 - 2010 – 3000 Czech crowns
 - 3010 – 5000 Czech crowns
 - 5010 – 8000 Czech crowns
 - 8010 – 10 000 Czech crowns
 - More than 10 000 Czech crowns

TURN THE LIST

9. Are you used to visit some of tearooms?

- Yes
- No

10. How often do you visit tearooms?

- I am not used to visit tearooms.
- Daily
- Two times a week
- More than two times a week
- Once per month
- More than two times per month
- Two times per year
- Once per year

11. At what time do you visit tearooms?

- Forenoon (till 12 o'clock)
- Afternoon (till 17 pm)
- Evening (after 17 pm)
- I do not visit a tearoom

12. If you do not visit tearooms what is the reason for that?

- I do visit a tearoom
- I do not like the atmosphere
- Tearooms are expensive
- My friends do not visit a tearoom
- Little choice
- No alcoholic drinks
- No smoking
- There is no tearoom in my neighborhood
- Other:

13. If there was a tearoom on the campus, would you visit it?

- Yes
- No

14. How much money would you spent there?

- 0 CZK
- 10 – 50 CZK
- 60 – 100 CZK
- 110 – 200 CZK
- 210 – 300 CZK
- 310 – 400 CZK
- 410 – 500 CZK
- More than 500 CZK

15. Would you buy any food there?

- Yes
- No

Thank you for your time!