

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

**Proposal to establish an academy to promote Baseball in
Prague**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Petr Sila

Economics and Management

Thesis title

Proposal to establish an academy to promote Baseball in Prague

Objectives of thesis

Aim:

The aim of the thesis is to develop a business plan to find and analyze possibility of starting baseball academy in Prague. Thereafter try to transfer usable findings to reality.

Objectives:

- 1) Come up with literature overview concerning issue researched
- 2) Theoretically analyze main principles of business plan and possible challenges for creation of the academy
- 3) Apply finding for the particular environment
- 4) Analyze and sum up results and make conclusions about capability of profitability for this business

Methodology

In the theoretical part of the diploma thesis, concerning mainly about literature review, information will be sourced out of professional literature, as well as online databases. Theoretical part will be focused mainly on marketing and management in sports.

Practical part will focus on creating business plan. This includes data collection, analyzing data, calculation of estimate expenses and financing, supplemented by information obtained from coaches and personnel from baseball background and backed up by potential customer questionnaire.

The proposed extent of the thesis

60 – 80 pages

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marketing, management, baseball, sport academy, business plan,

Recommended information sources

Čáslavová, E., Management sportu, East West publishing company co., 2000, ISBN 80-7219-010-5

KELLER, K L. – KOTLER, P. *Marketing management*. Upper Saddle River: Pearson Prentice Hall, 2006. ISBN 0-13-145757-8.

KOTLER, P., ARMSTRONG, G., *Marketing.*, Praha: Grada 2004. ISBN 80-247-0513-3,



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Declaration

I declare that I have worked on my Diploma Thesis titled "Proposal to establish an academy to promote Baseball in Prague" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 29th November 2017

Petr Sila

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I would like to thank Richard Selby, Ph.D., for his time, advice and valuable support during my work on this Diploma Thesis.

Proposal to establish an academy to promote Baseball in Prague

Abstract

This Diploma Thesis is aimed at developing a business plan for a baseball academy in Prague. Business plan is an essential document in starting any new company. It helps managers of the company to assume and prepare plans for the future company. It highlights the strengths and weaknesses of selected strategy and adjust it for the selected market. This way it is possible to estimate issues and problems that can rise up. Business plan is also vital document to supply when proposing to potential sponsors and investors. Because business plan is complex and contains all the necessary information about organisation. In reality it is never exactly the way it was proposed in the plan. But without any plan, there can be no business. This proposal reveals the market for baseball academy, which will cooperate with high school, to offer young baseball players in ages 15–19 top quality preparation in the field of baseball, education, physical education and health

Keywords: marketing, management, business plan, baseball, sports, Prague, marketing mix, high school, education, health, marketing strategy

Návrh na založení akademie na podporu Baseballu v Praze

Abstrakt

Tato diplomová práce je zaměřena na vytvoření obchodního plánu pro baseballovou akademii v Praze. Obchodní plán je nezbytným dokumentem při zakládání jakékoliv firmy. Pomáhá manažerům firmy připravit plány pro budoucí podnikání. Obchodní plán zvýrazňuje silné a slabé stránky zvolené strategie a upravuje je do podoby hodící se pro vybraný trh. Touto cestou je možno odhadnout problémy a možné překážky, které mohou vyvstat. Obchodní plán je také podstatným dokumentem, který by měl být dodán při jednání s potenciálními sponzory a investory. Je to proto, že je komplexní a obsahuje všechny důležité informace o organizaci. V reálné situaci to sice většinou není jako na papíře, nicméně bez jakéhokoliv plánu nemůže vzniknout žádné podnikání. Tento obchodní plán odhaluje trh pro baseballovou akademii, spolupracující se střední školou, čímž nabízí mladým baseballovým hráčům ve věku 15–19 let přípravu nejvyšší kvality na poli baseballu, vzdělání, fyzické připravenosti a zdraví.

Klíčová slova: marketing, management, obchodní plán, baseball, sport, Praha, marketingový mix, střední škola, vzdělání, zdraví, marketingová strategie

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1 Introduction

Baseball is one of the few sports that are played on highest level basically all around the globe. According to World Baseball Softball Confederation (WBSC) there are 9 teams from North America (6 of them are islands located in Caribbean), 5 from Europe (Czech Republic is 14th after 2017 season), 3 from Asia (all in Top 4), 2 countries from South America, and Australia. The best country from Africa is RSA at 25, but we see huge development in Africa in recent year.

Czech Republic reached this year for the best rank in history. Unfortunately though there is still huge leap between our baseball level and the level being played at Top 10. Since the author has played baseball for over 15 years, he would like to come up with plan for baseball academy that would help young players make big impact in the future. Baseball players need to be on the field practicing or playing every day, and that is the biggest difference compared to successful teams.

This is exactly what can be achieved with the help of baseball academy. Give young talented players opportunity to practice more often, play more quality games and be supervised by elite coaches and doctors. The academy will also teach young men to become more independent and develop the skills needed for happy and successful life.

As well as their baseball career, young athletes will be led and required to maintain solid results in the classroom. Since the education and knowledge is really important, especially after they are no longer able to participate actively in the sport, the coaches will regularly check study results of all players.

2 Aim, Objectives and Methodology

2.1 Aim and Objectives

Aim of the Thesis

The aim of the thesis is to develop a business plan to find and analyse possibility of starting baseball academy in Prague. Thereafter try to transfer new, incorporated findings to reality and possibly run the Academy in upcoming year or two.

The aim of this Diploma Thesis is to come up with business plan for new and improved youth baseball academy in Prague. The work will include comprehensive marketing plan covering start-up costs as well as operating costs. It will also focus on advertising, mainly in the beginning stages of the project. This academy could be a useful tool to help Czech baseball reach the goal of participation on the Olympic Games in 2020 in Tokyo. Main goal is to come up with possible solutions for the baseball academy, which will help young players develop into healthy, skilful professionals, if desired by them. This baseball academy should be able to supply young players for professional market around the world. For the players not wanting to play professional baseball right away, there will be also high schools and colleges in United States. This will ensure the option to pursue academic career while playing baseball in one of the best baseball countries in the world. Professional coaches from Czech as well as abroad, mainly from USA or Australia, will be hired to reach these goals. Last but not least, the academy should cooperate with Prague high schools. This fact will secure one of the most important things for young athletes, and that is the education.

Objectives

- 1) Come up with literature overview concerning issue researched
- 2) Theoretically analyse main principles of business plan and possible challenges for creation of the academy
- 3) Apply finding for the particular environment
- 4) Analyse and sum up results and make conclusions about capability of profitability for this business

2.2 Methodology

In the theoretical part of the diploma thesis, concerning mainly about literature review, information will be sourced out of professional literature, as well as online databases. This will lay down a proper background and base for the further investigations in the practical part. Theoretical part will be focused mainly on marketing and management in sports.

In the second part of the diploma thesis, information drawn from selected sources, will be used and applied in the business plan. The business plan will draw information from youth baseball academies around the Europe and United States and it will be adjusted for local demand and conditions. Semi-structured interviews with people – coaches, doctors, and players from all around Czech baseball, will help assess potential problems. It will shine the light on what is actually needed to be done to keep the development on the right track. Quantitative research will be focused on potential demand and attraction of new players to the baseball academy. This data will show numbers of people interested in such a developmental tool and show possibilities for the future.

3 Literature Review

3.1 Business Plan

Starting any kind of new business for purposes of expansion or creating new companies is very complex and risky process. The first “theoretical” phase of creation is about detailed planning, organisation, preparation and communication. Second phase is concerned about action and leadership with proper progress control. This is why it is vital for company to prepare comprehensive business plan to help with future development.

“A plan can play a vital role in helping to avoid mistakes or recognise hidden opportunities. Preparing a satisfactory plan of the organisation is essential.” (Charnov and Montana, 2008, p. 119)

“A business plan sets out the method for running a specific activity over a specific future period.” (Stutely, 2007, p. 14)

Obviously proper planning is a base for any project, without which a project would be set to fail right from begging. On the other hand, even with the most bulletproof plans, in reality you cannot predict everything. World and especially market place is a living organism that changes every day. For this reason managers and entrepreneurs have to be ready to adjust to future unexpected development and strategically and quickly respond to given situation or problem. That is when the right strategy comes into place.

3.1.1 Strategy and Planning

Even though strategy has been usually defined in only one way, practical use of strategy offers many different ways of explanation. To help navigate Mintzberg gives five definitions of strategy as 5 Ps. First is plan – as a plan, strategy is developed before the action is taken and its development is conscious and purposeful; then strategy as a ploy, where a company or manager manoeuvres specifically to try to outsmart competition; third

P stands for pattern. It is nice to plan strategy, but we also need to encompass the resulting behaviour. Therefore strategy is as a pattern in a stream of actions. When we use certain strategy we tend to stick to certain pattern. Another P word to describe strategy is position. In this means it is position between organisation and environment, and it interconnects company's internal direction with the external environment. The last P stands for perspective. It is not only the chosen position, but also entrenched way to see outside world. Important factor of strategy is that it is being shared throughout the organisation, by its members, their actions and intentions. This helps companies to inform and get all their employees on the same boat, by giving them one vision and one direction to pull in.

This proves strategic planning as vital skill and experience in the field of business not only when starting new business. The entrepreneurs must be ready not only to create a plan of how things should look like, but also be able to adjust it and make it functional in the ever changing environment.

3.1.2 Project Manager

Before any project can be planned, there has to be a person to come up with the plan. This person is called project manager. This person can be seen as the director of the project. Especially in sports and non-profit organisations he or she must be really passionate and dedicated about the project. According to Koontz and Weihrich (1993) sports manager's responsibilities are:

- Planning
- Organising
- Staffing
- Leading
- Controlling

As we can see in the *The Management of Sport*, the term Sportsmanagement has two basis levels – sport versus management and commerce. Components of management and commerce are not only management responsibilities like planning, organising, leading and controlling, but it also adds fields of accounting, marketing, economy, finance and law.

The main components of sports management are field of viewing (spectators) – focused on the consuming sports product, and the field of fitness – focused on the athletes and people participating in the sport or physical education.

Sportsmanagement being as vast of a discipline as is seen it is, clubs usually have to assign multiple managers to cover all the needs. On the other hand, with limited budget of non-profit organisation and with the proper experience and skills obtained in practice, these organisations might empower single person or just couple of managers for these positions.

3.2 Legal Framework

The environment of Czech physical education and sports is multi-faceted. There are both profit organisations as well as non-profit organisations that are in majority. Whereas for the profit organisations the main success rate indicator is their ability to be prosperous, in the case of non-profit organisation it is mainly the purpose they are created for. The main goal is to satisfy needs of their members, and prosperity and profitability is usually secondary. (Čáslavová, 2009)

3.2.1 Non-profit organisations in Czech

As baseball is not very popular or widely spread sport, it would be hard to reach profitability as a main goal, the logical move is to create a non-profit organisation. According to the Law no. 586/1992 Sb. about income tax sec. 18 par. 7 non-profit organisations are organisations of legal entity, which were not established for the purpose of doing business. In the section 18 of the stated law, it is stated that it concerns following types of organisations:

- Civic association
- Organisational component of the State and territorial self-governing entity
- Funded organisation

- Interest association of legal entities
- Endowment and endowment funds
- Public service companies
- Political parties and movement
- State-recognised churches and religious society
- Municipalities
- State fund
- Public Universities

3.2.2 Civic association

According to Ministerstvo vnitra České republiky [Ministry of the Interior of the Czech Republic] civic association is association of individuals or legal entities for the purpose of achievement and protection of common interest. Condition is, that this is non-religious, non-political, and non-profit association, and that the activities do not deny or limit personal, political or other rights of the citizens for their nationality, sex, race, origin, political or other conviction, religion and social status. Associations are legal entities and the foundation and the operation of civic association is adjusted by the Law no. 83/1990 Sb. about association of citizens.

The big advantage of civic association is simplicity of establishment. To establish a civic association, there have to be at least three Czech citizens that at least one of them has to be 18 and older. They found so called preparatory committee. They then formulate the charters of association and apply for registration at Ministerstvo vnitra České republiky. In the registration form has to be included:

- Signatures of the preparatory committee
- Names, surnames, dates of birth and the residence of noted people
- Designation of the member that has been assigned as an agent on the behalf of the committee
- Two copies of the charters

Topinka and Stanjura further divided civic associations into:

- Umbrella Sports Association – this type of association has unlimited variety of sport under their supervision. It can also combine more independent sport associations. It is usually connected straight to government branch through which it is funded from national budget.
- Independent Sports Association – these associations are dedicated for single sport or single group of sports. Funds are usually drawn through their umbrella association.
- Sports club, physical unity – usually associates multiple sports and is connected to umbrella association. Beside civic association, it can exist also in the form of company.
- Sports section or department – usually economically bonded to mother sports club. It also lacks legal subjectivity.

Charters of the civic association are base documents for establishing organisational structure. Charters must contain: the name of the association, residency, goal of operation, organisational structure and principles of club's economy. The organisational structure is decided in the charters on the club level. This structure involves: General Meeting, President of the club, Club committee, Supervisory board (or auditors). (Law no. 83/1990)

According to Vachta general meeting is responsible for following acts:

- Discussing on activities and economy of the club and the state of club property, rights and obligations
- Discussing and acknowledging auditor reports
- Discuss and approve operating budget of the club for upcoming term
- Stating the amount of the registration fee for potential applicant for the founding member of the club, and the amount of annual club fee for active members of the club

- Approve conditions for contractual membership
- Receiving honorary members of the club
- Setting election period of the bodies
- Elect member of the club committee
- Elect and revoke auditors
- Deciding on club joining or leaving federal sports institutions
- Deciding on transferring ownership of immovable properties of the club
- Deciding on changing, editing and adding charters
- Deciding on disappearing, dissolution, separation and merger of the club

President of the club is authorized to:

- Convene proper or extraordinary general meeting
- Manage club committee (at least once a month)
- Conclude and negotiate written legal acts on behalf of the club
- Conclude labor-law relationship on behalf of the club

Club committee takes decisions about acts that are not specifically assigned to general meeting or about acts that were given to committee by general meeting, or the club's authority is directly stated in the charters.

Supervisory board respectively auditors are authorized to control all the accounting and financial operations of the club, state of money management, law management and club's property. They have to report the finding to general meeting and club committee. If there are any shortcoming, they also propose corrective measures.

3.3 Marketing

Marketing is associated with market development and its control. It is mostly used for business exchange character. As it developed, marketing started to be management discipline devoted to engineering sales increases. With most recent development, marketing has evolved into an applied behavioural science that is concerned with studying

and understanding buyer and seller systems involved in marketing of goods and services. (Kotler, Keller, 2008)

Marketing is essential part of the business plan, as the companies have to enter the market to make any kind of profit. In sports marketing also plays huge role. Most of the sports organisations could not exist without implying proper marketing strategy. Even for the non-profit organisations, marketing is vital tool in question of their existence and survival. It is for the reason marketing brings them necessary resources to cover their activities. As associations and clubs realise the power of customer, they try to work out best marketing strategies to attract eyes of customers, consumers, potential partners and sponsors and also quality employees. As this is general idea for the whole sector, clubs and associations have to analyse market and identify their competitors and possible customers. This also helps marketing to evolve as well as the customer, which is getting offered more services, with better quality every day. Sports marketing features all the activities connected with incentives and wishes of sports customers and tries to fulfil them by exchanging product. Sports marketing developed two main directions – marketing of sports products and service related straight to sports customers and marketing of the rest of customers and industry products and services promoted in sports. (Mullin, Hardy, Sutton 2000)

3.3.1 Situation analysis, Vision, Mission, Goals, Objectives

Every sports organisation has to have a purpose for existence. This purpose is presented in the charters or basic documents they present with other legal forms during the establishment of the organisation. Marketing activities are initiated by purpose and current situation of an organisation. This is already the first step of marketing strategy. It results in forming vision and mission of the organisation, as well as certain goals to be achieved. This involves marketing goals and their potential fulfilment. Goals are more detailed oriented than just the vision and mission. Of course it also depends which term the goals are assigned to be reach at. Usually goals are set no longer than three years to the future.

It is necessary to analyse organisational situation, when forming a marketing strategy. Pitts and Stotlar brake down the analysis into these segments:

- a) Collaborating environment – this involves all legal entities and individuals that are freely or for a fee willing to help organisation reach its goals, even just short term. It could be volunteers, employees, investors, suppliers, financial analysts etc.
- b) Competitive environment – it is crucial to know about competitors and potential rivals. Again these will project in forming marketing strategy. These types of analysis capture trends and movement of organisations, their financial situation, product qualities and development, marketing tools and many more.
- c) Economic environment – the current state of economy is a significant factor to be taken into account. It is vital to analyse situation on the market and then try to assume, what can be consequences for the organisation. There are big differences in approach of companies toward sponsorship. Whereas large companies prefer deeper interconnection with sports organisations, because they are consistent with their marketing strategy. Small and middle sized companies usually approach sponsoring more cautiously and usually don't look for deep involvement with sports clubs.
- d) Political environment – sports organisations have to carefully study political situation and upcoming political events. Especially when political decisions are closely related to the economy of the organisations. Often it is about modification of taxation law due to political decisions. Example from history is advertisement tax for civic association, or more recently value added tax imposed on lottery companies.
- e) Social environment – sports organisations have to take into account culture and social traditions in the market they enter. It is obviously easier to fund an organisation supporting traditionally played sports. This can result into win-win situation, where sports organisation gain members and athletes are busy with training and they don't have time to do drugs or other illicit activities.
- f) Legal environment – sports organisations have to be knowledgeable about all the necessary laws and rules, they have to meet. Ignorance of any law could lead into

extinction of the company or can have serious impacts on their functionality. These include employment law, health and safety law, consumer laws and so on.

3.3.2 Market analysis

3.3.2.1 Data collection

Whenever a company wants to enter market or create a marketing strategy for a certain market, it is necessary to obtain enough information. Organisations looking for information can rely on two types of data – primary and secondary. Secondary data have been already collected for some other purpose. They are usually accessible for free or for some kind of fee. In the field of sports valuable data can be for example: subsidies and grants awarded to non-profit organisations, amount of member of certain organisation, or tangible assets of associations. Primary data are obtained by organisation according to the needs of the project. Data are collected either by the organisation itself or through agency. This type of data can be financially more demanding and usually take some time to obtain them. Prerequisite of these marketing activities is creation of the marketing informational system. This system includes:

- Gathering and creation of information
- System for informational processing, and rewording them for marketing purposes
- System for usage of collected information: file of users and organisation of accessing them in the suitable form (Příbylová 1996)

3.3.2.2 Segmentation

Business organisations need to know their customer, his/her needs and wants and his/her market behaviour. They need to know, why customer buys their good or service, what are his/her ideas about development of the product. Only this way they can define and accept strategic decision. Sports market is no different. Information about customer and competitors must be updated regularly, so they can react and make corrective measures.

Segmentation is a looking for correlation between consumer needs and marketing activities of an organisation. When found, organisation can identify relatively homogenous group of customers. This group will report similar needs and reactions to marketer's activities. Such a group is called a market segment. (Čáslavová 2009)

Pitts and Stotlar say there are two types of customer characteristics: demographic and psychographic. Demographic characteristics are typically quantitative data as sex, age, family size, number of dependent children, education, income and so on. Psychographic are primarily psychological characteristics like personality, life style, favourite colour and food. These information will serve valuable prediction of possible market reach.

Based on the segmentation of market, customers, competitors and products, organisations gain a wide range of important information for their business. Organisations have to decide, which segments of market are they capable of serving. These segments become target market. Target market then serves as a base for all the marketing strategies. Target market is segment of homogenous customers with buying power and willingness to buy (Pitts, Stotlar 1996). For the target market organisation then have to create right marketing mix.

3.3.3 Marketing Mix

Once company decides, which customers or segment of the market wants to attract and serve, they have to prepare the right portion to offer to them. This is when fundamental marketing strategy comes in to create so called marketing mix. It combines tools of the marketing – so called 4 Ps. According to Kotler and Armstrong (2012) *"The Marketing Mix is the set of tactical marketing tools – Product, Price, Promotion, and Place – that the firm blends to produce the response it wants in the target market."*

From the view of customers, they look at marketing mix in the terms of added value for them, Kotler (1998) states, what is that for each of four Ps. Product satisfies needs and

wants of the customer. Price has to be in customers expenditure limits. Place should offer convenience and ease. And promotion serves as communication channel to the customer.

3.3.3.1 Product

It should be in the centre of marketing mix. It serves the main purpose for meeting and satisfying customer needs and wants. Product can be material – goods and immaterial – service or an idea (thought). In the field of sports and especially in this work, the product will be more of a service, so expectedly it will not be homogenous. Kotler (1998) states that even the tangible good will serve some kind of service, so customers are looking mainly for functionality product, whereas producers sometimes focus on the product itself too much.

Sports product – similarly to the general definition of the product, sports product is any tangible good or intangible asset offered to satisfy wants and need of customers in the field of sports and physical education. According to Čáslavová (2004) we can distinguish sports products into these categories:

- Products of physical education and sports: offer of physical education, sports or/and tourist activities
- Products bounded to person: sports performances bounded to athletes, performance of coaches, advertisement appearance of athletes
- Intellectual products of physical education and sports: thoughts and idea initializing physical education and sport sphere, sport information in media, values of experience in physical education and sports
- Products in an area of conditions and secondary products: facilities for physical education and sports (association, communal, public), education in sports, athlete insurance, transportation to competition, tickets, sponsorship, gifts and support, promotion of goods and souvenirs, social events
- Classical tangible goods in physical education and sports: equipment and tools for physical education and sports, sports clothing

Sports product also has some special properties, which has to be realized in creating the desired product to fit in the marketing mix. Freyer (1991) defines these properties as:

- Subjective valuation of physical education and sports products – this is meant in the way, that every person might value and experience different feeling and satisfaction from the same activity. For example one customer might feel absolutely exhausted after session of circuit training, whereas someone in better shape will hardly sweat during the same training. As the saying goes 100 people, 100 tastes.
- Predominant abstractness and intangibility of physical education and sports products – in this case Freyer uses example of tennis rackets – tangible good, but the main purpose is to get satisfaction from tennis game – intangible. Intangible goods for that reason cannot be store, made in advance and they are dependent on the time and place.
- Unexpected development of physical education and sports products – In contrast to most of the consumer and industry goods, as well as services, customer expects at least same quality every time. In the case of sports products, it is the possibility of unexpected that keeps consumer engaged.
- Little control possibility over composition of physical education or sports products – Whereas most of the products are created on the bases of demand, in sports initial offer has only narrow influence on the final product. For example, even though there are all the assumptions for quality football match – high quality football stadium, best equipment, experience coaches and trained professionals, there is no guarantee beforehand that the match itself will have high quality.
- Sport as a complex of performances and its universal offer – Freyer emphasize that sport is multifaceted product and clubs are marked as “general stores”. But when it comes to actually marketing sports activities, usually only certain components are offered – club membership, sports events, certain athlete and so on. Simultaneously sport is projected into many spheres of society. It appears in in economy and advertisement, politics, culture, education. As well as it is connected with fashion and clothing apparel, food, sex, drugs, violence, leisure time etc. This demands kind of universal knowledge and realisation of marketing measures.
- Sport as a public good – In lot of cases sports facilities are open to public freely or for little fee. These are facilities managed and offered by state. In the area of sports

according to Freyer, it is mix of public and private goods, where certain services and offers are inaccessible for non-members, and on the other side, certain services are publicly accessible (games, events, promotional events, accomplishments). Physical education and sports products are partly impossible to appraise market price – Freyer states as example: athletes' value, value of public goods, and media value

3.3.3.2 Price

Price can significantly influence customers' behaviour. Creation of the price is closely related to the kind of product, which sports association is offering. Some product prices can be easily calculated by economical cost, other products take into account demand for certain product (e.g. athlete transfers). When deciding on the right price level, sports association usually rely on information about demand, costs, competitor prices and uniqueness of their product. Often sports products pricing takes into account non-price instruments like brands, distribution channels and promotion. It is vital to estimate demand at that price, revenues, capacity claims, and if it is even profitable to realise a project. Sponsors are also closely watching price of advertisement in the area of interest. (Čáslavová 2009)

3.3.3.3 Place

To get the product to the final customer, market participants have to choose the right way of distribution. It is necessary to select proper distribution channels, calculate distribution cost, think out ideal way to distribute certain products and determine the character and density of the distribution network. Distribution nature depends on the kind of product offered, type of organisation offering it, customer and other factor. Biggest difference of distribution is between tangible and intangible goods. Tangible products are usually mass produced and then transferred to the selling place, or through internet straight to the customer. On the other hand intangible products are immaterial as is the case of services, ideas and intellectual products. Consumer cannot touch or feel the product beforehand, and has to be experience as it is "created". Hence, customers have to come to the place, where

the product is offered. Customers often look for feedback from customers with experience, tries to draw conclusions from appearance of the facility and the people offering the product, as well as promotional channels used. (Čáslavová 2009)

3.3.3.4 Promotion

Promotion is understood as convincing communication for the reason of product sale to potential customers. Promotion includes four basic types of communication: advertisement, publicity, sales promotion measures, personal or direct sale. These together are called promotional mix. All of these are used in the sales of sports products, but again it very much depends on the nature of offered product. Managers come up with their promotional strategy, which can change during development of the sports association. It mainly depends on:

- Primary goals of management – reach certain revenue or amount of customers, creation of club's image, sell capacity of sports facility.
- Target market – broad public, children, women, athletes...
- Media used in promotional activity – television, radio, newspaper, YouTube
- Financial resources available
- Designing promotional reports for certain target group

Nowadays in sports, managers use all of the tools of basic promotional mix.

- Advertisement: sports article advertisement, sports service advertisement, or advertisement put on sports media (jerseys, equipment, stadiums etc.)
- Publicity – interviews with coaches and athletes as experts and witnesses of quality of sports equipment, services and ideas
- Sales promotion measures – famous athlete opening new facility, first entry for free, ticket drawings etc.
- Personal or direct sale – manager selling V.I.P. services to sponsors (Čáslavová 2009)

According to Cooper and Lane (1999), there can actually be added 3 more Ps to the marketing mix. These are People, Process, and Presentation. They serve as a valuable tools for marketing planning and for sports especially in area of sports services.

3.3.3.5 People

This tool involves list of qualitative skills of employees that create so called soft quality for the business. In sports services the personnel is often the deciding factor in customers' choices. Coach, trainer or instructor play main role in creating the service, since intangible products are variable. Customers then give valuable feedback of their satisfaction with employee's services. Hence it is in the interest of managers and clubs to hire personnel with experience in the field as well as quality soft skills.

3.3.3.6 Process

Process is a tool that involves time and way of serving the customer. For sports services these are the main factors of process quality.

- Servicing period – is the opening hours of the facility, or time for which the service is offered.
- Pace of service – in some services, customers demand fast service
- Time spent waiting – it is not favourable to the club or business, when customers have to wait extra for the instructor being late
- Form of service – managers have to choose the correct form to be offered, for example some customers prefer group exercise, while others want individual lessons

3.3.3.7 Presentation

Presentation is mainly focused on the service facility and image of the company. Important tools of presentation are:

- A facility space size and amount of customers visiting it compared to revenue
- Equipment of a facility following its size
- Atmosphere of a facility – interior decoration and design
- Comfortability of a facility
- Cleanness – some customers demand high standard of tidiness

3.3.4 SWOT

SWOT analysis is another strategic tool to uncover possible pros and cons of company and a market they want to enter. It is abbreviation of Strengths, Weaknesses, Opportunities, and Threats.

- Strengths are all the advantages organisation holds over competition, what are their well-managed activities and actions, also what potential customers might see as a valuable, and what abilities of the company will generate sales.
- Weaknesses are the factors of company that need to be improved, actions to be avoided, what can draw potential customer away, and what could block successful sales.
- Opportunities are the factors of certain market and market situation that could benefit the organisation. For example interesting trends, open market opportunities, favourable legal and political actions, or approaching technological evolution.
- Threats are on the other hand outside factors organisations have to face and overcome to become successful. Some of the threats could be large number of

competitors, small potential market, social traditions unfavourable to the product, or just bad timing.

These four factors are generally divided into internal (organisational factors) – Strengths and Weaknesses and external (market conditions) – Opportunities and Threats. When developing market strategy it is helpful for managers to go through this analysis, as it may help uncover some hidden information and can save organisation valuable time and money. (Tichá)

3.4 Sponsorship

Sponsorship represents significant mean for securing sufficient financial resource, serving mainly for realisation of cultural, scientific, charity and other activities in various spheres of society. Sports, physical education, associations, clubs, and also individuals are no exception.

Sponsorship is usually used to gain rights affiliated or directly connected with the product or event with the aim of benefiting from this connection. Sponsor then uses this connection to reach his promotional goals or to support his broad marketing goals. Right gained from this connection can include retail opportunities, purchase of the right to use the name in broadcasting or program of hospitality. Sponsorship agreements can include following commission and benefits:

- Right to use logo, name, trademark, and graphic presentation connected with a product or an event. These rights can be then used in advertisement, promotion, publicity or other communication activity used by sponsor
- Right for exclusive connection with a product or category of services
- Right for connection of a name with an event or a facility
- Right to use certain designations connected with a product or an event, such as “general sponsor”, “official supplier”, “official product”

- Right for the services, usage of a product or exclusive usage of a product, or right to use purchased product or a service in connection with an event or a facility

This means that sponsoring activities are usually done for kind of purpose and a goal of sponsor, especially promotional and economical. Mostly it is about these goals:

- Increasing level of company/brand acquaintance
- Increasing level of sponsor's acquaintance as a partner of the sport
- Increase sympathy for the brand
- Strengthening of business contacts between companies through offers of hospitality
- Strengthening individual image components of certain sport or specifically with certain sports club or association. (Mullin, Hardy, Sutton 2000)

When an association or a club gains sponsor's attention, they have to come up with an offer of performances from sponsored to sponsor. Sports managers often have a prepared so called Sponsor packages. These packages are documented and comes with a certain price. Only criterion is range and level of offered services. It is mainly about certain situation and feel for the thing. The main forms of level of sponsorships are:

- Exclusive sponsorship – comes with the title “general sponsor”, for a high price a sponsor gains all counter-services
- Main sponsorship – most expensive and attractive counter-service, supporting sponsors divide less attractive options
- Cooperative sponsorship – counter-services are divided into bigger amount of sponsors. Agreement can also be dealt for different periods, which helps association to overcome financially demanding periods.

Working with sponsor in reality differs according to requested amount, assumed period of cooperation, position of the association from performance and attractiveness level of a sport. It is valuable to provide information about the company asked for sponsorship, this can give managers an idea, what they can ask sponsor for and also what to offer as a counter-service. Generally clubs can offer following products:

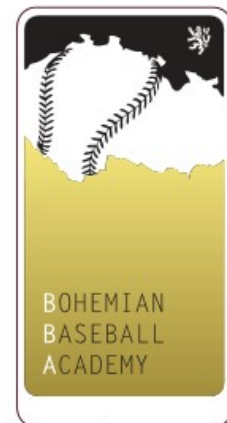
- a) Sports product offer - Exercise plans and trainings
 - Facilities for use for sponsor's employees
 - Sports events – sponsor can use it to promote product, service, or use advertisement methods)
 - Team's performance or individual athlete promotion – exclusive usage of sponsor's equipment or clothing
 - b) Advertisement product offer – these are the most common counter-service. Usually it is about jersey advertisement, advertisement on a stadium or field, scoreboards.
 - c) Social activities offer or V.I.P. programs – these can be celebrations, invitation for significant events, parking space, V.I.P. seats, etc.
 - d) Sport and club image offer – this is very individual with sport and region, but generally it is about connection of the sponsor to the club, and when the club is seen in positive way by public, then they can offer interesting connection.
- (Čáslavová 2009)

4 Business plan of Bohemian Baseball Academy

4.1 Executive summary

This business is looking for feasibility of a project of Bohemian Baseball Academy. This civic organisation is looking into interconnecting sport of baseball with quality high school education for young athletes. The business plan will look into market situation and possibilities for the baseball academy. Then author will try to create a comprehensive marketing plan, followed by plan of operations, possible co-operators and financial estimations. Business plan will also include qualitative questionnaire and SWOT analysis.

Picture 1. Bohemian Baseball Academy logo



Source: Own design

4.2 Bohemian Baseball Academy

4.2.1 Business Concept

Bohemian Baseball Academy is looking to help improve quality of baseball in Czech Republic and Europe. As the author of the thesis has been involved with baseball for over 15 years, he has gained a valuable and long-term inside view on the situation on the sport in Czech Republic as well as Europe and United States. With the help of selected personal and association, he would like to create functioning system of development for your players that seek to improve their baseball skills, and also help young players with right

personal and educational development. It will offer various athletic programs aimed on overall increase in performance in sport, nutrition and regeneration. The academy will also cooperate with Czech high schools in the area to ensure young athletes go through educational system to prepare them for future life. In the future academy also aims to cooperate with high schools, academies and universities in United States, where baseball players could further develop their skills.

4.2.2 Organisational Information

Bohemian Baseball Academy is a service providing civic association on the bases of baseball that looks to closely cooperate with baseball clubs and sport high schools in Bohemia and Moravia. It will primary provide development of talented youth living in Czech Republic in age 15-19 (20) years and will help create the solid base for national teams, help players get drafter in MLB drafts and reach scholarships on universities in United States.

Bohemian Baseball Academy is independent legal subject, which itself has no competition or sports ambitions, rather it looks to provide sports development of individual athletes. Academy will be partnered with Czech Baseball Association and Moravian baseball academy. It will help develop talented players in symbiosis with baseball clubs and national teams.

Potential customers

Bohemian Baseball Academy is intended for talented players that want to study sports high school – Sport high school in Prague – Stodůlky). Further it is intended for talented baseball players living in Czech Republic that are capable of obtaining and fulfilling individual study plan. Academy offers its service also to foreign players that might live in Czech Republic long or short term, since there are growing numbers of international students in Prague and vicinity.

Vision

- Develop talented youth in ages 15-20 (high school) in physical and baseball skills
- Academy as a base source for Czech national team
- Academy as a tool to help players sign professional baseball contracts
- Academy as a tool to help players obtain university scholarships in United States
- Academy as a independent legal subject in Czech Republic

Goals

Improve quality of baseball in Czech Republic and get baseball team to compete successfully compete at least against top European teams. This will be achieved by applying modules known mainly from United States, adapted to conditions in Czech Republic.

Academy's goal is to create quality and wide base for national teams (cadets U15, juniors U18, U23 and men) and establish sources of income from professional drafts with clearly defined share for clubs and Czech Baseball Association. Together with Czech Baseball Association and baseball clubs, support baseball through marketing and advertising activities.

Academy will cooperate with best coaches from Czech and abroad, physiotherapists, doctors, and other baseball experts and enthusiasts. Together with them academy will focus on every day development of players (overall physical, physiological, mental, and game) and interconnection of sports activities with solid high school education. From there players can continually proceed to attend universities in Czech or United States or they can go on to play professional baseball somewhere abroad.

The academy will provide quality practice and training equipment (training gyms/halls, fitness centres and weight rooms, batting cages with top equipment, athletic tracks and grounds, gymnastics etc.) Academy will also try to interconnect with foreign baseball leagues and clubs. Matter of course is narrow cooperation with clubs and Czech national

team, so that players can fulfil their requirements and duties in those organisations. For this reason there will be a proper system of medical custody and professional development of physical potential of players

- Setting up systematic, complex and continual sport and coaching activities (daily), complex development of physical, physiological, mental and game and other skills.
- Setting up permanent cooperation with high school, which will accept difficult and time consuming training plans of players and adapt their quality education plan to this priority, so that players can continue in full-fledged professional and personal life after retiring from sports.
- Academy as a full-value institution securing first class high school education with option to continue education on universities in Czech as well as United States.
- Setting up permanent cooperation with all the clubs in Czech Republic and Czech national teams, so that players can fulfil their duties toward these organisations without endangering physical or game potential due to health complications.
- Setting up system of regular medical control and professional development of physical potential of players.

4.2.3 Location

Bohemian Baseball Academy will be located in Prague. Reason for this location is due to presence of 7 quality clubs in Prague and Central Bohemian region that will offer player base large enough to enable academy pursue their goals. Prague also offers enough quality facilities and good sports infrastructure for similar project. Also the network of high schools is dense in Prague. It will offer players that will not attend sports high school to still participate in practices and activities of academy. Academy plans on using baseball field Na Markétě, situated at Prague 6. It is home field of Kotlářka Prague club, which has proved their capability to work with young players. This area also offers quality batting cages with top equipment – Iron Mike. Further Prague 6 offers fitness centres and weight rooms that are price friendly with high quality of services, as well as medical personnel,

training halls, pools and other facilities. Lastly it is also residency of many professionals and experts that can be really helpful to players and academy itself.

- Administrative, culture and social centre of Czech Republic
- Sports gymnasium and wide network of high schools
- Residency of cooperating baseball club Kotlářka
- Baseball field Na Markétě – solid training quality and good public transportation or car accessibility
- Residency of experts and enthusiast in the field of baseball
- Developed high volume market, source of professionals from all kinds of fields
- Location interesting for sponsors and supporters

4.2.4 Legal framework

Academy will be established as a civic association. It is one of the easiest organisation to establish, since it is free, there are not much paperwork to be done and basically anybody can become a member.

Further the academy will need to establish legal communication with sports high school. This partnership will provide quality education, facilities to use, and accommodation for players. Another legal partnership to establish will be with Kotlářka Prague, mainly focused on player hosting, field lease, communal activities etc. Legal contract with players will include some basic rights and duties for the players, so the academy has a certain standard and to prevent any misconceptions and hassle. Common contracts and orders like accountants, web designers, suppliers and so on. Academy will also have to apply for trademarks for logo, name and design. Another important contracts to prepare are those to the sponsors and financial partners to secure balanced economy of the organisation

4.3 Marketing Plan

Bohemian Baseball Academy will function as a non-profit organisation and for this reason it is crucial to select right forms of marketing strategy and consistently and precisely perform on it.

4.3.1 Market analysis

Firstly we need to look for any possible competitors. Baseball academy will serve as a tool to facilitate athletes with passion for baseball, hence there will be search for active baseball players competing on the regular bases in competitions of Czech Baseball Association or similar levels abroad. The only real competitor for this reason is Prague baseball academy. This academy runs in Prague 4 for about four years. It associates players from age of 12 to 19. They offer practices 3 times a week in afternoon hours – in the leisure time of their members. This could be Bohemian's academy advantage, because it can be hard for players to manage school duties, practices in their own clubs and academy's practices. As the coaches around baseball been interviewed, there has been repeated opinion, to unite both academies and actually cooperate on the development of players instead of competing for already narrow market segment. Since they share common goals of increasing level of Czech baseball, it is legitimate reason to think about cooperation and simplifying options for the players.

When we look into possible collaborators of academy, the biggest potential partner is Czech Baseball Academy. It would be umbrella for the Bohemian Baseball Academy, so the common efforts will be easier to achieve. Other segment of potential co-operators is baseball clubs. Their attitude toward academy should be seen as positive, as the Bohemian academy would help develop and prepare their players for the actual competition clubs are involved in. This goes not only for players, but for coaches as well. Bohemian academy would open new channels of information and time to work with players and gain experience for the coaches, by working with more players, reveal new strategies and processes and supply with individual plans.

As for the economic environment, baseball in Czech has been steadily developing and increasing quality past couple of decades, especially last 8-10 years. The extraleague of

baseball is bringing in quality foreign players every year, which raises overall quality of games and improving skills of players. We can see the improvement on the results of senior national team. Under the coaching staff of Canadian and American coaches, players are learning new ways of thinking and improving their practice habits. This is a good sign, because there is still long way to go for Czech baseball to be able to compete consistently on the highest level. Although we see more passionate personnel, volunteer and parents in baseball every year.

Political environment seems also pretty favourable for the academy. Baseball has been added back to the program of Olympic Games for Tokyo 2020. This means not only more funds and media coverage, but it sets kind of a greater goal for whole sport and people involved.

Social environment on the other hand could be little problematic. Historically baseball has not played a big role in Czech Republic. People not directly involved in baseball often hardly know even what baseball is. Fan base for the sport is mostly parents and enthusiast and former players. Although with internet and technological development, we see that world is “shrinking” every day, which helps the sport to get on the map. It is easy now to watch the best quality games through internet and actually learn about the sport and its beauties. As well as it makes the sport more affordable. Bohemian academy aims to make the sport more attractive to the viewers and spread the information about the sport.

As of now there is not any huge obstacles in the legal environment.

4.3.2 Data collection and segmentation

As stated before Bohemian academy will recruit players already participating in the sports with high performance goal and visions for the future. Even though the market segment of baseball players in the age of 14–18 is not very wide, their passion for the sport and high ambitions would serve as stimulus to join academy and be coached by experts. From the record of Czech Baseball Association, there were about 250 active players in this age group competing in Prague and its vicinity in year 2017. The goal of Bohemian academy is to start with at least 10 players in each grade of high school. This seems like a reasonable estimation for the beginning, to penetrate market and show other potential customers its

qualities and goals. From the questionnaire completed by the author we see this as accomplishable goal with the right marketing mix, quality coaches and passionate approach. As we can see in section 4.7 Questionnaire, target market responds quite positively towards project of Bohemian Baseball Academy. Although the sample size of questionnaire was small, it still gives nice feedback.

4.3.3 Marketing mix

4.3.3.1 Product

In this case the main product of Bohemian Baseball Academy are the training plans. This is a unique service that can offer huge benefits for the athletes through right execution and qualified personnel. There are three types of training plans prepared to be offered. Full professional program, program Classic and program Standard. See table 1 for details about Full Professional. Rest of the programs are attached in appendix. Beside training programs Bohemian academy would offer sports equipment and clothes, sports facilities, professional coaches and personnel and quality high school education. This seems like a strong combination to attract players demanding right development.

4.3.3.2 Place

Author has already described place for the academy in the section 4.2.3 Location. Just to add more information about future vision, with successful functioning of the academy, there is certainty of bigger cash flows coming in. This means that Bohemian academy will actually improve quality of facilities and maybe even built new facilities in the future to ensure continuous development.

Table 1. Full Professional Program – training plan

FULL PROFESSIONAL PROGRAM
5 x Two-phase training a week
Spring Training abroad – 7 days
ITP (Individual Training Plan)
Summer Training camp – 14 days
1 x Tournament abroad
Winter Conditioning camp – 7 days
Regular Individual Practices with Coach
VAP (Video Analysis Program)
Athletic development program once a week
Special Private Conditioning Program
Continual Individual Medical Program
Physio Stress Test semi-annually
Recovery programs, Compensatory Exercises
Reconditioning Procedures

Source: Own Formulation

4.3.3.3 Price

Since the target market for the academy are young men age 14–18, most of them probably will not be able to pay for the academy’s plans. Price will be then make a serious impact on the decisions of players and mainly their parents. Bohemian Baseball Academy will be

offering training plans in range from 5 000 – 10 000 CZK, differing on the choice of program. For this price members will be able to use all the facilities in designated times, attend practices under supervision of professional coach and also obtain baseball equipment and gear. Depending on the academy's ability to find sponsors and raise enough funds, there could also be some hidden fees in the form of training camp charges that will differ on the type of training camp and member's period of participation.

4.3.3.4 Promotion

Promotional activities will have to supply main portion of funds needed for the academy to be put into operation. As a non-profit organisation the academy will have to rely on sponsors and sponsorship agreements, investors, grants and gifts. More about financing tools in section 4.5 Financing.

Promotional activities will include:

- Web pages – will be in Czech and English to reach wider audience. Information portal about vision and benefits to attract customers.
- Direct approach – mailing, or contacting players personally and directly, shows interest, easier to get the idea though
- Media coverage – flyers, local newspaper and other web portals
- Marketing campaign – promotion of the project, sport, education
- Academy logos and designs – proper promotion of design to establish strong brand (jerseys, t-shirts, advertisement at baseball stadiums and events)
- Segmented promotion
 - a) Players – “Become part of strong team on the field and in the classroom”
 - b) Parents – “Quality education and top training methods for your children”
 - c) Clubs – “Development for your players under supervision of experienced professionals”

4.3.3.5 People

This is another crucial part of the mix. First step to assure academy will be capable of obtaining goals and visions is to acquire top quality coaches and personnel. Especially when offering individual approach it is vital to supply players with information from people they can trust and people that know what they are doing.

4.3.3.6 Process

In the case of the academy, process should be a strengths. Due to its ability to offer personalised individual attitude toward each player. This show that coaches are there for the players not just because of the money. This is important way to show young players, how to be successful and that they should not be afraid to trust these people and also spend their time on the field.

4.3.3.7 Presentation

Has to be done the right way to ensure customers know what they will get. This is why academy will be located in Prague, because the facilities can be publicly presented and there is no shame about it. In the case of academy it will be tightly connected with promotion, since the main product is a service.

4.4 Operations Plan

The main operations of the academy will be directed toward players. Goals of academy are to ensure right development in the field of sports, education and health. These goal cannot really prioritized one over the other, because they all contribute to the complex players' development. Although from the stand point of academy, it will focus mainly on the training plans and physical preparation of its members. Coaching staff of the academy will

have to prepare different training plans depending on the season players. These are the kind of plans prepared:

- Yearly plan
- Monthly plans
- Weekly plans – see table 2 for more detail
- Daily plans
- Individual plans – will be worked out especially for individual players according to their needs and ambitions

Monthly, weekly, and daily plans will depend on the part of the season which they will be included in. Here is a list of season baseball players go through every year.

- Winter (off-season) – this part of the season is a vital for the conditioning of players. So it includes lot of physical training, regeneration and compensation. Around new year's, baseball players also begin to practice baseball skills indoors. Usually all the players start from scratch, so they can work on proper mechanics. In winter baseball players have to get their bodies ready for long baseball season.
- End of winter/Spring (pre-season) – as the snow starts to melt away, baseball players are already excited to leave indoor facilities and practice outside. During pre-season part, conditioning is becoming less heavy and more stamina and also players are focusing more on baseball activities.
- Summer (in-season) – around April, baseball competitions finally begin and players can start showing off, what they gained in winter. This is the part of a season focused mainly on baseball activities, and conditioning takes form of maintenance.
- Summer holidays (in-season) – since the baseball season doesn't correspond with school year, baseball players will play games even when school will be closed. The focus and practice content is same as mentioned above, but players have more free time and can fully dive into baseball if they want. This is an opportunity for extended training camps and tournaments abroad.

Table 2. Full Professional Program – week schedule

FULL PROFESSIONAL PROGRAM (in-season phase)					
<i>5 x Two - phase training</i>					
day	hour	training type	sports facility	sports material	coaches
Mon	after school	jogging, fartlek, regeneration	whirlpool, track		1
	18.00–20.00	club training, long-toss			
Tue	8.00–9.30	baseball practice, weigh room	baseball field, fitness	baseballs, bats, Iron Mike	2
	17.00–20.00	club training			
Wed	after school	supplementary sports	training hall	sports equipment	1
	18.00–21.00	Prague men's league games			
Thu	8.00–9.30	baseball practice, weigh room	baseball field, fitness	baseballs, bats, Iron Mike	2
	18.00–21.00	club training			
Fri	8.00–9.30	compensatory exercises, yoga	training hall	rubber bands, yoga mats	1
	18.00–20.00	club training			
Sat/Sun	scheduled	Extraleague/ First league games			

Source: own formulation

The academy has two possible concepts of its involvement in players' activities and accordingly cooperation with clubs.

Option A

Priority here is minimal intervention to the current club competitions. This means players of academy participate as much as possible in the home clubs practices and games. This is

the starting option for Bohemian Baseball Academy, since there the system of competitions. This option from the players' perspective looks like this:

- Attending academy practices in the morning and right after school
- Afternoon practices in their clubs
- Games played for their clubs

Obvious advantage is that this system is already in play and academy would not interfere with clubs priorities. On the other hand it is kind of hard to sync both programs to fit players need completely and difficulties of creating complex individual plans. Another problem could be that club interest are mainly winning games and it isn't uncommon that sometime coaches burden the best players too much and this results in injuries and future limitations. Interest of academy is on the other hand development of the player. Realisation of this plan also handicap players that don't live directly in Prague or foreign players, that don't have a club in Czech.

Option B

Priority of this option is complex development of players regardless of home club's interests. Academy members will have an all-day programs prepared and they will compete as a team in competition. Necessity is obviously to ensure there is quality league that would provide needed exposure against best players in the country or even Europe. Another important point is to have enough players to even be able to compete. For this reason this is more of a future vision for successful operations of academy. For the players it would look like this:

- Morning and afternoon practices with academy
- Academy team will play at least one game during work week (exhibition or competitive)
- Weekend competition – ideally play game Friday night, Saturday and Sunday
- Academy team will attend tournaments, training camps and such

This option carries lot more advantages for the players. First and foremost complex development and permanent cooperation with the best coaches and best methods. This allows coaches to track players' progress and modify training methods accordingly. Also

creation of individual plans is much simpler. Facing quality teams will improve skills and motivate players to work hard. Once again, the focus is on player's development mainly for national team and his future activities in sports. Easier access for players outside of Prague, since academy will provide "complete package". More exposure to the MLB scouts and professional clubs. Possibility of creating "Academy tour", which would be big annual or semi-annual tournaments in the summer time across the Europe participating academies from Czech Republic, Germany, Italy, Netherlands, Spain.

Cooperation with national team

Academy would serve as a player source for national teams. As academy offers continuous work with players, it would be easier for national team coach to assemble a team together. As of now, national teams have to rely on one-time events like a weekend training camp once every two months or so and occasional practices. Sometimes players are unfortunately unable to honestly put work that is required on the national team level, and coaches then have hard choices of letting go of talented player that just wasn't ready. Another advantage is building right team chemistry in academy, which would be aimed to be transferred to national team events. This cooperation would require sufficient level of communication between academy and national team. One last advantage is that national team could use their practice time just to tune the form and work on details, rather than having to teach players fundamentals and worry about their condition.

Health and injury prevention

For academy to be able to prepare players consistently and to their biggest potential, it is crucial to keep players healthy and prospering. It plans on regularly checking players' health, diet and correct regimen. Academy's priority is to teach players right fundamentals of healthy diet and eating and how to prevent unnecessary injuries. These are the points that should help to achieve these goals:

- Regular medical examination
- Constant medical surveillance

- Recovery and regeneration programs – right forms of exercises, wellness programs, body care
- Diet plans – creating healthy, simple and tasteful diet plans to get players engaged
- Anti-doping check ups
- Regular physical testing – to ensure target improvement and watch progress of development

4.5 Financial Plan

Due to academy's functionality as a non-profit organisation, it will be vital to obtain enough financial resources to put the academy to operation. Here is a list of potential inflows of cash and other forms of support.

- Sponsoring and fees (50%) – this is going to be main source of income for the academy. It might be little problematic to gain any big sponsorship or strong sponsor right of the bat, but hopefully after year or two, academy will not have to rely only on member fees and small sponsor gifts.
- Grants (30%) – as a non-profit organisation, academy has a right to draw grants from umbrella institutions and governmental institutions like Ministerstvo školství, mládeže a tělovýchovy České republiky [Ministry of Education, Youth and Sports of the Czech Republic], Česká unie sportu [Czech Union of Sport], and others. It will be crucial to draw funds from these organisation, especially in the beginning.
- Baseball organisations (10%) – Bohemian academy will try to establish relationships mainly with Czech Baseball Association and Major League Baseball. CBA could help directly financially, also help with lobbying at above mentioned organisations. MLB is an organisation with best baseball development system in the world and with huge revenues. According to Forbes MLB surpassed \$10 Billion in year 2017. Hence, academy should try to reach out for money in grant

form. Also MLB could help with coaches and personnel development, as well as send their coaches over to Czech.

- Seminars, camps, clinics (10%)

For the future sources of income, academy will try to acquire sponsors and investors, which could facilitate existential budget and help academy develop into stable organisation. It will be important to prove quality work and expel good results in the first years of business, to show potential for future. Also subsidies from European Union could be beneficial, but to obtain these, academy would have to come up with a specific intention to use the subsidy for. Also academy will look into cooperating with Prague university campuses to provide accommodation for players coming from outside of the city.

In the table below, there are expected cost for the academy in its first year. The total comes up to around 2 million CZK.

Table 3. Operational Costs

Wages	Gross in CZK		Amount		Total
Head coach	33 000	monthly	12	months	396 000
Asst trainer	22 000	monthly	12	months	264 000
Part-time asst	1 000	per diem	3	to be agreed	50 000
Subtotal					710 000

Rentals	Price		Amount		Total
Field IV – X	10 000	CZK/monthly	7	fixed monthly	70 000
Hall XI – III	700	CZK/hr	5	month* 3/week*2hrs	84 000
Weight room & Fitness	800	CZK/hr	5	month* 3/week*2hrs	64 000
Batting Center	100	CZK/hr	5	month* 3/week*2hrs	12 000
Whirlpool/wellness	1 200	CZK/hr	5	fixed, 1hr/week	24 000
Subtotal					254 000

Actions	Price		Amount		Total
Summer camp	4 400	CZK/per person	25	weekly	110 000
Winter camp - mountains	5 200	CZK/per person	23	weekly	119 600
Indoor camp - Hall	4 700	CZK/per person	23	5 days	108 100
Tournaments	2 500	CZK/per person	46	2 x per year (2 x 23)	115 000
Agreed doctor's care	5 000	CZK/monthly	12	monthly (fixed)	60 000
Subtotal					512 700

Equipment	Price		Amount		Total
Gloves	60	CZK/pc	240	pcs	14 400
Wooden bats	1 250	CZK/pc	20	pcs	25 000
Academy T-shirts	300	CZK/pc	40	pcs	12 000
Uniforms	1 100	CZK/per person	30	pcs	33 000
Indoor shoes	1 200	CZK/per person	25	pcs	30 000
Cleats	1 500	CZK/per person	25	pcs	37 500
Subtotal					151 900

Fixed & Related Costs	Price		Amount		Total
Office & telephone	12 000	CZK/monthly	12	monthly	144 000
Travel expenses	5 000	CZK/monthly	12	monthly	60 000
Technical equip. Rental (camera, radar, etc.)	1 500	CZK/monthly	8	monthly	12 000
Reserve	3 000	CZK/monthly	12	monthly	36 000
Marketing	100 000	CZK	1		100 000
Subtotal					352 000

TOTAL					1 980 600
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Source: own calculations

4.6 SWOT

After reviewing all the previous conditions, here is the SWOT analysis for the Bohemian Baseball Academy

4.6.1 Strengths

- Unique product with great potential – although there is already existing baseball academy in Prague, new Bohemian Baseball Academy will offer strong mix of education, top baseball development and health education
- Individual approach with players unlike their club practices
- Providing access to all kinds of sports facilities – every player will have an option to visit contracted facilities
- Option to choose the right training plan

4.6.2 Weaknesses

- Financial inflows – no money, no academy. Academy will be dependent on outside sources of capital

4.6.3 Opportunities

- Newly developing market – future potential, baseball as an Olympic sport
- Establishment of new baseball clubs – in the last few years there has been established a club in Beroun and in Pardubice.
- Ranking of Czech republic – this year Czech baseball has reached 14th rank in the world, which is best in history

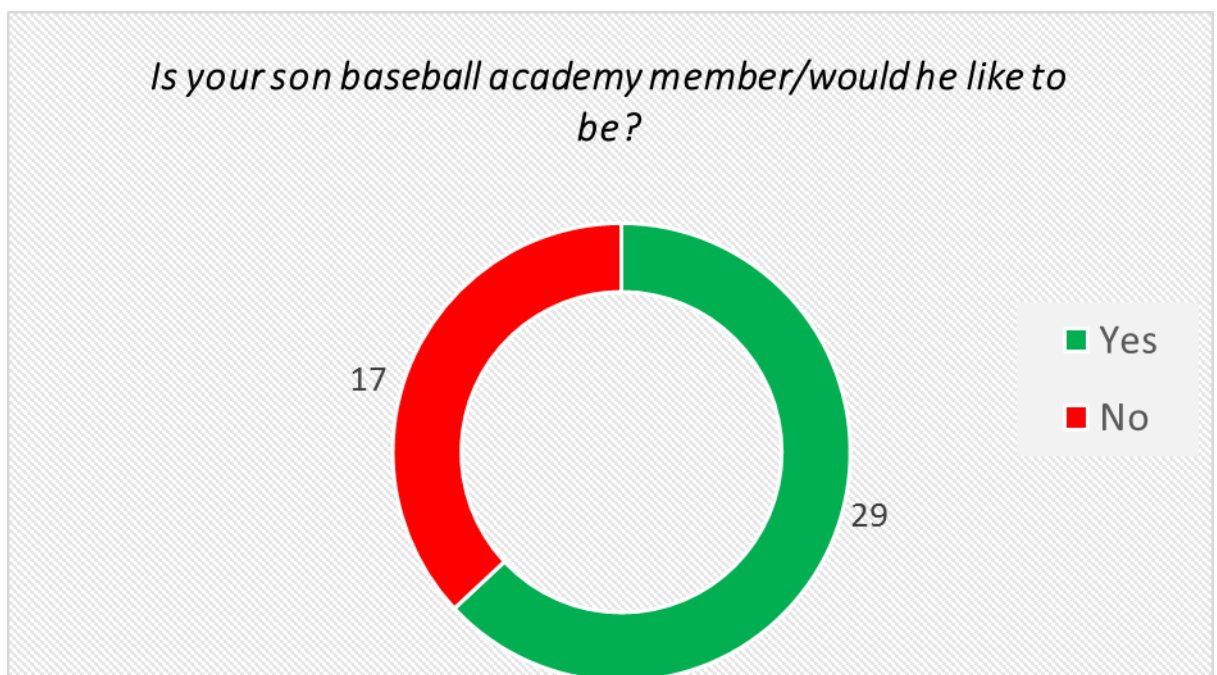
4.6.4 Threads

- Newly developing market – thread of inability to reach its potential
- Social environment – baseball is not traditional sport and so it might be hard to obtain sponsors

4.7 Questionnaire

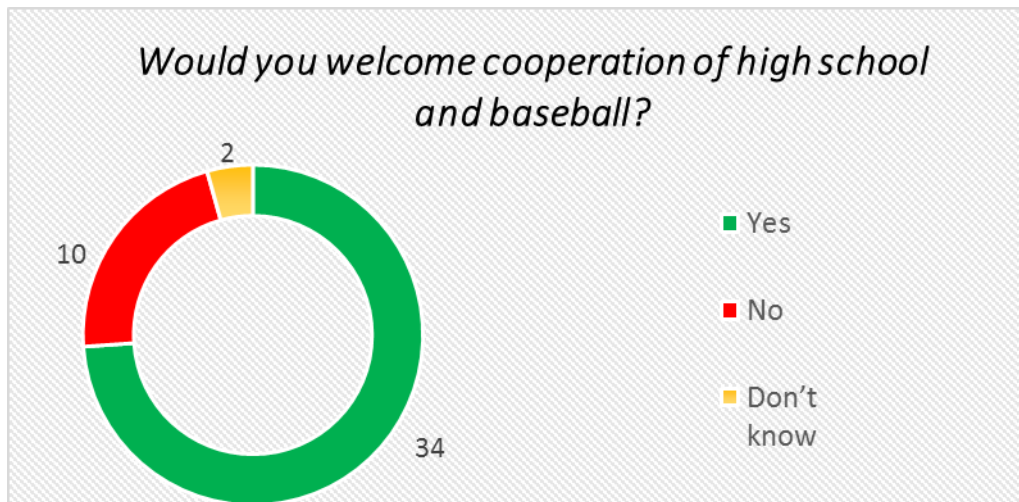
The author of the thesis has performed qualitative questionnaire research. Questionnaire was done personally and the target group were players age 12–15 and their parents. Due to the personal questioning of potential customers (players and their parent) author was able to question almost 50 of these subjects. Vast majority of participants were from Prague and vicinity. The main reason for the questionnaire was to show, if there is at least any kind of interest from parents to pay for their children’s baseball development connected with the education. Below are graphs with results and some commentary.

Figure 1. – Question 1 graph



Source: Personal questionnaire, own processing

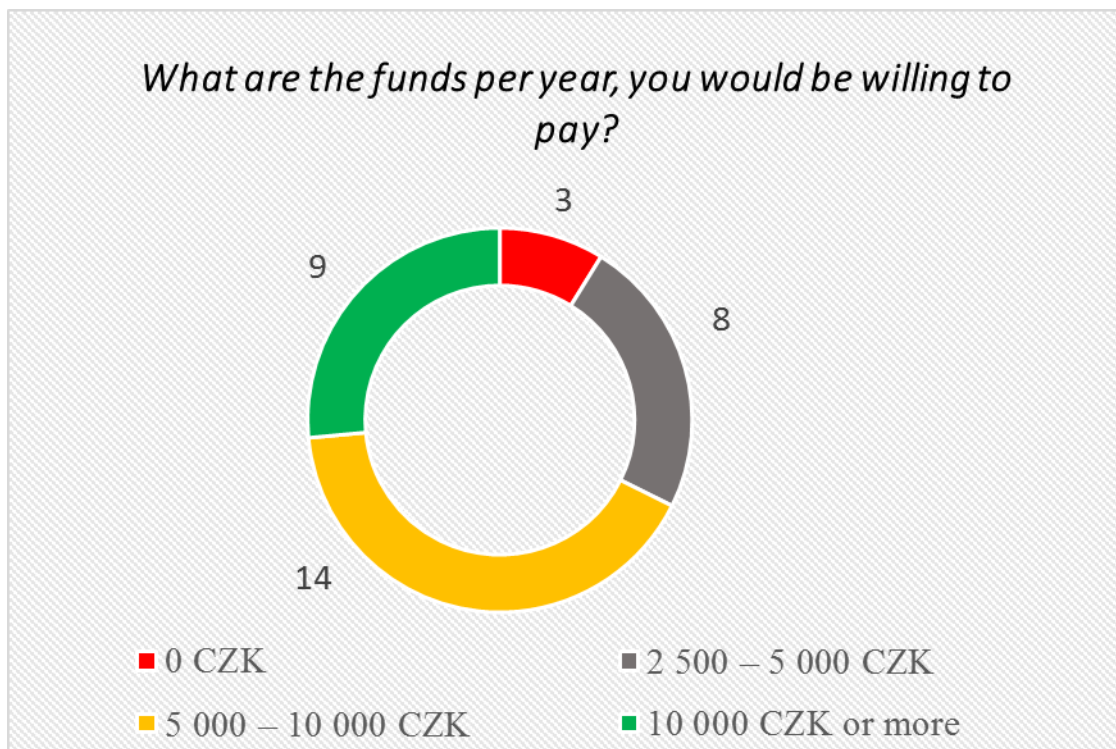
Figure 2. Question 2 graph



Source: Personal questionnaire, own processing

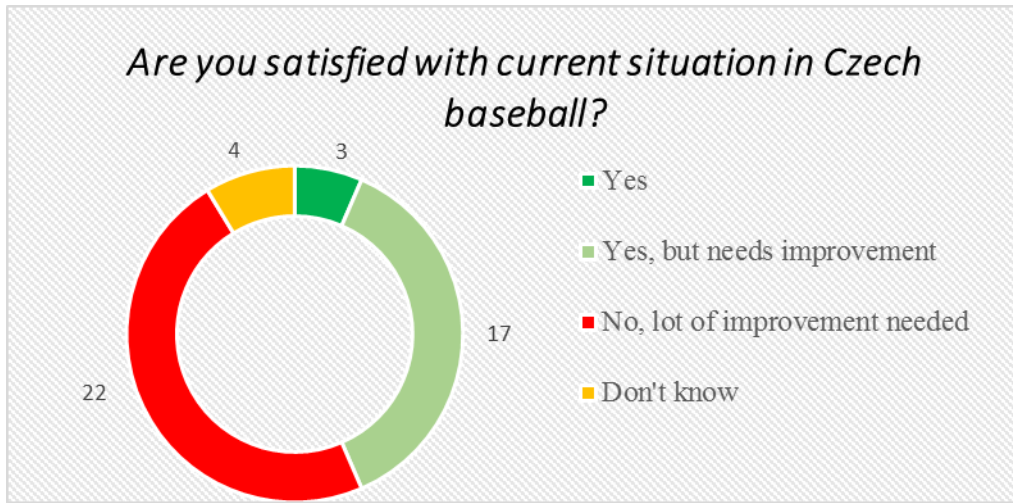
Question 3 was asked only if previous answer was – Yes.

Figure 3. Question 3



Source: Personal questionnaire, own processing

Figure.4 – Question 4 graph



Source: Personal questionnaire, own processing

From the results of the questionnaire, it is visible in the graphs that the idea of baseball academy cooperating with high school education is seen positive by majority of people. Of course the sample size, is too small to make final conclusions about the market situation. On the other hand, it is nice to see parents and players interested in this concept.

It is also clear that parents are willing to spend money. Parents have been presented with most important details about the academy. If they were presented with all the details, it is possible, some of the answers might have been a category higher.

For the last question, author was trying to get an idea about parents and players satisfaction and their complaints about present situation in clubs and baseball generally. It is hard to expect full satisfaction, because there is always something that can be improved. Although there were three main concerns that were repeated quite often. First and foremost was amount and quality of coaches working with young players. This is well known fact in Czech baseball and Czech Baseball Academy has been putting efforts into improving this situation. Second suggestion for improvement was increasement of baseball facilities. This problem is based on low interest in baseball and thus not enough finances to build new field and baseball facilities that would offer possibility for quality training. Last negative view was that baseball is too time consuming and sometimes hard to combine with school

and other leisure time activities. This is a good news for Bohemian Baseball Academy, since it offers nice symbiosis of baseball practices and school education. School schedule will be set to accommodate baseball practices, moreover facilities for physical activities will be in near distance from school, which will then save time travelling from school to training.

4.8 First steps

If the management will be able to obtain necessary fund to put academy to operation these will be first steps to be made.

- Establishment of the Bohemian Baseball Academy o.s.
- Establishment of the sports high school and contracted cooperation with Academy
- Creation of cooperation with Kotlářka Prague – synergy
- Creation of marketing campaign to obtain at least 10 student for the first year
- Obtain one or two top quality coaches
- Establish contracted cooperation with Czech Baseball Association and Major League Baseball

Next few years of continuous development

- Increase player base to around 15 per school year – 60 players in academy
- Targeted scouting to sign players to professional contracts in US, EU or Asia
- Preparation of players to obtain scholarships in US, language preparation
- Legal and managerial counselling for professional players
- Permanent cooperation with US based academy – exchange visits, events, tournaments
- Creation of “Academy tour” – competition for academies across Europe

5 Results

After reviewing all the content and conclusions it seems like the project has a potential for bright future. First huge factor of course is capability of manager to secure sufficient inflow of the cash and sponsors. With the budget of around 2 million CZK it might be little difficult, especially when Bohemian Baseball Academy is offering mainly services and with no possible feedback from previous customers, all the burden lays on the manager to prepare attractive proposals and well-designed marketing strategy.

The marketing strategy should mainly focus on young talented players striving to improve their skills and looking for long future careers connected with the sport. For the financing side, Bohemian Baseball Academy doesn't have much to offer in the beginning, then the vision and goal to improve future for young athletes. Although with acquisition of quality coaches possibilities of impact of Bohemian academy are enormous.

System of schooling in United States involves also sports activities and organised league competitions. School offer daily practices and vast amount of games for athletes, and for this reason professional baseball leagues in United States are so developed. Basically whole country benefits economically and whole world can learn from their baseball practices. It is the proof that education and sports can go hand in hand and actually synergize to prepare talented athletes with education for their post-athletic life.

Although baseball is not very popular in Czech Republic recent development is increasing its quality and likeability of wider spectrum of fans and viewers. The fact that baseball has become an Olympic discipline again, only testifies that next few year should be friendly towards the sport. It means it should get more media coverage and thus more public attention. This increase goes hand in hand with enhancement of funding streaming to the sport. Question is if the Bohemian Baseball Academy will be capable of using this momentum.

Czech baseball should benefit from the establishment of Bohemian Baseball Academy. As of now there is basically no vision for baseball players to professionally compete in Czech or to continue coaching or to stay involved with baseball after retiring, because there is not much funds. Czech baseball is already competing on the world level in youth categories, but as players grown old and see no vision, they leave the sport and pursue other careers to

secure themselves and their families. But if Bohemian Baseball Academy could show players that they can stay with the sport they love and are so passionate about even when they are incapable of competing anymore, it could be much needed motivation.

6 Conclusion

This diploma thesis is trying to show feasibility of business project of Bohemian Baseball Academy. From the results and facts discovered in the process, it seems as the project would be possible. The market place is definitely open for such project. Baseball in Czech Republic has been on steady rise past decade and has best year yet to come. This will logically project in more and more players wanting to excel in the sport of baseball and Bohemian academy will be there to provide necessary support and more. Getting back to Olympic Games program is positive boost for marketing activities as the sport will attract wider fan base in upcoming years. Another proof is the revenues from Major League Baseball, where they broke \$10 billion revenue plateau for the first time this year.

The technological age help to shorten distances and shrink the world, so anybody with internet access now is able to watch professional games live or on demand. Thanks to the medium of internet, baseball can reach crowd, which otherwise would never have a chance to watch the game live.

For the parents the education side of the Bohemian academy could actually be decisive factor. As most of the parents are worried about the future of their children, Bohemian academy could minimize this fear. It keeps children engaged in the sport they like while they get valuable education. And if there will be a problem in school, young athletes will not be allowed to use their benefits until the situation in school improves.

As positive of a plan this academy might seems, everything will come down to financial side of the coin. To be able to fund the operations, management of the academy will have to make efforts to get every cent they can get. Especially the start up and beginning phases of the operation will be hard to overcome, but not impossible. With enough enthusiasm and passion nothing is impossible and certainly this project looks good on paper and it would be shame if it came unrealized.

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8 Appendix

8.1 Product Mix – training plans

Bohemia Baseball Academy		
Product Plans		
FULL PROFESSIONAL PROGRAM	PROGRAM CLASSIC	PROGRAM STANDARD
5 x Two-phase training a week	2-3 x Two-phase training a week	1 x Two-phase training a week
Spring Training abroad – 7 days	Spring Training in Czech – 7 days	Spring Training in Czech – 3 days
ITP (Individual Training Plan)	ITP (Individual Training Plan)	General Training Plan
Summer Training camp – 14 days	Summer Training camp – 7 days	Summer Training camp – 3 days
1 x Tournament abroad	1 x Tournament abroad	1 x Tournament abroad
Winter Conditioning camp – 7 days	Winter Conditioning camp – 7 days	Winter Conditioning camp – 3 days
Regular Individual Practices with Coach	Occasional Individual Practices with Coach	-
VAP (Video Analysis Program)	VAP (Video Analysis Program)	-
Athletic development program once a week	Athletic development program once a week	Athletic development program once a week
Special Private Conditioning Program	Special Private Conditioning Program	-
Continual Individual Medical Program	Continual Individual Medical Program	Basic Medical Program
Physio Stress Test semi-annually	Physio Stress Test annually	Physio Stress Test annually
Recovery programs, Compensatory Exercises	Compensatory Exercises	Compensatory Exercises
Reconditioning Procedures	-	-