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## FACULTY OF BUSINESS AND MANAGEMENT

FAKULTA PODNIKATELSKÁ

## INSTITUTE OF MANAGEMENT

ÚSTAV MANAGEMENTU

## DEVELOPMENT OF BUSINESS MODEL OF COMPANY

ROZVOJ PODNIKATELSKÉHO MODELU FIRMY

### BACHELOR'S THESIS

BAKALÁŘSKÁ PRÁCE

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# Assignment Bachelor's Thesis

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## Development of Business Model of Company

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Goals of thesis and methods  
Theoretical review of problem  
Analysis of contemporary situation  
Proposal of solution  
Conclusion  
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The main goal of the thesis is proposal for development of business model of company. The main goal of theoretical part is a definition of knowledge base describing approaches relevant for business model development. The main goal of analytical part is an evaluation of present business behavior and business model, definition of market challenges and formulation of a base of proposal. The main goal of proposal is formulation of changes in business model, activities of implementation and evaluation of proposal with focus on contribution and conditions of implementation.

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## **Abstract**

The bachelor's thesis focuses on the design and development of a business model. The theoretical part defines procedures and tools for evaluating a business. In the analytical part, findings about the current state of the company and the external environment are presented. These findings are then evaluated according to their importance and proposals for the development of the company are formulated based on them.

## **Keywords**

business development, business model canvas, competition, B2G, disaster medicine, catastrophes, CBRN

## **Abstrakt**

Bakalářská práce se zaměřuje na návrh a rozvoj obchodního modelu. V teoretické části jsou vymezeny postupy a nástroje pro zhodnocení podniku. V analytické části jsou poznatky o současném stavu podniku a vnějšího okolí. Tyto poznatky jdou poté vyhodnoceny podle důležitosti a jsou podle nich formulovány návrhy na rozvoj podniku.

## **Klíčová slova**

rozvoj podnikání, návrh obchodního modelu, konkurence, B2G, medicína katastrof, katastrofy, CBRN

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**Affidavit**

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

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

Brno dated 15th May 2023

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Petr Kostka

author's signature

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## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>11</b>
<b>GOALS OF THESIS AND METHODS</b> .....	<b>12</b>
PROBLEM DEFINITION .....	12
OBJECTIVES .....	12
METHODOLOGY .....	12
<b>1 THEORETICAL REVIEW OF PROBLEM</b> .....	<b>14</b>
1.1 BUSINESS DEVELOPMENT .....	14
1.1.1 <i>Market research</i> .....	14
1.1.2 <i>Sales and marketing</i> .....	14
1.1.3 <i>Product development</i> .....	14
1.2 FAMILY BUSINESS.....	15
1.3 BUSINESS MODEL CANVAS .....	15
1.3.1 <i>Customer segments</i> .....	15
1.3.2 <i>Value propositions</i> .....	19
1.3.3 <i>Channels</i> .....	21
1.3.4 <i>Customer relationships</i> .....	21
1.3.5 <i>Revenue streams</i> .....	22
1.3.6 <i>Key resources</i> .....	25
1.3.7 <i>Key activities</i> .....	26
1.3.8 <i>Key partnerships</i> .....	27
1.3.9 <i>Cost structure</i> .....	28
1.4 SLEPT ANALYSIS .....	30
1.4.1 <i>Social</i> .....	30
1.4.2 <i>Legal</i> .....	31
1.4.3 <i>Economic</i> .....	31
1.4.4 <i>Political</i> .....	31
1.4.5 <i>Technological</i> .....	31
1.5 SWOT ANALYSIS .....	32
1.5.1 <i>Strengths</i> .....	33
1.5.2 <i>Weaknesses</i> .....	34
1.5.3 <i>Opportunities</i> .....	34
1.5.4 <i>Threats</i> .....	35
1.5.5 <i>Evaluation of SWOT analysis</i> .....	36



1.6	B2B AND B2G MARKET .....	37
1.6.1	<i>Business to business</i> .....	37
1.6.2	<i>Business to business market</i> .....	38
1.6.3	<i>Business to government</i> .....	38
1.6.4	<i>Business to government markets</i> .....	38
1.7	CONCLUSION TO THE THEORETICAL PART .....	39
<b>2</b>	<b>ANALYSIS OF CONTEMPORARY SITUATION .....</b>	<b>40</b>
2.1	INTRODUCTION OF THE COMPANY .....	40
2.2	BUSINESS MODEL CANVAS .....	42
2.2.1	<i>Customer segments</i> .....	43
2.2.2	<i>Value propositions</i> .....	46
2.2.3	<i>Channels</i> .....	47
2.2.4	<i>Customer relationships</i> .....	49
2.2.5	<i>Revenue streams</i> .....	49
2.2.6	<i>Key resources</i> .....	51
2.2.7	<i>Key activities</i> .....	53
2.2.8	<i>Key partnerships</i> .....	54
2.2.9	<i>Cost structure</i> .....	55
2.2.10	<i>Summary of business model canvas</i> .....	56
2.3	SLEPT ANALYSIS .....	58
2.3.1	<i>Social</i> .....	58
2.3.2	<i>Legal</i> .....	59
2.3.3	<i>Economic</i> .....	61
2.3.4	<i>Political</i> .....	61
2.3.5	<i>Technological</i> .....	62
2.3.6	<i>SLEPT summary</i> .....	62
2.4	COMPETITORS.....	62
2.4.1	<i>Beth-el Zikhron Yaaqov Industries Ltd.</i> .....	63
2.4.2	<i>VAKUFORM s.r.o.</i> .....	65
2.4.3	<i>Dekonta CBRN</i> .....	66
2.4.4	<i>Competitors summary</i> .....	67
2.5	SWOT ANALYSIS .....	67
2.5.1	<i>Strengths</i> .....	67
2.5.2	<i>Weaknesses</i> .....	68
2.5.3	<i>Opportunities</i> .....	68

2.5.4	<i>Threats</i> .....	68
2.5.5	<i>Evaluation phase</i> .....	69
2.5.6	<i>Evaluation of the intensity of mutual relations</i> .....	74
2.5.7	<i>Outcome of SWOT analysis</i> .....	78
2.6	CONNECTION BETWEEN THE STRENGTHS, WEAKNESSES, AND THE BUSINESS MODEL CANVAS .....	80
2.7	CONCLUSION OF THE ANALYTICAL PART .....	81
<b>3</b>	<b>PROPOSAL OF SOLUTION</b> .....	<b>82</b>
3.1	STRATEGY FOR CZECH MARKET .....	83
3.1.1	<i>Objective</i> .....	83
3.1.2	<i>Methods</i> .....	83
3.1.3	<i>Financial requirements</i> .....	84
3.1.4	<i>Evaluation</i> .....	85
3.2	DIGITALISATION .....	86
3.2.1	<i>Objective</i> .....	86
3.2.2	<i>Methods</i> .....	86
3.2.3	<i>Timeline and Financial requirements</i> .....	87
3.2.4	<i>Evaluation</i> .....	88
3.3	EMPLOYEE RETENTION .....	89
3.3.1	<i>Objective</i> .....	89
3.3.2	<i>Methods</i> .....	89
3.3.3	<i>Timeline and Financial requirements</i> .....	90
3.3.4	<i>Evaluation</i> .....	90
3.4	SUMMARY OF PROPOSAL .....	91
<b>4</b>	<b>CONCLUSION</b> .....	<b>93</b>
	<b>REFERENCES</b> .....	<b>94</b>
	LIST OF FIGURES .....	97
	LIST OF TABLES .....	98

## **Introduction**

Disaster medicine has gained significant attention and importance in recent years due to the increasing frequency of disasters worldwide. The globalization of information and the ease of communication have contributed to the growing awareness of the need for effective disaster response and preparedness. As a result, the field of disaster medicine has become more competitive, with organizations striving to establish their presence and solidify their position in the market.

In the evolving field of disaster medicine, organizations must invest in research and development to create innovative solutions that address the complex challenges presented by various disasters. However, this pursuit of advancement comes at a cost, requiring substantial investments and resources. Small companies in particular face the risk of limited resources, making it challenging for them to compete with larger, more established entities. The niche nature of the disaster medicine market further restricts the potential customer base, making it difficult to achieve economies of scale. Moreover, disaster medicine organizations must adhere to stringent certification and quality assurance measures to ensure the reliability and effectiveness of their equipment and services. These measures often incur high maintenance costs, further burdening companies, particularly smaller ones with limited financial means.

The company EGO Zlin has been dealing with all problems that come with working in the field of disaster medicine for over 30 years. This has given them many opportunities and insights of how this field operates.

## **Goals of thesis and methods**

### **Problem definition**

Over the past few years, the management of the company EGO Zlín has become particularly concerned with the development of the company's presence on the Czech market. They insist that the percentage of sales compared to the worldwide market should be two to three times greater than they currently are. However, because the company has been on the market for over 30 years it is quite difficult to pinpoint the particular reason why is this the case. There were many changes done to the inner workings of the company and the landscape of disaster medicine is evolving. While there has been a lot of discussion to mitigate this problem no plan of action has been proposed.

### **Objectives**

The main goal of the thesis is proposal for development of business model of company. The main goal of theoretical part is a definition of knowledge base describing approaches relevant for business model development. The main goal of analytical part is an evaluation of present business behaviour and business model, definition of market challenges and formulation of a base of proposal. The main goal of proposal is formulation of changes in business model, activities of implementation and evaluation of proposal with focus on contribution and conditions of implementation.

### **Methodology**

To create a proposal for development of business model of company several areas of the company must be analysed. The analysis will gather data from numerous sources. The main source of information will be the personnel of the company and the CEO. This will ensure the reliability of the data and its relevance. This source will then be supported by relevant table research of literature and online sources. For the main goal of the analytical part of evaluation of present business model development an interview will be conducted with the CEO of the company.

For the evaluation of the business model tool called business model canvas will be utilised. Firstly, a business model canvas will be presented and subsequently filled by two employees of the company one is the CEO of the company and the other one is the head of the marketing department. After both are completed, an interview will be conducted to help clarify point in their answers. If there are any

misunderstandings, they will be corrected at this point. The main outcome of the analysis is to find strengths and weaknesses which will be evaluated in the SWOT.

For the definition of market challenges a SLEPT analysis will be conducted. This analysis will be derived from relevant academic literature and from quantitative interviews with the employees. The main purpose is to gain general understanding of the environment of the company and focus on any new changes, but not necessarily to completely map the whole external environment. The main purpose of this analysis is to find opportunities and threats of the external environment of the company.

An analysis of competition will be conducted based on table research and interviews with the employees. Simple business models of the competitors will be created based on available information online and on personal experience of the employees.

Based on these materials which will be written in the analytical part of this thesis. A SWOT analysis will be conducted and will determine in which areas of the business model the proposal should be focusing on.

Based on the outcome of the SWOT analysis, areas of the business model canvas will be selected and evaluated. A proposal of formulation of changes in the business model will be created with focus on activities of implementation and their contributions to the development of the company.

# **1 Theoretical review of problem**

This part of the bachelor's thesis is based on professional literature, which focuses on theoretical knowledge from the field of business development. It explains the basic concepts and various methods that are used in the analytical part of this work.

## **1.1 Business development**

Business development refers to the process of identifying and pursuing growth opportunities for businesses. The main idea of business development is for a business to create long-term value for the organization by helping them achieve goals such as expanding its reach to different markets, increasing revenue, or developing new products. Business development is a lengthy process which involves many different activities that are essential for this process to be effective (Červený, 2014).

### **1.1.1 Market research**

Market research is an essential part of business development which involves conducting research with a goal of identifying new markets and changes in the current ones in which the company operates its business. This is done through gathering and analysing large quantities of data on industry trends, customer needs and wants and competitive analysis (Červený, 2014).

### **1.1.2 Sales and marketing**

Sales and marketing are also an important part of business development which involves the analysis of current sales channels and its usage, creation, revision, and optimization of marketing and improving these strategies to best help the company in reaching its desired goal (Červený, 2014).

### **1.1.3 Product development**

Product development refers to a process where the company tries to improve its product to better suit customer needs and wants. This is done through research and development of these products. This is done by company usually for one of two reasons: increasing their revenue by improving their products or creating new products to expand to new markets (Červený, 2014).

Business development is complex process which requires expertise in many different fields such as marketing, negotiation, or analysis. Businesses can either choose to do this alone or hire outside experts to do it for them. These experts must be able to identify opportunities to grow and be able to

execute strategies right to achieve the desired goal. Business development is a crucial part of any company that wants to reach their goals, stay relevant or expand to different markets (Červený, 2014).

## **1.2 Family business**

Family business is an enterprise in which the ownership and control is vested in a family, usually spanning across multiple generations. In this type of business, multiple members of a family are involved in managing and day-to-day operations of a company and the company itself is usually passed down from one generation to another (Kachaner et al., 2021).

Family businesses can range from small local shops to multinational corporations and can operate in many different industries. It is a type of business with some unique characteristics that distinguish it from non-family businesses. This can be for example strong sense of tradition, family values and culture or focus on long-term sustainability rather than short-term profits. One of the key aspects of family business is the ability to leverage the family's shared history and values. It also often has a strong sense of loyalty between the family members and commitment to the business (Kachaner et al., 2021).

One of the strongest benefits can also be one of its biggest threats. Family disputes and arguments can severely damage family business and sometimes even lead to complete annihilation of the company. This can most commonly be seen when the business is being passed down from one generation to another when there are more successors or when trying to balance the business needs with the family ones (Kachaner et al., 2021).

## **1.3 Business model canvas**

The business model canvas is a template for development of new businesses and documenting already established business. This model consists of 9 building blocks each describing key elements of a business (Osterwalder & Pigneur 2010).

### **1.3.1 Customer segments**

The Customer Segments building block is a key aspect of any business model, as customers are the backbone of a company's success. Without customers, a business cannot sustain itself. To better meet the needs of customers, a company may divide them into different segments based on their common needs, behaviours, or other attributes. A business model may target one or multiple large or small customer segments. It is important for an organization to make a deliberate decision on which

segments to serve and which to ignore, and then design their business model around a deep understanding of the specific needs of these customers (Osterwalder & Pigneur 2010).

Customer segmentation involves categorizing customers based on common characteristics. This enables businesses to customize their marketing, sales, and service efforts to meet the specific needs of each group, potentially resulting in increased customer loyalty and higher conversion rates. (Baker, 2022)

There are many different types of customer segmentation. Each model is useful for a specific application and generally the best results can be accomplished with usage of multiple models. Examples of such models are:

- Demographic segmentation – based on age, gender, income, education, and marital status.
- Geographic Segmentation – based on geographical location as country, state, city, town.
- Psychographic segmentation – based on personality, attitude, values, and interests.
- Technographic segmentation – based on mobile use, desktop use, apps, and software.
- Behavioural segmentation – based on tendencies and frequent actions, feature or product use, and habits.
- Needs-based segmentation – based on product or service must-haves and needs of specific customer groups.
- Value-based segmentation – based on the economic value of specific customer groups for the business (Baker, 2022).

Customer segmentation strategy is used to aid the segmenting process and decision-making. The most effective way to use market segmentation is to begin with a clear strategy. There are many ways to start the segmentation process there are steps that can aid in such task to avoid some dangers along the way (Baker, 2022).

1. Determine your customer segmentation goals and variables.

Developing buyer personas can be beneficial for small businesses in terms of customer segmentation. However, segmenting customers to solve specific business problems can become complex if there is a lack of sufficient or relevant data to deliver the best customer experience. Demographic or psychographic segmentation can be effective for growing the top of the funnel, but a customer-centric strategy requires identifying what makes a customer valuable to the business. This involves considering factors such as product fit, profitability, repeat purchases, online activity, and buyer journey drop-offs. To create more useful customer segments, it is important to involve team members



from across the organization and look at variables within each target segment. Even seemingly small variables, such as whether a customer is buying a product as a gift or for personal use, can greatly impact marketing and sales messaging for that segment (Baker, 2022).

2. Break goals into customer-centric segmentation projects.

Achieving customer segmentation goals requires a strategic approach that involves breaking down the process into manageable projects. This is because attempting to address all goals simultaneously can lead to confusion, inefficiencies, and suboptimal outcomes. Furthermore, different projects may have varying levels of priority, complexity, and resource requirements. By developing clear projects that align with specific objectives and variables, businesses can better allocate resources and streamline the process of customer segmentation. This approach enables businesses to establish boundaries, select appropriate deliverables, and assign suitable team members to tasks, thereby enhancing the overall effectiveness and efficiency of the segmentation process. Therefore, creating manageable projects is a crucial step in achieving successful customer segmentation outcomes (Baker, 2022).

3. Set up and prioritize each customer segmentation project.

To effectively prioritize customer segmentation projects, it is crucial to organize them into manageable tasks. As data volume increases, the process of segmentation can become overwhelming, and some companies may fail to personalize messages for individual customers. Two ways to prioritize projects include organizing the largest segments first and ranking projects by performance. To effectively set objectives, each project should have a SMART framework that defines the objective, measures success, determines demand, and sets a deadline. Stakeholders, such as internal teams, current customers, local businesses, vendors, and contract employees, should also be involved in the project to ensure that the right people get the necessary information. Defining project scope can help avoid overlaps and confusion, while clarifying project deliverables, such as outlining the process, defining the scope of each target segment, and creating battle cards, segment playbooks, workflow wireframes, and segment profiles, can enhance the effectiveness of customer segmentation (Baker, 2022).

4. Collect and organize your customer data.

To effectively segment your customer base, it is necessary to collect and organize relevant customer data. While some customer data may be readily available, other types of data may require more time and effort to gather. To ensure that you are collecting the right customer data for your market segmentation strategy, it is important to refer to a guide that can help you identify the most appropriate

data types. As you collect your customer data, it is crucial to think about the information you need to create a useful segment. In addition to empirical data, anecdotes can also be valuable sources of information for creating effective market segments. For instance, surveys, social listening, in-store traffic monitoring, and contests can be used to gather anecdotal customer data. By collecting and organizing both empirical and anecdotal customer data, you can gain insights that will enable you to better target your new segments and achieve your business goals (Baker, 2022).

5. Segment your customers into groups of your choice.

Effective customer segmentation is crucial for any business looking to target specific groups of customers with tailored marketing and sales efforts. Once customer data has been collected, it is important to keep several key ideas in mind when building segments. First, make sure the segments are easy to use and aligned with the company's marketing strategy. Additionally, use machine learning to save time and ensure the segments are the right size to have a measurable impact on profit. Stable segments are also important, as they need to last long enough for teams to engage with them. Finally, it is essential to find the right balance of different models and to not overlook loyal customers in the search for new ones. By following these guidelines, businesses can create effective and profitable customer segments that lead to long-term success (Baker, 2022).

6. Target and market to your client and user segments.

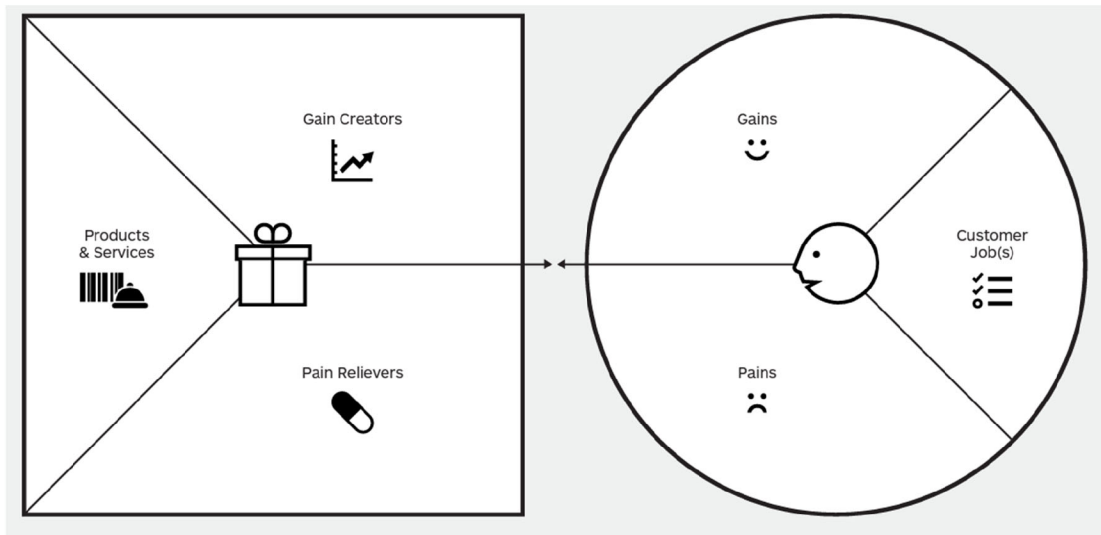
To effectively implement customer segmentation, businesses must have a plan in place for putting their segments into action. As the effectiveness of digital marketing declines, segment outreach becomes increasingly important. To make the most of customer segmentation, businesses must create customer-centric communication plans tailored to each segment. This can include enhancing experiences, personalizing emails, and creating targeted content. By crafting unique plans for each segment, businesses can more effectively engage with customers and anticipate their needs (Baker, 2022).

7. Run regular customer segmentation analysis.

Maintaining the usefulness of customer segments is crucial, and this requires ongoing effort. Despite the aid of machine learning and automation in tracking changes in data, it is essential to perform regular analyses of the records to ensure that the segments continue to perform effectively. Change is inevitable, so businesses must establish a consistent routine for reviewing their segments. By doing so, they can adapt to changes and ensure that their segments remain relevant and valuable in driving customer engagement and improving profits (Baker, 2022).

### 1.3.2 Value propositions

The Value Propositions building block outlines the combination of products and services that create value for a specific customer segment. The value proposition is what sets a company apart from its competitors and is the reason why customers choose that company over others. It addresses a customer problem or fulfils a customer need. Each value proposition is a carefully selected combination of products and/or services that cater to the unique requirements of a particular customer segment. In essence, the value proposition is a bundle of benefits that a company offers to its customers. Some value propositions may be innovative and disruptive, while others may be like existing market offerings but with additional features and attributes (Osterwalder & Pigneur 2010).



**Figure 1: Value proposition canvas**  
(Strategyzer, 2023)

Furthermore, the Value proposition building block is part of value proposition canvas. This canvas takes two building blocks of the Business model canvas – value propositions and customer segment and uses them to create a so called fit. The attainment of "fit" between a company's value proposition and its customers' needs is crucial to ensuring customer satisfaction and loyalty. This state of fit is achieved when a company's offerings effectively address the important jobs, alleviate extreme pains, and create essential gains that are of significant value to customers. However, achieving and maintaining this fit is a challenging task that requires careful consideration and constant adaptation. The pursuit of fit is the foundation of value proposition design, and as this book will elucidate, it is a continuous process that demands significant effort and investment (Osterwalder et al., 2015).

Value map is the name of value propositions in value proposition canvas, and it consists of three segments:

### 1. Product and services

A product and service list are an essential aspect of a value proposition. It comprises all the products and services that the value proposition is based on and assists customers in fulfilling functional, social, or emotional jobs, as well as satisfying their basic needs. However, it's important to recognize that products and services on their own don't create value; they only do so in relation to a specific customer segment and their jobs, pains, and gains. Additionally, the list may include supporting products and services that aid customers in performing buyer, co-creator, and transferrer roles. Maintaining a comprehensive product and service list is crucial to creating and sustaining value proposition fit. The value proposition is likely to be composed of various types of products and services:

- Physical/tangible – Goods, such as manufactured products.
- Intangible – products such as copyrights or services such as after-sale care
- Digital – products such as music downloads or services such as online recommendations
- Financial – products such as investment funds and insurance or services such as the financing of a purchase (Osterwalder et al., 2015).

### 2. Pain relievers

The concept of pain relievers refers to how a company's products or services aim to alleviate specific customer pains. This entails explicitly outlining how the company intends to eliminate or reduce anything that frustrates or inconveniences customers during or after attempting to complete a task. Effective value propositions concentrate on the pains that matter most to customers, particularly extreme pains, rather than attempting to address every identified pain point. Therefore, great value propositions often focus on only a few pains that they alleviate extremely well, recognizing that no single value proposition can provide a pain reliever for every customer pain identified (Osterwalder et al., 2015).

### 3. Gain creators

Gain Creators refer to how a company's products or services produce customer gains by explicitly outlining how they intend to create outcomes and benefits that the customer expects, desires, or would be surprised by, such as functional utility, social gains, positive emotions, and cost savings. Similar to pain relievers, it is not necessary for gain creators to address every gain identified in the customer profile. Instead, it is crucial to focus on the gains that are relevant to customers and where the products

and services of the company can make a significant difference. In doing so, companies can create a compelling value proposition that effectively communicates how their products and services can meet the needs and desires of their customers (Osterwalder et al., 2015).

### **1.3.3 Channels**

The Channels building block describes the ways a company communicates with and connects with its customer segments to deliver its value proposition. Channels are how a company interacts with its customers, including through communication, distribution, and sales channels. They are critical points of customer contact that play a crucial role in the customer experience. Channels perform several key functions, such as raising customer awareness about the company's offerings, helping customers evaluate the value proposition, enabling customers to purchase products and services, delivering the value proposition, and providing post-purchase customer support (Osterwalder & Pigneur 2010).

There are different types and phases of channels. The channel types can be divided into own channels or partner channels. Owned channels can be direct such as in house sales force or web site or indirect such as own stores. Partner channels are indirect and consist of partner stores, wholesalers and partner owned websites. Furthermore, there are channel phases:

1. Awareness – means to raise awareness about products and services.
2. Evaluation – means to help customers evaluate organizations value proposition.
3. Purchase – means to allow customers to purchase products and services.
4. Delivery – means of distribution of value proposition.
5. After sales – means of post-purchase support (Osterwalder & Pigneur 2010).

### **1.3.4 Customer relationships**

The Customer Relationships building block outlines the type of connections a company creates with its specific customer segments. A company must be clear about the kind of relationship it wants to establish with each customer segment, which can range from personal to automated. The company's customer relationships may be driven by goals such as acquiring new customers, retaining existing customers, and increasing sales through upselling. For example, in the early days of mobile network operators, customer relationships were focused on aggressive acquisition strategies like giving away free phones. When the market became saturated, the operators shifted their focus to customer retention and increasing the average revenue per customer. The type of customer relationships a

company establishes has a significant impact on the overall customer experience (Osterwalder & Pigneur 2010).

There are several categories of customer relationships which may co-exist in a particular relationship with the customer segment:

- Personal assistance – assistance of company representative via. Phone, e-mail, in person or through other means.
- Dedicate personal assistance – involves a company representative to be dedicated to one customer.
- Self-service – no direct assistance, but provision of all necessary materials for customers to help themselves.
- Automated services – similar to self-service but are able to give customised service based on customer needs.
- Communities – communities of customers maintained by the company to help users of their products exchange knowledge and solve each other's problems.
- Co-creation – engaging customers in design or development or creating additional value like reviews or content (Osterwalder & Pigneur 2010).

### **1.3.5 Revenue streams**

The Revenue Streams building block describes the money a company earns from each customer segment. This is a crucial aspect of the business model, as it represents the flow of cash that the company generates. To determine the revenue streams, a company must identify the value that each customer segment is willing to pay. Once this is established, the company can generate one or more revenue streams from each customer segment. Different pricing mechanisms can be used, such as fixed list prices, bargaining, auctioning, market-dependent pricing, volume-dependent pricing, or yield management. It's important to note that costs must be subtracted from revenues to determine the actual earnings (Osterwalder & Pigneur 2010).

There are several ways to generate revenue:

- Asset sale – selling ownership rights to a physical product.
- Usage fee – revenue is generated by the use of a particular service.
- Subscription fees – revenue is generated by selling continuous access to a service.
- Lending/Renting/Leasing – revenue is created by granting someone right to use a particular asset.

- Licensing – revenue stream is generated by giving someone permission to use protected intellectual property.
- Brokerage fees – derives revenue from intermediation services performed on behalf of multiple parties.
- Advertising – revenue results from fees for advertising a product or service (Osterwalder & Pigneur 2010).

Pricing is another important aspect of revenue streams because it directly affects the revenue made from each sale. Furthermore, it is imperative to have the right price on your product if the price is too low the revenue is not as good as it could be and if it is too high it will deter the customers from buying. Because of this fine balancing act there are many strategies for pricing. These are the most common:

#### 1. Cost-plus pricing

- Cost-plus pricing, also known as mark-up pricing, is a pricing strategy commonly used by businesspeople and consumers. This method involves calculating all the costs associated with producing and selling a product, and then adding a fixed percentage on top to determine the final price. This approach is often favoured by retailers, manufacturers, restaurants, and other intermediaries because it is simple and saves time. However, the drawback of cost-plus pricing is that it does not take into account the customer's perspective, which may lead to missed opportunities for maximizing profits. For instance, in the case of seasonal products like insect-repellent, pricing based on customer demand rather than cost-plus pricing may result in higher profits (Khan, 2023).

#### 2. Competitive pricing

Competitive pricing is considering competition with similar products or services and deciding on pricing based on what their asking price. There are three possible approaches in this method:

- Co-operative pricing – keeping the price similar to your competitors and adjusting it same as them.
- Aggressive pricing – keeping the prices same or preferably lower as your competitors, this approach is used to increase market share.
- Dismissive pricing – approach in which you do not react to your competitors price changes and keep your price same (Khan, 2023).

#### 3. Price skimming

- Price skimming is a pricing strategy often used by companies when introducing innovative new products without any competition. This approach involves charging a high price initially to appeal to tech enthusiasts or early adopters and recoup development costs, then gradually lowering the price as sales decline and a more price-sensitive market segment is targeted. However, this strategy is not without risks, as copycat products may enter the market at lower prices and erode the tail-end of the skimming strategy. Additionally, there is a risk of failure to demonstrate the value of the high-priced product during the launch phase. Furthermore, if a business follows up with a similar product, it may not be able to execute a successful skimming strategy if the early adopters' market has already been tapped by the innovative manufacturer (Khan, 2023).

#### 4. Penetration pricing

Penetration pricing is a pricing strategy that involves setting a low price at the early stage of a product launch to quickly build a large customer base. This strategy works well in markets with numerous similar products and price-sensitive customers. By offering a significantly lower price, a company can differentiate its product, stimulate demand, and achieve economies of scale, which can reduce the unit cost. Additionally, some companies may use penetration pricing to establish a technology standard, as was the case with video console makers like Nintendo, PlayStation, and Xbox, who used low console prices to drive game sales. However, this strategy is not without risks, including the possibility of creating an expectation of low prices among customers, attracting disloyal price-sensitive customers, and inciting a price war with competitors. A company should carefully evaluate its ability to sustain this pricing strategy over the long term before adopting it (Khan, 2023).

#### 5. Value-based pricing

Value-based pricing is primarily based on the perceived value to the customer, and it can provide a competitive advantage for a company. By pricing a product based on how well it suits the customer's needs and wants, a company can improve the fit of the price with the customer's perspective and bring more profits to the business. Value-based pricing also requires a focus on altering the product to better suit the market rather than solely lowering the price. While entrepreneurs who sell commodity-like products may compete on low costs and prices, value-based pricing is more suited to entrepreneurs offering unique and standout products or services. To determine a value-based price, entrepreneurs can compare their product to a similar product, highlight differences, assign a financial value to the differences, ensure the value to the customer is higher than costs, and justify the price to customers, considering current market prices (Khan, 2023).



### 1.3.6 Key resources

The Key Resources Building Block refers to the essential assets needed for a business to function effectively. These assets enable the business to offer a Value Proposition, reach target markets, maintain relationships with customer segments, and generate revenue. The type of resources required depends on the nature of the business. For example, a microchip manufacturer requires significant financial resources for production facilities, while a microchip designer requires a strong team of human resources. Key resources can include physical resources, financial resources, intellectual property, or human resources. The company can either own or lease these resources or acquire them from key partners (Osterwalder & Pigneur 2010).

Key resources can be divided into four categories:

#### 1. Physical

The physical resource category pertains to tangible assets, such as buildings, machinery, manufacturing facilities, point-of-sale systems, vehicles, and distribution networks. Companies with significant physical resources, such as Wal-Mart and Amazon.com, often require substantial capital investments. Wal-Mart has a vast global network of stores and logistics infrastructure, while Amazon.com boasts a vast IT infrastructure, extensive warehouse capacity, and logistics infrastructure (Osterwalder & Pigneur 2010).

#### 2. Intellectual

Intellectual resources are critical components of a strong business model, comprising brands, proprietary knowledge, patents, copyrights, partnerships, and customer databases. Although challenging to develop, intellectual resources can provide significant value once created. Consumer goods companies such as Nike and Sony depend on brand as a key resource, while software and related intellectual property developed over many years are vital to Microsoft and SAP. Qualcomm, a designer, and supplier of chipsets for broadband mobile devices, has built its business model around patented microchip designs, which generate substantial licensing fees. As such, intellectual resources are becoming increasingly essential in today's business landscape (Osterwalder & Pigneur 2010).

#### 3. Human

Human resources are a fundamental requirement for any enterprise, but they are particularly vital in certain business models. Knowledge-intensive and creative industries, for instance, rely heavily on human resources. Novartis, a pharmaceutical company, places a significant emphasis on human

resources, as its business model is built upon an experienced army of scientists and a large, skilled sales force (Osterwalder & Pigneur 2010).

#### 4. Financial

Financial resources and guarantees play a critical role in certain business models. Ericsson, the telecom manufacturer, is an example of a company that uses financial resources to gain a competitive advantage. Ericsson may borrow funds from banks and capital markets, and then use a portion of the proceeds to offer vendor financing to customers for purchasing equipment. This strategy ensures that orders are placed with Ericsson instead of competitors. Financial resources can include cash, lines of credit, and stock options to attract and retain key employees. While financial resources can be leveraged to gain a competitive advantage, it is important for companies to carefully manage financial risks and ensure the sustainability of their business model (Osterwalder & Pigneur 2010).

### **1.3.7 Key activities**

The Key Activities describe the critical tasks a company must perform to carry out its business model effectively. These activities are necessary for delivering the Value Proposition, reaching, and serving customers, maintaining customer relationships, and generating revenue streams. Key Activities may vary depending on the type of business model, and can involve physical, financial, intellectual, or human resources. Examples include software development for software makers, supply chain management for PC manufacturers, and problem-solving for consultancies (Osterwalder & Pigneur 2010).

All key activities can be categorised into these three groups:

#### 1. Production

The production activity, involving the design, manufacture, and delivery of products in large quantities and with superior quality, plays a pivotal role in the business models of manufacturing companies. This aspect is particularly prominent in the operations of manufacturing firms, where the emphasis is on producing goods in significant quantities, often through the use of specialized machinery and production processes. As such, the optimization of production activity is essential to ensure the efficient utilization of resources and the achievement of economies of scale, which can contribute to enhancing the competitiveness and profitability of the company (Osterwalder & Pigneur 2010).

#### 2. Problem solving

The Key Activities category involves developing new solutions to address unique customer needs. This type of activity is primarily associated with consultancies, hospitals, and other service-oriented organizations that require extensive problem-solving capabilities. These businesses are dominated by activities related to knowledge management and continuous training in order to improve problem-solving skills. As a result, their business models emphasize the need for ongoing development of problem-solving resources and the ability to leverage these resources to meet customer needs (Osterwalder & Pigneur 2010).

### 3. Platform/network

Business models that are built around a platform as a Key Resource focus on platform or network-related Key Activities. These platforms can take the form of networks, matchmaking platforms, software, or even brands. Maintaining and developing the platform is critical to the success of these business models. For instance, eBay's business model necessitates the continuous development and maintenance of its website platform, while Visa's business model requires activities related to its credit card transaction platform for merchants, customers, and banks. Microsoft's business model focuses on managing the interface between other vendors' software and its Windows operating system platform. Key Activities in this category include platform management, service provisioning, and platform promotion (Osterwalder & Pigneur 2010).

### **1.3.8 Key partnerships**

The Key Partnerships Building Block describes the relationships and partnerships a company forms with suppliers and partners to support its business model. These partnerships can take many forms, including strategic alliances between non-competitors, cooperation between competitors, joint ventures for new business development, and buyer-supplier relationships for reliable supplies. Key partnerships are important as they help optimize the business model, reduce risk, and provide access to resources that may be otherwise unavailable to the company (Osterwalder & Pigneur 2010).

There are three main motivations for establishing a partnership:

#### 1. Optimization and economy of scale

In business, partnerships or buyer-supplier relationships can be formed to optimize the allocation of resources and activities. It is not logical for a company to own all necessary resources or perform every activity on its own. Partnerships are typically formed to achieve optimization and economy of scale, often by outsourcing or sharing infrastructure, which results in reduced costs. Such partnerships

are the most basic form of collaboration that allows businesses to leverage the expertise and resources of others to improve efficiency and competitiveness (Osterwalder & Pigneur 2010).

#### 2. Reduction of risk and uncertainty

In a highly competitive and uncertain business environment, partnerships can offer a means to reduce risk. Strategic alliances between competitors can enable them to cooperate in one area while still competing in others. An example of such a partnership is the development of the Blu-ray optical disc format. This was jointly developed by a consortium of leading consumer electronics, personal computer, and media manufacturers who collaborated to bring the technology to market. Although the group cooperated on this project, individual members continue to compete in selling their own Blu-ray products. Such partnerships can help companies to share risks and costs, while still maintaining their competitive edge (Osterwalder & Pigneur 2010).

#### 3. Acquisition of resources and activities

In the world of business, it is uncommon for companies to possess all the resources or perform all the activities required to sustain their business models. Instead, firms often rely on partnerships with other organizations to acquire specific resources or perform certain activities. These partnerships may be driven by a need to gain access to knowledge, licenses, or customers. For instance, a mobile phone manufacturer may choose to license an operating system for its devices rather than develop one from scratch, while an insurance company may opt to rely on independent brokers to sell its policies instead of establishing its own sales force (Osterwalder & Pigneur 2010).

### **1.3.9 Cost structure**

The Cost Structure Building Block encompasses all the costs involved in operating a business model. It includes the costs incurred in creating and delivering value to customers, maintaining customer relationships, and generating revenue. The costs depend on the Key Resources, Key Activities, and Key Partnerships required by the business model, and can vary greatly depending on the type of business model. Business models that prioritize low costs, like "no frills" airlines, have a significant focus on keeping the Cost Structure as low as possible (Osterwalder & Pigneur 2010).

While maintaining low cost is significant in all businesses some see maintaining these costs more important than others that is why it is useful to divide them into two categories:

#### 1. Cost-driven

Cost-driven business models prioritize cost reduction at every possible stage, aiming to establish and maintain the most efficient Cost Structure possible. They achieve this by providing Value

Propositions with low prices, maximizing automation and outsourcing extensively. This approach is exemplified by no-frills airlines like Southwest, easyJet, and Ryanair. They offer low prices for air travel by minimizing operational costs through reduced amenities and automating various processes. They prioritize efficiency and cost savings, with the goal of passing on these benefits to customers in the form of low prices (Osterwalder & Pigneur 2010).

## 2. Value-driven

Value-driven business models prioritize the creation of value rather than cost reduction. Such models usually offer premium Value Propositions and highly personalized services. Businesses that fall under this category often operate in the luxury segment, such as high-end hotels that offer exclusive amenities and services to their guests. These companies are willing to incur higher costs to maintain their superior quality and reputation, which are central to their value creation strategy. Unlike cost-driven business models, which focus on low-cost offerings and maximum automation, value-driven business models prioritize high-quality offerings and a high degree of personalization (Osterwalder & Pigneur 2010).

Furthermore, cost structures have these characteristics:

### 1. Fixed costs

Fixed costs refer to the expenses that remain constant or fixed regardless of the volume of goods or services produced. These costs are not affected by changes in production levels and include expenses such as rent, salaries, and physical manufacturing facilities. Manufacturing companies are often characterized by a high proportion of fixed costs, as they require significant capital investments in infrastructure and equipment. Fixed costs are an essential consideration in business models, as they directly impact a company's profitability and break-even point (Osterwalder & Pigneur 2010).

### 2. Variable costs

Variable costs refer to costs that change in proportion to the volume of goods or services produced. Examples include the cost of raw materials, labour costs, and sales commissions. Variable costs are often associated with businesses that produce goods or services in large quantities, such as music festivals. As the volume of attendees increases, the variable costs, such as the cost of providing food and beverages, increase proportionally. In contrast to fixed costs, variable costs are not incurred if there is no production or sale of goods or services. Therefore, variable costs are a crucial factor to consider when determining the profitability of a business (Osterwalder & Pigneur 2010).

### 3. Economies of scale

Economies of scale refer to the cost advantages that businesses enjoy as their output expands. When companies produce on a larger scale, they often benefit from lower costs per unit due to factors such as bulk purchase rates, better utilization of resources, and increased specialization. This allows them to spread fixed costs over a larger volume of output, resulting in lower average costs per unit. Many industries, such as manufacturing and retail, are characterized by economies of scale, which can create barriers to entry for smaller firms (Osterwalder & Pigneur 2010).

#### 4. Economies of scope

Economies of scope refer to cost advantages that a business experiences by operating in multiple product lines or markets. This is because the same resources, such as marketing activities or distribution channels, can be used for different products, reducing costs per unit. For example, a company that produces both shoes and bags may use the same marketing campaign to promote both products, leading to cost savings. This is different from economies of scale, which refer to cost advantages that arise from producing larger quantities of a single product or service (Osterwalder & Pigneur 2010).

### **1.4 SLEPT analysis**

The SLEPT analysis is a tool used to evaluate the impact of external factors on a company. It considers five major elements that shape the macro-environment: Social, Legal, Economic, Political, and Technological. By examining these factors, the SLEPT analysis provides a comprehensive view of the company's external environment and helps to identify potential threats and opportunities. This information can then be used in conjunction with a SWOT analysis, which considers internal factors, to make informed strategic decisions and maximize opportunities while minimizing threats. The SLEPT analysis gives a broad, long-term perspective and helps the company make informed decisions for its future success (Červený 2014).

#### **1.4.1 Social**

The SLEPT analysis framework includes social factors, which refer to the behaviour and attitudes of consumers and the public. By understanding these aspects, a company can gain insight into future market trends. This includes information such as the average income and age of the population, levels of health consciousness, population growth rate, education level, gender distribution, and social classes. Understanding these social factors can help a company make informed decisions and stay ahead of market trends (Červený 2014).

### **1.4.2 Legal**

Legal factors in the SLEPT analysis framework refer to the laws and regulations imposed by the government on a company. These laws can impose obligations or limitations on the company's operations. Keeping up with changes in these laws can be a challenge for businesses, but it is essential for compliance and to avoid potential lawsuits or prosecution. Companies that are proactive in adapting to changes in laws and regulations can be better prepared for unexpected changes in the future. Examples of legal factors include anti-discrimination laws, anti-trust laws, laws related to intellectual property, and employment laws (Červený 2014).

### **1.4.3 Economic**

The SLEPT analysis recognizes that social changes can have a direct impact on economic factors. For instance, fluctuations in the economy can have a significant effect on businesses. During periods of economic growth, organizations generally benefit, while a slow economy can have negative effects. Changes in legal requirements, such as a change in the minimum wage, can also impact economic factors. Examples of economic factors include economic growth rates, exchange rates, interest rates, access to credit, monetary policies, and fiscal policies. Understanding these economic factors is crucial for businesses to make informed decisions and plan for their financial future (Červený 2014).

### **1.4.4 Political**

Political factors in the SLEPT analysis are like legal factors in that they both reflect the impact of government on a company. However, political factors focus more on changes in government influence. For instance, businesses operating within the European Union (E.U.) are subject to legislation passed by the E.U. and then adopted by their own country. Examples of political factors include government policies, economic intervention, trade control, levels of corruption, competition regulation, stability of the government, and employment policies. Understanding these political factors is important for a company to navigate the political landscape and make informed decisions for its future (Červený 2014).

### **1.4.5 Technological**

In the SLEPT analysis, technological factors play a critical role in the day-to-day operations of modern businesses. Keeping up with advancements in technology is crucial for companies to remain

competitive and efficient. Technological factors include incentives for technology, the level of technological infrastructure, research and development activity, the rate of technological change, and access to technology. In today's fast-paced digital world, communication technologies have become especially important, and businesses must stay up to date with the latest developments in this area. Understanding these technological factors helps companies make informed decisions and take advantage of new opportunities (Červený 2014).

## **1.5 SWOT analysis**

SWOT analysis is used by companies to evaluate their internal and external environments with a goal to help them formulate their current or future strategies. The SWOT analysis consists of four segments. The internal Strengths and Weaknesses and external Opportunities and Threats. This analysis depending on the use can take into account past, current or future periods with the intention to best fit the company's goal. Internal factors are something, the company has control of and can influence while the external factors are outside of company's influence and as such the company usually has to adapt to these. (Smetana, 2005)

Strengths and weaknesses segments are focused on internal factors within the company. These two factors take into consideration what the company does well and is exceptional at while also focusing on identifying its shortcomings and places for improvement (Smetana, 2005).

The segments focused on external factors, opportunities and weaknesses are focused on identifying the company's position in context of the whole market the company operates in with the goal to identify areas which the company could use to its advantage while also trying to identify places from which the company's business or position could be threatened from (Smetana, 2005).

Possible sources for these four segments of SWOT analysis can be different business tools. For example, one of the best sources for a company to gain an insight into its internal factors can be business model canvas. This tool provides visual representation of company's business model and can help the company management see its strong and weak sides. On the other hand, for external segments, SLEPT analysis is a framework that is widely used by companies to better understand external factors that influence their business. This can help the company gain comprehensive insight into their external segments as SLEPT analysis gives wide overview of many different aspects. Of course, company should not rely just on one or two methods or ways but should try to gain information from as many sources as possible to gain the insight needed for a comprehensive and relevant SWOT analysis (Smetana, 2005).



For SWOT analysis to be relevant and comprehensive the company needs a lot of data. The data relevant to each segment of SWOT analysis is usually gathered through many channels such as conducting research within a company, analysing internal documents, market research, customer feedback or industry reports. This data then helps to gain that comprehensive understanding about company's position on the market and help to create strategic plans and formulation of business development. SWOT analysis should be done regularly for a company to adapt to everchanging market (Smetana, 2005).

### **1.5.1 Strengths**

Strengths are a segment focused on internal competitive advantages of the company. These are attributes that help the company to outperform its competitors and achieve their objectives on the market (Smetana, 2005).

Strengths can be:

Competencies of the company - this can be unique expertise or capabilities that the company possesses that give it an edge over its competition on the market. These can be for example technical skills, specialized knowledge, innovative products or services or unique intellectual property (Smetana, 2005).

Brand reputation - brand reputation on the market can help it to build loyalty, trust and credibility amongst customer and give the company competitive advantage (Smetana, 2005).

Financial position - this takes into account company's revenue streams, profitability, cash flow, assets and capital. Good financial position can help company to innovate more and give it the opportunity to better adapt to changes on the market as it can afford it (Smetana, 2005).

Market share - company's market share in comparison to its competitors is a relevant indicator of the company position and presence on the market. It indicates the company ability to attract and retain customers and capture a large portion of the market (Smetana, 2005).

Human Resources - this considers the skills, knowledge, expertise, and experience of the company's employees. Strong leadership, talented and motivated employees, effective training programs and good company culture contributes to productivity and satisfaction of employees while helping the company more easily innovate (Smetana, 2005).

Partnerships and alliances - company's partnerships and alliances it has been able to built with complementary business or industry leaders can help the company to gain access to new markets, technologies or resources and build a stronger market position (Smetana, 2005).

After the company gathers all of the strengths it possesses, they are then compared to each other and ranked based on their relative performance to each other. This can then in turn help the company to better take advantage of these strengths and build stronger presence on the market (Bazant, 2015).

### **1.5.2 Weaknesses**

Weaknesses are the second segment focused on internal factors of SWOT analysis and focuses on pointing out different shortcoming of a company which are putting them into a disadvantage in comparison to its competitors (Smetana, 2005).

Weaknesses can be:

Dependency on one supplier - depending on one single supplier can be devastating for a company in case that this supplier goes out of business, changes its focus or find other customers for its goods (Smetana, 2005).

Lack of resources - lack of financial, human, or technological resources can hinder company's ability to work efficiently, innovate and compete on the market with its competitors (Smetana, 2005).

Inadequate marketing - this can hinder company's ability to penetrate new markets and gain new customers on the current ones (Smetana, 2005).

Organizational structure and communication - if a company struggles with internal communication or its hierarchical structure it can take its focus off of more important things and thus weaken its position on the market (Smetana, 2005).

Lack of innovation - lack of innovation in company's culture or technological advancements can slow down the company's growth or set it back in comparison to the competition (Smetana, 2005).

After the weaknesses are gathered, they are compared to each other and ranked based on their severity and importance similarly to strengths. This helps the company to realize its internal shortcomings and better focus on mitigating its effects (Bazant, 2015).

### **1.5.3 Opportunities**

Opportunities are one of the two segments of SWOT analysis focused on external factors. These are external factors that can be leveraged to the company's advantage and help it in its growth and success (Smetana, 2005).

Opportunities can be:

Market growth - identifying emerging markets or trends can help the company to better use them to the company's advantage. This can be done by expanding to new geographical regions or taking advantage of customers changing preferences (Smetana, 2005).

Industry or market changes - company's ability to identify shifts in the market can help the company to better take advantage of them and put it ahead of its competitors. This can be changes in the economic conditions, changes in consumer behaviour which creates new opportunities or changes in regulations (Smetana, 2005).

By identifying these and many more opportunities the company can develop strategies to drive growth, enter new markets or enhance its overall business model. After identifying these opportunities, they are then ranked based on their probability to succeed and attraction (Bazant, 2015).

#### **1.5.4 Threats**

Threats are the second segment of SWOT analysis that focus on external factors that are outside the company's control. These factors can potentially hinder the company's growth and position on the market. Identifying these threats is important for company's ability to better manage risks and plan their strategies (Smetana, 2005).

Threats can be: Technological advancements - even though technological advancements can also present opportunities, they can also pose a threat for a company if the company fails to keep the pace with the industry trends. Disruptive technologies or new ground-breaking innovations can render existing products or services obsolete (Smetana, 2005).

Economic factors - assessing the potential impact of economic factors on the company's operation is essential in risk management. Without considering these changes the company opens itself up for potential financial problems. These can come in different ways such as inflation, currency fluctuations, economic downturns or interest rates can all pose a threat to company's operation (Smetana, 2005).

Changing customer preference - identifying changes in customer preferences such as their taste and buying behaviour can be helpful to the company. If the company fails to adapt to changing consumer demands or fails to anticipate emerging trends, it may lead to loss of market share or decrease in demand for its products and services (Smetana, 2005).

Regulatory and legal changes - regulations and laws constantly go through revisions and changes with which the company has to comply with to not face any legal issues or penalties (Smetana, 2005).

After identification of all the threats relevant to the company they are compared to each other and ranked based on their probability of occurrence and gravity (Smetana, 2005).

### 1.5.5 Evaluation of SWOT analysis

After conducting research, gathering, and analysing data and evaluating them, the SWOT analysis will show which segments are the most prevalent and which do not require instant attention. This is done through putting previously evaluated data into relevant matrixes to give the company the results (Bazant, 2015).

#### Opportunities matrix

In this matrix we put each opportunity analysed and evaluated previously into relevant segment based on its score described previously. By this the company is then able to see which opportunities has the biggest chance to succeed and which are the most attractive. With this information, the company can then more easily choose which opportunities to follow and which to leave behind, the opportunities matrix can be seen in the figure 2 (Bazant, 2015)

		Pravděpodobnost úspěchu	
		Vysoká	Nízká
Přitažlivost	Vysoká	1	2
	Nízká	3	4

1 - výborné příležitosti  
4 - nevýznamné příležitosti

**Figure 2: Opportunities matrix**  
(Bazant, 2015)

## Threats matrix

Similar to opportunities evaluation, threats are evaluated in their own matrix. This is done by taking the previously analysed data which are then put into their relevant segment based on their score. This shows the company which of the threats have the highest probability of occurrence and gravity. Due to this evaluation, the company is then able to focus on the most prevalent threats, the threats matrix can be seen in the figure 3 (Bazant, 2015).

		Pravděpodobnost výskytu	
		Vysoká	Nízká
Závažnost	Vysoká	1	2
	Nízká	3	4

1 - výrazné hrozby  
4 - málo závažná ohrožení

**Figure 3 The threats matrix**  
(Bazant, 2015)

## 1.6 B2B and B2G market

### 1.6.1 Business to business

In this type of commerce, the buyer is typically a company which needs the materials or services to operate its own business while the seller is most commonly a specialized business which focuses on meeting the needs of its buyers. For this reason, the B2B type of commerce is highly individual and depends a lot on the relationship between the buyer and seller. B2B transactions also usually involve large quantities of goods as they are intended for business purposes. These transactions are also more complex as they usually involve negotiations, contracts and previously mentioned relationships between the buyer and seller. These relationships can for example be supplier of raw materials to the manufacturer, wholesalers of finished goods for retail sellers or in case of services an IT company providing software upkeep (Warren, 2019).

### **1.6.2 Business to business market**

Business to business market can be a highly complex and involve multiple different decision makers across departments. These decision makers can have different requirements and priorities for evaluation of different suppliers. These requirements can include costs, quality, reliability, speed of delivery or customer service. As mentioned above B2B companies usually engage in long-term relationships with their clients and as such relationship making and maintaining trust is one of the most essential aspects of this market.

Marketing on B2B markets usually involve contacting specific people within a company rather than broad campaigns. This can be done through attending trade shows, industry events or conferences. In the modern-day era, many companies on B2B markets started to take advantage of digital marketing with the primary focus being on search engine optimization (SEO), email marketing and social media in search of their customers although these marketing strategies has to be much more sophisticated than on B2C markets given the complexity and decision-making process of this environment (Warren, 2019).

### **1.6.3 Business to government**

Business to government also known as B2G is a type of commerce where a business delivers goods or services for the government entities on different levels. This can range from medical equipment, construction, transportation, education, or military equipment (Warren, 2019).

In this type of commerce, the business is the seller while the government acts as a buyer for the goods or services. Choosing a seller is usually done through government contracts, in which the companies can submit proposals and involve lengthy process. Companies can bid on these contracts and usually have to meet very strict requirements. The bidding process and acquisition of these contracts is usually very complex and highly competitive process.

Examples of government contracts can be a construction company building public infrastructure, technology companies providing IT solutions or healthcare companies providing services or goods to the government (Warren, 2019).

### **1.6.4 Business to government markets**

Business to government markets are markets that are usually highly regulated and involve complex processes. Government agencies can have strict criteria and regulations that must meet for the

business to acquire government contracts. Some specific requirements that can occur are level of insurance coverage, safety standards or certification (Warren, 2019).

The bidding process for B2G contracts is as mentioned above is typically competitive and can involve multiple stages for a business to acquire one. Companies can submit proposals for these contracts which are then evaluated based on criteria such as price, technical specifications, or experience. Once the business is awarded with the contract they must comply with the requirements, deadlines, and milestones. Failure to comply is usually met with penalties and in the worst cases, termination of the contract. (Warren, 2019)

Business to government markets can have many benefits for a company including stable stream of income, opportunity to work on large-scale projects or access to government resources. However, they can be also very challenging and require significant investment (Warren, 2019).

## **1.7 Conclusion to the theoretical part**

The theoretical part of the thesis serves as an introduction to the basic tools and knowledge needed for business development. Key tools such as the business model canvas, which will be the primary analysis tool used in the following sections, were introduced, and explained. In addition, significant analyses were established, including SLEPT analysis for external environmental mapping and SWOT analysis. Furthermore, broader topics related to company development were explained, such as the nature of business development itself and the specifics of B2B and B2G markets.

## 2 Analysis of contemporary situation

### 2.1 Introduction of the company

EGO Zlín, Ltd. is a manufacturer and supplier of biological protection systems, logistics and decontamination equipment for emergency medicine and long-term care. The company has been involved in development programs for nearly three decades, focusing on customer requirements and global needs. EGO Zlín regularly launches innovative products to address specific crisis situations, including insulating devices for transporting and hospitalizing patients with highly contagious diseases (HCD), mobile workplaces, emergency and disaster solutions, and emergency systems for immobile patients. Its products are shipped to over fifty countries worldwide (EGO Zlín, 2023).

Portfolio:

The company has a wide range of products in its portfolio. The most important and successful one is the Bio-bag. This device is used for transportation of patients with highly contagious diseases such as Ebola. Utilizing negative pressure inside the capsule ensures that no contaminants can escape the device during transportation. This product has been undergoing many modifications and revision over the years and is currently the best in its field (EGO Zlín, 2023).



**Figure 4: Biobag**  
(EGO Zlín, 2023)



Another device for biological protection is the Bio-box. Similarly, to bio-bag it serves for containment of a patient with HCD but this device is for long term hospitalization in the hospital. Ego Zlín has won a tender from Czech hospital Bulovka to supply the first BSL-4 class device in its field which has been in development in Ego for over 2 years (EGO Zlín, 2023).



**Figure 5: BioBox with attached decontamination shower**  
(EGO Zlín, 2023)

In connection with the last two products the company Ego Zlín has also selling special decontamination showers these showers come in different sizes depending on the application and customers specification the range is from small 6 m square showers used for personnel to big 36 m square inflatable tents used for decontamination of high volumes of patients in case of a CBRN disaster. (EGO Zlín, 2023)

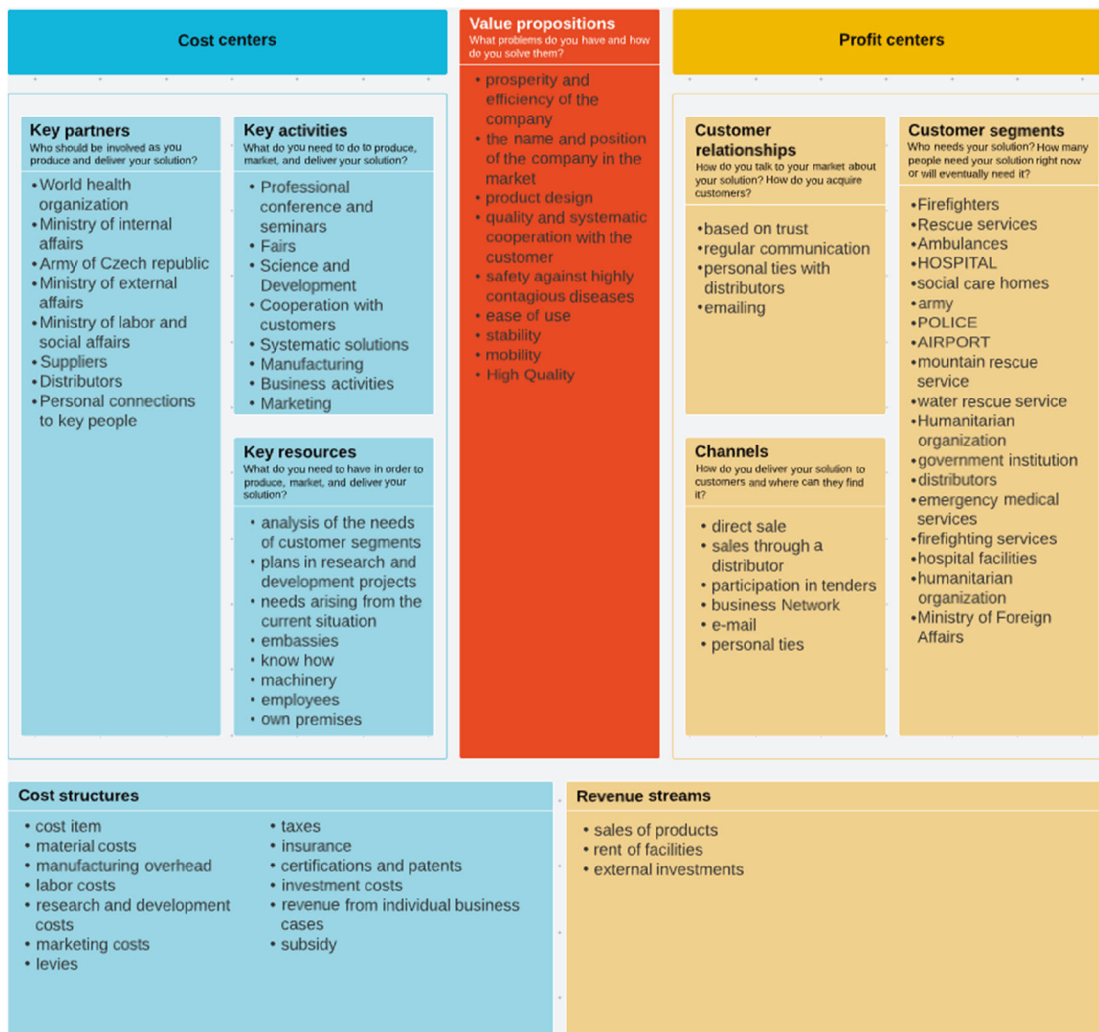
This company apart from biological protection also manufactures products for patient fixation and immobilization during transport. Vacuum mattresses and splinters were in fact the first products in the company's portfolio when it was founded in 1992. The vacuum mattress and splinters work on the same principle - creating vacuum inside the mattress which is filled with small polyurethane balls. When the splinter or mattress is being applied it is inflated which makes it soft and malleable to perfectly fit around a person's limbs. After the application the air is sucked out of the product to make it harder and protect the designated area. (EGO Zlín, 2023)



**Figure 6: Vacuum mattress**  
(EGO Zlín, 2023)

## 2.2 Business model canvas

The business model canvas has been researched in two steps. The first was to gather the understanding of this tool from top management and staff. For this reason, each were given a blank Business model canvas and were tasked to fill it up with which answers they believe to be correct. If there was a misunderstanding or the relevant source was out of scope of the participant, they were encouraged to leave it blank.



**Figure 7: Business model canvas from the management and staff**  
(own adaptation, EGO Zlín)

After this task was completed, a quantitative interview was conducted and with addition of own research following chapters of the business model canvas were constructed.

### 2.2.1 Customer segments

The company Ego Zlín has many different types of customers. These changes depending on jurisdictions in different countries. the first diversification of customers is country specific. There are two teams in the sales department one is export which is dealing mainly with distributors from foreign courtiers and then there is home country department which focuses on Czech Republic and Slovakia. Because the export department mainly deals with distributors who usually have their own

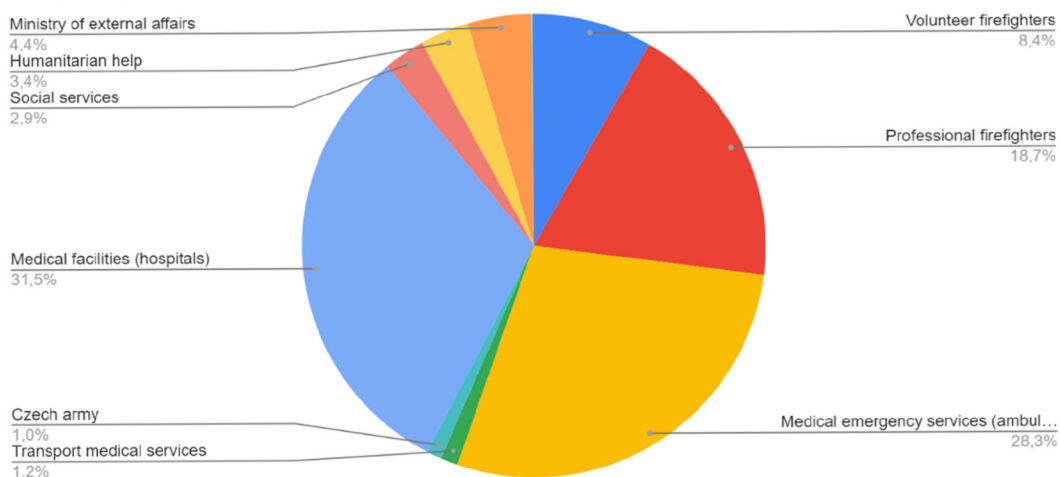
segmentation there is less need for further segmentation because it is set, but sometimes if the distributor specialises only in one segment for example the army the department tries to find another distributor for other possible customer segments like firefighters or hospitals.

In the home country market, the company EGO Zlín functions as a distributor themselves which means they have to target different segments and adapt their portfolio to the customer's needs.

For this reason, a specific type of tool called M-projects (Marketing projects) were created to help better understand the customer and adjust the offer based on their needs. Main segments to which the company sells are:

- Medical facilities (hospitals)
- Medical emergency services (ambulances)
- Firefighters
  - Professional firefighters
  - Company firefighters
  - Railway firefighters
- Volunteer firefighters
- Ministry of external affairs
- Humanitarian help
- Social services
- Transport medical services
- Czech army
- Veterinary clinics
- Czech police
- Mountain rescue service

Graph of percentual number of sales in different segments in last five years



**Figure 8: Graph of percentual number of sales in different segments in last five years**  
(own adaptation, EGO Zlín)

Table 1: Table of sales in percentages in different segments in last five years  
(own adaptation, EGO Zlín)

	2018	2019	2020	2021	2022
Volunteer firefighters	1,9	1,6	1,6	2,2	1,0
Professional firefighters					
Company firefighters					
Railway firefighters	5,5	1,5	5,3	4,0	2,5
Medical emergency services (ambulances)	2,3	3,6	11,5	7,3	3,6
Transport medical services	0,7	0,1	0,1	0,2	0,1
Mountain rescue service	0,0	0,0	0,0	0,0	0,0
Czech army	0,1	0,1	0,8	0,0	0,0
Medical facilities (hospitals)	8,6	1,5	13,6	4,7	3,2
Social services	0,4	0,3	0,5	1,2	0,5
Humanitarian help	0,1	0,0	0,0	0,4	2,8
Czech police	0,0	0,0	0,0	0,0	0,0
Ministry of external affairs	0,9	0,9	1,0	1,7	0,0
Veterinary clinics	0,0	0,0	0,0	0,1	0,0

The analysis of sales strategies for the Czech market showed that the company targets various customer segments, including medical institutions, medical facilities, firefighters, veterinary clinics, the army, and humanitarian help organizations. However, there are challenges in effectively prioritizing these segments due to their diverse nature and specific requirements. Data analysis, including tables and graphs, indicated that medical institutions and medical facilities are currently the most profitable segments.

The analysis also revealed that there are disparities in sales performance between years for different segments, suggesting sporadic targeting rather than a systematic approach. To address this issue, two potential solutions can be proposed. The first option is to streamline the segments by prioritizing specific segments over others based on their growth potential and aligning sales efforts accordingly. This could involve allocating more time and resources to segments with higher growth potential. The second option is to assign dedicated salespersons for specific segments, allowing for a more focused and tailored approach to each segment's requirements. For example, having a dedicated salesperson for the Czech army segment could ensure sufficient attention and effort towards tapping into the potential of this segment.

### **2.2.2 Value propositions**

EGO Zlín is a company that offers medical devices designed to meet the needs of healthcare professionals and patients. The company's value proposition includes a range of features, including quality, durability, reliability, ease of use, fast deployment, high mobility, and increased safety for both patients and personnel. These features are achieved through the company's commitment to working closely with experts in the field to develop products that meet the unique requirements of healthcare settings.

One key aspect of EGO Zlín's value proposition is its focus on quality, durability, and reliability. By designing products that are built to last and can withstand the demands of medical environments, the company helps ensure that healthcare professionals have access to reliable tools and equipment that they can trust. Additionally, the company's commitment to ease of use and fast deployment means that healthcare professionals can quickly and efficiently provide care when and where it is needed most.

Furthermore, EGO Zlín's focus on increasing the safety of both patients and personnel is a critical component of its value proposition. By working closely with experts in the field and designing products that are easy to use and highly mobile, the company helps healthcare professionals provide

safe and effective care to patients. Overall, EGO Zlín's value proposition is based on a deep understanding of the unique challenges facing healthcare professionals and patients, and a commitment to developing innovative solutions that meet these challenges head-on.

The value proposition the company EGO Zlín is currently providing its customers seems to be highly volatile and dependent on the external environmental factor. The Graph of Number of sales on domestic and export markets form 2014-2022 is showing that during disaster medicine events such as the Covid-19 worldwide epidemic. The products of EGO Zlín were in extremely high demand, the company was forced to prioritize customers and leave many orders unfulfilled, but when the politicians and media stopped covering this subject people quickly lost interest and stopped all acquisitions of equipment against epidemics. This spike may also indicate a price that the customers are not willing to pay unless they have no other option. Other than that, the value proposition seems to be meeting the requirements set by the market.

### **2.2.3 Channels**

#### **2.2.3.1 Awareness**

EGO Zlín utilises many different channels to spread awareness about its brand. One of the channels is attending international fairs. Where they exhibit their products. In the last year the company has attended numerous different fairs but mainly in different countries such as South Arabia and Germany. Furthermore, EGO Zlín bi-yearly conducts its own conference called “Medicína katastrof” or Disaster medicine. The main purpose of this conference is to educate relevant people about possible catastrophise such as Ebola and how to best mitigate their impact. This conference is usually conducted in Czech Republic and a lot of experts from the field from around the world are invited to participate.

Apart from the conference EGO Zlín also conducts open days. These have been started recently and their aim is to invite relevant users of the product showcase new advancements in development and educate on how the products are used. Moreover, they are used to gather feedback from relevant sources and spread general awareness about the company.

In addition to those activities EGO Zlín is also a proud member of two associations one is Defence and Security Industry Association and the second one is Association of Manufacturers and Suppliers of medical devices. The purpose of these associations is promotion of its members to relevant people and aggregation of their portfolio to be presented through their own marketing channels.

Lastly, EGO Zlín has its own Facebook page. This page has less than hundred followers and is not particularly active. Posts are added roughly every few months and their contents are about the events the company has been a part of in the past and post about job openings in the company.

### **2.2.3.2 Evaluation**

Customers can evaluate the products of EGO Zlín in numerous ways. The main way is usually directly from the sales department which is usually dealing directly with the customer. These sales managers are skilled in the technical specifications and possibilities of the products, so they can provide maximum amount of information that is needed. But the necessary skill and knowledge came from years of experience which now employees do not have. There are no learning tools to aid during the education process, which could be detrimental to potential future sales.

Leaflets which include pictures of the product and important measurements that can be useful to the customer are produced by the company.

The company also has a show room which is a huge hall with majority of their products where customers are invited to see and try the products themselves.

Lastly the customer can see all items from the company's portfolio on their website. There are general descriptions of the products and basic technical details. The price is being negotiated during the purchase.

### **2.2.3.3 Purchase**

There are two ways to purchase company's products:

- Directly from the company this is usually done after negotiation with the salesperson and is agreed upon beforehand. This method is mainly chosen for the reason to encourage the buyer to adjust and small tweaks to the product to better suit their needs there are also possibilities for quantity discount.
- Second way is from a distributor. Depending on the type of distributor, the market they are targeting and the product, distributors are free to choose the purchase method. While majority of EGO Zlín's distributors choose to sell with invoices after negotiations same as salespeople in the company. Some allow the customer to purchase on the internet online.



#### **2.2.3.4 Delivery**

EGO Zlín allows its customers to choose the delivery method. While usually the products are shipped via a carrier to the address specified by the customer other means can be arranged such as in person pickup at EGO Zlín's facility.

#### **2.2.3.5 Aftersales**

After a purchase the company provides support in case the customer needs help with damaged goods or any other issue that may arise.

Depending on the product the company also does revisions of the products after a set period of time. This is to ensure safety and reliability of the equipment that is used in dangerous conditions.

Furthermore, the company offers servicing and fixing of damaged goods that were broken during use and general tech support for obstacles the customer may face.

### **2.2.4 Customer relationships**

Huge part of the customer relationship lies in personal interaction with the representative. The relationships usually become partnerships overtime because usually only one representative is responsible for one customer. This form is encouraged to be well maintained through e-mails and video calls online and mutual visits in person. This long-term work with the customer allows EGO Zlín to have a stronger negotiation with said customer and to be able to convince them to purchase other products from their portfolio.

Customer relationships are highly important for the functionality of the company because many of their customers are reoccurring and require some amount of professionalism. This relationship is usually very well maintained between the sales representative and the customer, but there are also some issues that should be addressed.

### **2.2.5 Revenue streams**

The vast majority of the company's revenue stream comes from asset sales. Which is not surprising because EGO Zlín is a manufacturing company. The company is using different tools to adjust its revenue. One of the tools is negotiation which is used and encouraged in the company and the sales force is rewarded based on the margin they are able to negotiate. Another one is dynamic pricing. This method is used but not to its fullest potential because of morality reasons. There has been an executive decision made by the CEO for specific events such as the Covid outbreak or current conflict

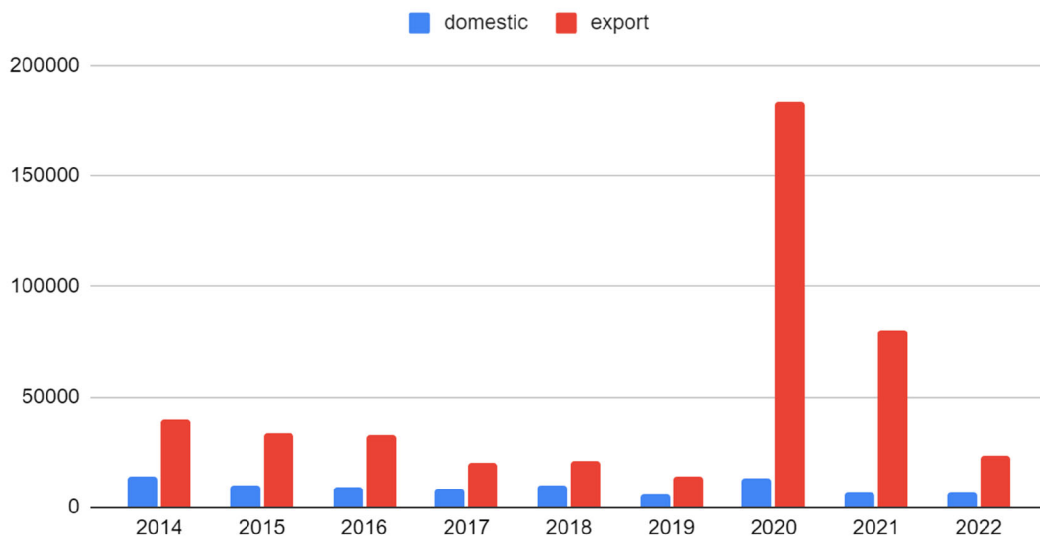
in Ukraine. Where the salesforce was limited to an upper bound price for the products because it was deemed immoral to try and profit at the expense of such catastrophes.

The tools that the company is using seems to be working relatively well in their respective field. One of the issues is that the company choose to not benefit from the unpreparedness of the market and refused to sell their products for the market price during the Covid-19 epidemic. While this strategy is admirable, and all companies should aspire to this it is not particularly good for business itself. Morality should never be frowned upon but here is other way to help the company. One option could be to communicate this to the customers. Explain to them that the company has done this which would strongly improve the brand image of the company.

Secondly, the company does have very limited revenue streams which focuses mainly on asset sale. This is not necessarily bad, but the company should think of diversifying their revenue streams especially for times of economic crises where the budget is limited.

Furthermore, the revenue streams are divided between export and domestic markets. The domestic market is not as strong as the international one but is measured to help the company better cooperate and evaluate possibilities of the market.

Number of sales on domestic and export markets from 2014-2022



**Figure 9: Graph of Number of sales on domestic and export markets form 2014-2022**  
(own adaptation, EGO Zlín)

A small portion of EGO Zlín's revenue also comes from interest. The company has financial reserves put into securities which pay yearly dividends. This isn't done for profitability purposes but to at least combat inflation.

## **2.2.6 Key resources**

### ***2.2.6.1 Physical***

#### **Buildings**

The company owns several buildings where they conduct all business operations. Two main buildings one of which is currently used as an administration building with offices for the management and sales department. The second one is used as production manufacturing building. In 2011 three big halls were purchased for expansion of the company. These halls are currently used for manufacturing and as a stock warehouse. And one whole hall is used as a showroom with capabilities for organising banquets and presentations.

One problem the company has is decentralized manufacturing. Due to different times of purchase for all the companies' buildings one manufacturing facility is one kilometre away from the other one. This distance is usually covered by cars during the manufacturing process which adds costs. The recommendation is centralising the manufacturing to the new base of operations. And repurpose the old building for something else, for example a testing facility.

Lastly the company owns a flat in Prague which is used as accommodation for employees who travel there for business and meetings.

#### **Vehicles**

The company has 10 vehicles in its fleet. Five cars are used by the management to get around, these cars are not assigned to one single employee but are used as needed. The other five cars are used in the manufacturing to transport parts between different buildings or to deliver products or components.

#### **Machines**

While there are many different equipment such as computers these are not key machines in the manufacturing process and are replaceable. But there are two types of machines EGO Zlín uses in its manufacturing process which are indispensable. One of them is a plotter that has been purchased relatively recently as a substitute for the old one which has broken down. Another essential piece of machinery are high frequency welders. These old machines are prone to breaking and spare parts are hard to find. The reason they are still used is the extreme investment needed to exchange them for

new machines. The company should consider investment in modern and efficient machines to replace outdated ones that are hard to operate and result in a high ratio of defective products. The cost of scrapping badly made products and repairing old machines, including the expense of spare parts, can outweigh the benefits of using outdated equipment. Investing in new machines with advanced technology can improve productivity, reduce waste, and enhance product quality, leading to higher customer satisfaction and increased profitability in the long run.

#### ***2.2.6.2 Intellectual***

The current CEO of the company has been an inventor before becoming an entrepreneur and has numerous patents and more were established during his work in EGO Zlín. Apart from patents EGO Zlín also holds a significant know-how on different catastrophe medicine topics and has also been involved in creation of preparedness plans and guidelines with the government. EGO Zlín has also published some publications on viruses and their dangerousness and so on. The company is currently working on a development of internal electronical system to gather and help process data to be able to better profile their customers and streamline some working processes. The company should consider adopting software or tools that can automatically generate tables and graphs, eliminating the need for time-consuming manual data entry and formatting. Automation can improve accuracy, reduce human error, and enable faster data analysis and decision-making, leading to increased efficiency and improved data management.

#### ***2.2.6.3 Human***

EGO Zlín has been on the market for over 30 years, during this time the company has trained a lot of its employees to be experts in their respective fields. Numerous employees are industry leading experts in research and development connected with protection against CBRN. Furthermore, there is a lot of manufacturing expertise especially in the realm of materials which are most suitable for their respective application. However, there is also a fluctuation in the personal due to low motivation and challenging internal communication flow.

#### ***2.2.6.4 Financial***

EGO Zlín has portion of its financial sizable reserves tied in different securities to minimise the effect of inflation on these reserves the operating capital is usually optimised to keep the cashflow as lean and predictable as possible. So that the company does not have too much money on its bank accounts.

Furthermore, the company has different bank accounts with different currencies to help mitigate the devaluation of money during the exchange process.

### **2.2.7 Key activities**

EGO Zlín, a manufacturing company, has identified the manufacturing and subsequent sale of products as its most important activity. These two departments comprise the majority of the company's employees, making up approximately three-thirds of the total headcount.

In recent years, the company has also established a new department for designing and innovation. This project department is responsible for developing new methods not only for products but also for marketing purposes. The company's recent collaboration with the Ministry of Defence on a video targeted towards the military serves as a testament to the department's success in creating effective marketing campaigns.

Another crucial aspect of EGO Zlín's key activities is problem-solving. In addition to offering products from its portfolio, the company also provides complete solutions that can be implemented. This concept functions in two ways. Firstly, when a customer approaches EGO Zlín with a general need for a solution, the sales representative negotiates the best possible combination of products from the company's portfolio. If required, the company offers custom adjustments to the product based on the customer's specific needs.

Secondly, if there is a problem identified during current events such as the ongoing conflict in Ukraine, EGO Zlín's technical and project departments work collaboratively to develop a solution that is then offered in relevant places.

Despite the company's focus on sales, it also recognizes the importance of designing projects and solutions. However, the budget for this department appears to be inadequate. Similarly, the marketing budget and business trip budget are also constrained. Furthermore, the performance of the marketing department is not measured using specific metrics, and sales managers have a significant influence on sales outcomes.

The company mainly develops its solutions and plans in-house, with limited collaboration with external sources. However, EGO Zlín could benefit from greater collaboration with governmental agencies and universities to lower research costs and potentially receive grant funding. Moreover, collaboration with students could lead to hiring them to help develop and implement solutions.

## **2.2.8 Key partnerships**

### **2.2.8.1 Associations**

The two main associations the EGO Zlín company is part of are The Defence and Security Industry Association and The Association of manufacturers and suppliers of medical devices. These independent, non-profit organisations aim to promote and support the interests of their members. They collaborate with other organizations and government bodies to shape policy and advocate for their member companies. They collaborate with organizations and government bodies to shape policy and advocate for their respective industries. Apart from that both associations emphasize marketing and trade to expand their members markets and increase exports. They play an important role in promoting their industries, both domestically and internationally.

The associations seem to provide a lot of value to their members. This should be utilised as much as possible. Furthermore, EGO Zlín might consider applying one of its employees to be in the executive management of the associations. While this would take form the effectivity of the employee but could prove highly beneficial during meetings with governmental bodies because the person could give relevant information about the market to help the officials in decision making process.

### **2.2.8.2 Key suppliers**

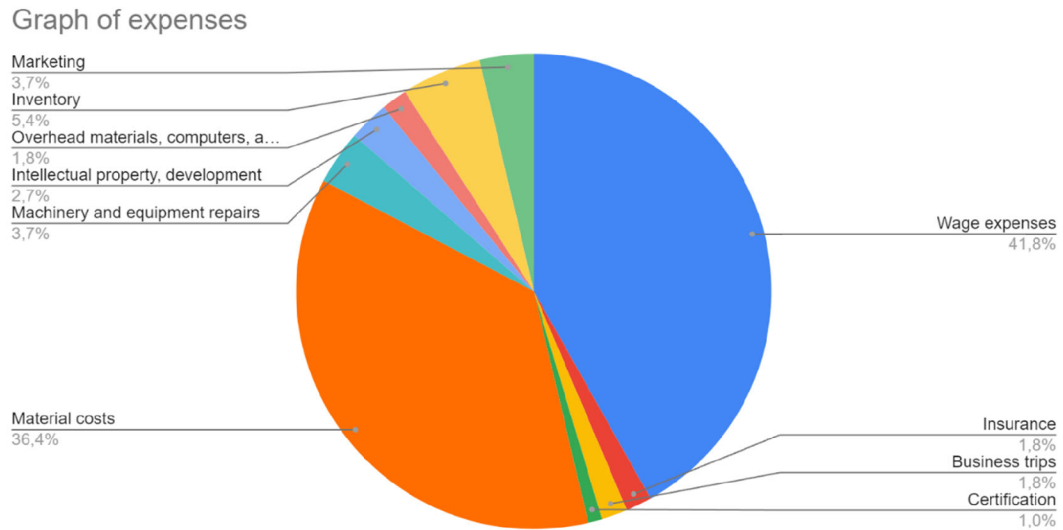
While EGO Zlín manufactures the majority of its portfolio some of the complementary products are commissioned from different companies. For example, different types of electronics which are crucial for usability of the product or components which are used in the manufacturing process. EGO Zlín works together with these companies on the design and technical specifications of the product and sometimes negotiates exclusivity with the supplier. This helps to company to streamline their production facility and focus on making the primary product more effectively.

Furthermore, some of the complementary products are bought from strategic alliances with suppliers whose products are sold within the solutions the company offers such as specific protection suits. These types of products are usually resold by the sales representatives with set margins.

Proposal to the partnerships with the suppliers is to keep the relationship as healthy as possible. One of the ways this could be done is to give the suppliers a sales forecast so that they are able to know what numbers to expect. Another important suggestion is to not be reliant on one single supplier but also have an alternative if something unexpected happens especially in cases of international cooperation.

## 2.2.9 Cost structure

The cost structure of the company EGO Zlín consists of many different elements. The most significant are labour costs and other mandatory expenses. After those follow expenses for acquisitions of materials and complementary goods. The company is trying to have its cost structure as lean as possible. The minimising costs is usually connected with maintaining low price value proposition.



**Figure 10: Graph of expenses**  
(own adaptation, EGO Zlín)

The EGO Zlín company tries to create a cost structure which is very well optimised and lean. However, they are manufacturing goods with very high value proposition. These segments usually use the value driven approach to maintain their dominant position on the market. However, there are some areas in which the company could increase their spending habits. These two areas being marketing including business trips this is to spread more awareness about the company brand which should in turn attract more customers.

Another significant cost of the company is machinery and equipment repairs. These machines are one of the key resources the company has and is indispensable to create value proposition. For this reason, the company should consider investing in new equipment.

The marketing budget also seems to be quite low. The company should consider reevaluating its current marketing practices to make sure they are aligned with their goal and if they are sufficient for the company's needs.

## 2.2.10 Summary of business model canvas



**Figure 11: Summary of business model canvas**  
(own creation, EGO Zlín)

The company EGO Zlín is a highly specialized company. Who is catering to an enormous clientele of customers. However, because of such a huge portfolio of customer it is very difficult for the employees to cater to all of them simultaneously. This creates spotty targeting efforts which do not have a long-lasting effect. Furthermore, the company was unable to cater to their customers during the covid pandemic which allowed their competitors to secure a portion of the market.



EGO Zlín offers medical devices that prioritize quality, durability, reliability, ease of use, fast deployment, high mobility, and safety. The company works with experts to meet the unique needs of healthcare settings. However, its value proposition is highly dependent on external factors. During the Covid-19 pandemic, demand for its products spiked, but interest quickly waned afterward. Overall, the company's value proposition meets market requirements, but its stability is uncertain.

EGO Zlín spreads brand awareness through attending international fairs, conducting its own bi-yearly conference, and hosting open days. The company is a member of two associations and has a Facebook page with limited activity. Customers can evaluate products through the sales department, leaflets, a showroom, and the company's website. Purchases can be made directly through an invoice or through a distributor, and delivery methods are flexible. After-sales services include support for damaged goods, product revisions, and technical support. The personal interaction between sales representatives and customers is essential for EGO Zlín, as it helps to establish long-term partnerships and promotes the purchase of additional products. However, without an effective system for storing and sharing customer information, this process can be challenging, and better insights into analytics and statistics could be obtained. Business trips are also underutilized, possibly due to lengthy approval processes, but establishing a budget beforehand and allowing sales representatives to choose which partners to visit could increase the efficiency of these trips. Overall, customer relationships are critical to EGO Zlín, and improvements in business trip management could further strengthen these relationships.

EGO Zlín mainly generates revenue from asset sales, using negotiation and dynamic pricing to adjust revenue. The company refrained from taking advantage of market shortages during the pandemic but could communicate this to customers to improve brand image. Diversifying revenue streams could help during economic crises. Domestic market is weaker than international but evaluated for cooperation and market potential.

EGO Zlín's main activities are manufacturing and selling products. They also have a department for designing and innovation, and they offer complete solutions to customers. They recognize the importance of designing projects and solutions, but their budget for this department is constrained. They mainly develop solutions in-house, but could benefit from collaborating with external sources, such as governmental agencies and universities.

EGO Zlín is part of two main associations, The Defence and Security Industry Association and The Association of manufacturers and suppliers of medical devices, which aim to promote and support the interests of their members by collaborating with other organizations and government bodies to

shape policy and advocate for their member companies. The associations emphasize marketing and trade to expand their members' markets and increase exports, and EGO Zlín could benefit from assigning an employee to be in the executive management of the associations to provide relevant market information during meetings with government officials. While EGO Zlín manufactures most of its products, it commissions complementary products from different companies for electronics and components used in the manufacturing process, and sometimes negotiates exclusivity. To maintain healthy relationships with suppliers, EGO Zlín should give them a sales forecast and not rely on a single supplier, especially in cases of international cooperation.

EGO Zlín's cost structure includes labour costs, mandatory expenses, and expenses for materials and complementary goods. The company aims to maintain a lean cost structure, often associated with a low-price value proposition. However, as they manufacture goods with a high value proposition, the company may consider increasing spending on marketing and business trips to raise brand awareness and attract more customers. Machinery and equipment repair also incur significant costs, and investing in new equipment may be necessary to maintain their key resources. The company's low marketing budget warrants revaluation to ensure alignment with their goals and sufficient for their needs.

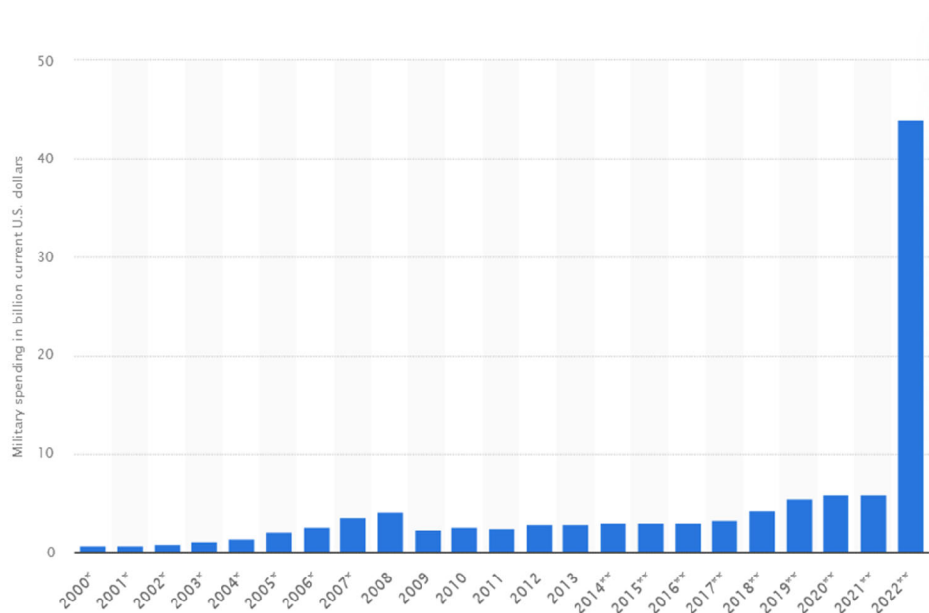
## **2.3 SLEPT analysis**

The environment for a small company in medical field specialising on disaster medicine is challenging and dynamic. Companies must be able to adapt and respond to changes from the external environment to remain competitive and provide effective solutions to their customers.

### **2.3.1 Social**

The sector of disaster medicine is widely recognised as important, especially after major disasters. Only in the few recent years there has been a number of extremely impactful events. Which helped to improve the position of these issues. For example, the epidemic of covid has showed the under preparedness of governments and medical infrastructure for such events. Furthermore, the conflict in Ukraine has highlighted the importance of well-equipped military. The major problem of these issues is that while everyone understands the importance the willingness to prepare for such events is usually only noticeable during such events and is seldom during the times between disasters. This unwillingness to prepare for such events causes lack of funding for disaster medicine programs and training (Hassan Gillani et al., 2020).

This can be seen with the current conflict in Ukraine. The following graph 1 shows how expenses on military in this country increased after the conflict started.



**Figure 12: Military expenditure in Ukraine from 2000 to 2022 (in billion current U.S. dollars)**

(Statista Research department, 2023)

Another example of this could be seen with the recent disastrous earthquake in Turkey and Syria which took lives of 12 000 people. The Turkish president Erdogan claims that there was no possible way the country could have been prepared for a disaster of this scale (Fowler, 2023). However, there are ways to minimise the risk for the future, as measures like risk assessment prioritization or resettlement of inhabitants can be taken into action. This preparedness also makes sense economically as rebuilding after the earthquake is much more expensive than retrofitting existing buildings and infrastructure (Romanyuk, 2023).

### 2.3.2 Legal

As a small business without a company lawyer EGO Zlín must deal with intellectual property infringement. Majority of the company's portfolio includes patents designs and developed in house and because of their high functionality and demand there is a big incentive for companies to copy their design.

There are also many difficulties that come with selling medical equipment for disaster medicine. First is regulatory compliance, companies must comply with various regulatory requirements including safety and quality standards.

Furthermore, companies in the disaster medicine face liability claims if their products are defective or fail to perform as intended.

Another problem is import and export restrictions and export control regulations. Companies that sell disaster medicine equipment must comply with export control regulations especially those including dual-use and military goods. Additionally, the export may be restricted by the government during a time of crisis were despite there being no demand form the government to purchase specific goods the export of some medical equipment was forbidden. (Tušer et al., 2021)

There is some incentive from The World Health Organisation (WHO) to reduce risks and impact of all hazards. There was a platform created that is made to create cooperation between the health sector and other sectors that are relevant in this matter in order to support the implementation and guidance of solutions like the International Health Regulations, the Paris Agreement, or the Sendai framework, where targets for health risk reduction were set as can be seen in the figure 9 below (Kocak, 2021).

30/i	"To enhance the resilience of national health systems, including the disaster risk management integration into primary, secondary, and tertiary health care, especially at the local level;"
30/i	"To develop the capacity of health workers in understanding disaster risk and apply and implement disaster risk reduction approaches in health work;"
30/i	"To promote and enhance the training capacities in the field of disaster medicine;"
30/i	"To support and train community health groups in disaster risk reduction approaches in health programs, in collaboration with other sectors, as well as in the International Health Regulations (2005) of the World Health Organization implementation;"
30/j	"To strengthen the design and implementation of inclusive policies and social safety-net mechanisms through community involvement, livelihood enhancement program integration, and access to basic health care services, including maternal, newborn and child health, sexual and reproductive health, food security and nutrition, housing, and education, toward the eradication of poverty to find durable solutions in the post-disaster phase and empower and assist people who are disproportionately affected by disasters;"
30/k	"People with life-threatening and chronic disease due to their particular needs should be included in the design of policies and plans to manage their risks before, during, and after disasters, including the access to life-saving services;"
33/n	"To strengthen the sustainable use and management of ecosystems and implement integrated environmental and natural resource management approaches that incorporate disaster risk reduction;"
33/o	"To increase business resilience and protection of livelihoods and productive assets throughout the supply chains, ensure continuity of services, and integrate disaster risk management into business models and practices."

**Figure 13: Targets for health risks reduction in disasters in article 30 (I) of the Sendai Framework for Disaster Risk Reduction**  
(Kocak, 2021)

### **2.3.3 Economic**

Development and testing of new equipment is expensive and requires significant investments in research and development. This creates a potential risk for small companies with limited resources.

The market for disaster medicine equipment is quite small and specialized, limiting the potential customer base. This can make it difficult to achieve economies of scale and compete effectively with larger companies.

The disaster medicine equipment requires certificates and other quality ensuring measures which are very expensive to maintain.

Disaster medicine is also quite competitive and in many cases in tenders for example the price is the decisive factor in decision-making which means lowering or completely eliminating and meaningful margins on the product.

Another problem is government funding. The disaster medicine equipment is usually sold to the government directly or to agencies which operate with the government budget. This means government policies or funding priorities heavily impact the entire market. (Clay, 2022)

### **2.3.4 Political**

The disaster medicine equipment industry is heavily regulated by government agencies, which can create uncertainty and risk for companies in this industry. Changes in government policies or regulations can have a significant impact on the industry.

Furthermore, companies that sell disaster medicine equipment internationally may face political instability and conflict in some regions, which can disrupt their supply chains.

Companies that operate in some regions may face corruption and bribery challenges, particularly when dealing with government officials or public procurement processes. Many of these challenges come from anticorruption laws which make the relevant people reluctant to cooperate at all for fear of being incriminated. (Tušer et al., 2021)

When it comes to the Czech Republic, there was a survey conducted asking the inhabitants if they consider bribery a normal part of life, 20% answered yes. The country is ranked 53 out of 175 countries on Transparency's Corruption Perception Index. It is behind countries like Poland or Hungary, as both public and politicians agree that corruption is a problem in the country, however it seems to be improving year by year. It seems that this problem developed from the previous political regime,

where bribery was often times the only way to get products or services with low availability (Lazarová, 2023).

### **2.3.5 Technological**

The development and use of equipment for disaster medicine can involve complex technologies. These technologies require specialized expertise to be developed. Furthermore, the equipment must not only work on its own but must also be compatible with other equipment which is already in use which presents significant technological challenges.

Furthermore, the technologies in the disaster medicine field are prone to rapid evolution. This means the companies in the industry must keep up with these developments to remain competitive. (Kao et al., 2023)

### **2.3.6 SLEPT summary**

The sector has gained importance in recent years due to major disasters, including the COVID-19 pandemic and conflicts such as the one in Ukraine. However, the lack of willingness to prepare for such events and the resulting lack of funding for disaster medicine programs and training remains a challenge. In the legal sphere, companies in disaster medicine must comply with regulatory requirements, face liability claims, and deal with import/export restrictions and export control regulations. The economic challenges include high costs of development and testing, a limited customer base, and the need for expensive quality assurance measures. Government policies and funding priorities can heavily impact the market. Political instability and corruption can also disrupt supply chains. Finally, technological challenges include complex and rapidly evolving technologies that require specialized expertise and compatibility with other equipment.

## **2.4 Competitors**

The company EGO Zlín has numerous competitors. These competitors are not only from different countries, but some are from the Czech Republic. The companies usually specialise only in one area in their portfolio whereas the company EGO Zlín is working in all of them. In this chapter three main competitors on the Czech market are introduced and relevant and accessible parts of their business models in comparison to the business model of EGO Zlín are shown.

### 2.4.1 Beth-el Zikhron Yaaqov Industries Ltd.

Since 1974, this company has been developing numerous daughter companies in the filtration, manufacturing, and food preservation. The heard of the Beth-El group revolves around NBC protection and filtration.

A branch of this company named IsoArk specialises in isolation systems which are designed for simple and rapid set up of isolation environments. The company has developed a sizable portfolio of portable isolation chamberers and clean/sterile rooms.

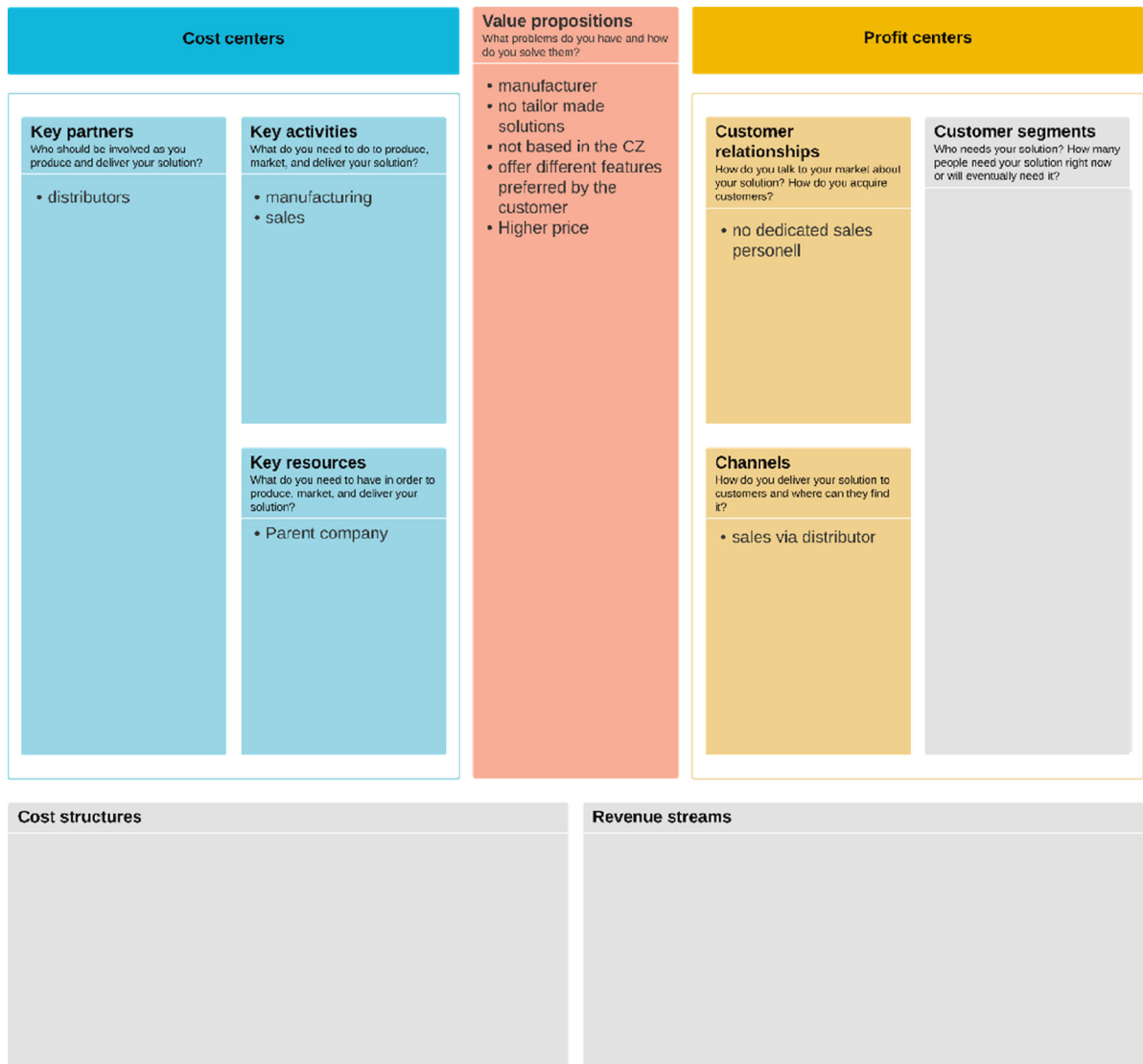
These products are advertised by the company to be used in hospitals and surgical centres because of their unique and effective medically isolated environments that are quick and simple to set up and provide cost effective solution for infectious patient isolation and care. (Beth-El, 2023)



**Figure 14: IsoArk N 36 series system air transport**  
(Beth-El, 2023)

This company competes with EGO Zlín mainly with their IsoArk N 36 series system for air transport which is a direct competitor to EGO Zlín's own product the bio-bag. While the Bio-bag is more robust solution with many benefits and a lower price in recent tenders in Czech Republic, a specific

requirement has showed up. This requires the product to have a specific capacity of air flow in litters per hour. The bio-bag has been optimised to have this number lower to save on power and battery life while still providing sufficient air exchange. Unfortunately, the specification calls for air flow which is over two times greater than current capabilities of the bio-bag. Which is the main reason why the IsoArk N 36 is outcompeting the bio-bag in Czech tenders.



**Figure 15: Differences in business model canvas Beth-el**  
(own creation, EGO Zlín)

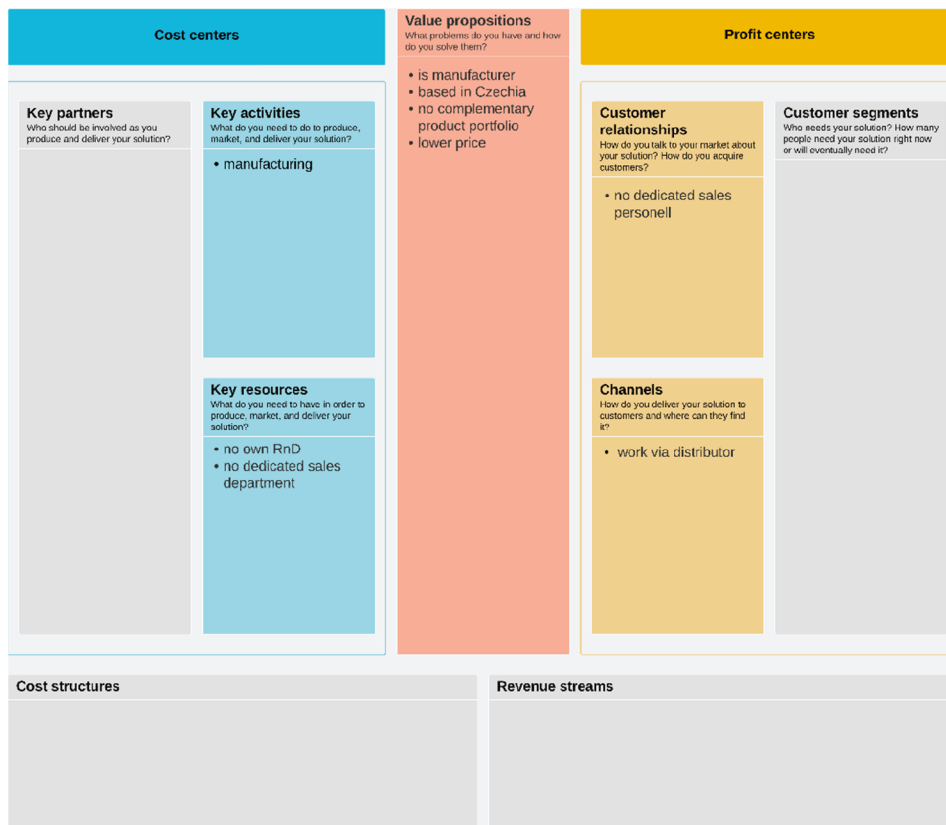


## 2.4.2 VAKUFORM s.r.o.

This company has been founded in 1994 by a former employee of EGO Zlín. They are situated in Lužkovice quite close to the EGO Zlín company. They have less than 10 employees and are a manufacturer of vacuum splinters. These splinters are very similar to the ones EGO Zlín is producing but are a bit cheaper which gives them an edge on Czech market. This company has no internet presence, and their main distribution channel is via online shops. No information can be found on their website because it is currently not functioning (Kurzy.cz, 2023).

But based on their profile on Defence and Security Industry Association of the Czech Republic website they have been able to sell their products to 8 NATO armies which would indicate they have a small sales team (AOBP, 2023).

The main advantage this company has over the company EGO Zlín is its size. Because they are only a manufacturer and majority of their staff is in production, they can afford lower margins for their products than the company EGO Zlín.



**Figure 16: Differences in business model canvas VAKUFORM**  
(own creation, EGO Zlín)

### 2.4.3 Dekonta CBRN

Dekonta CBRN is a Czech private company founded in 2017 as a daughter company of Dekonta a.s. They specialise in dealing with highly dangerous and CBRN substances, decontamination and development of methods and procedures. Furthermore, it partners with numerous Czech universities and international institutions. This company is not mainly a manufacturer. But they cooperate with other manufacturers and sell their goods. For example, on their website you can purchase the IsoArk N 36 from the company Beth El (Dekonta CBRN, 2023).

Their main advantage is the size of their parent company which is funding their operations and research. Furthermore, they can offer complex solutions due to their sizable portfolio.

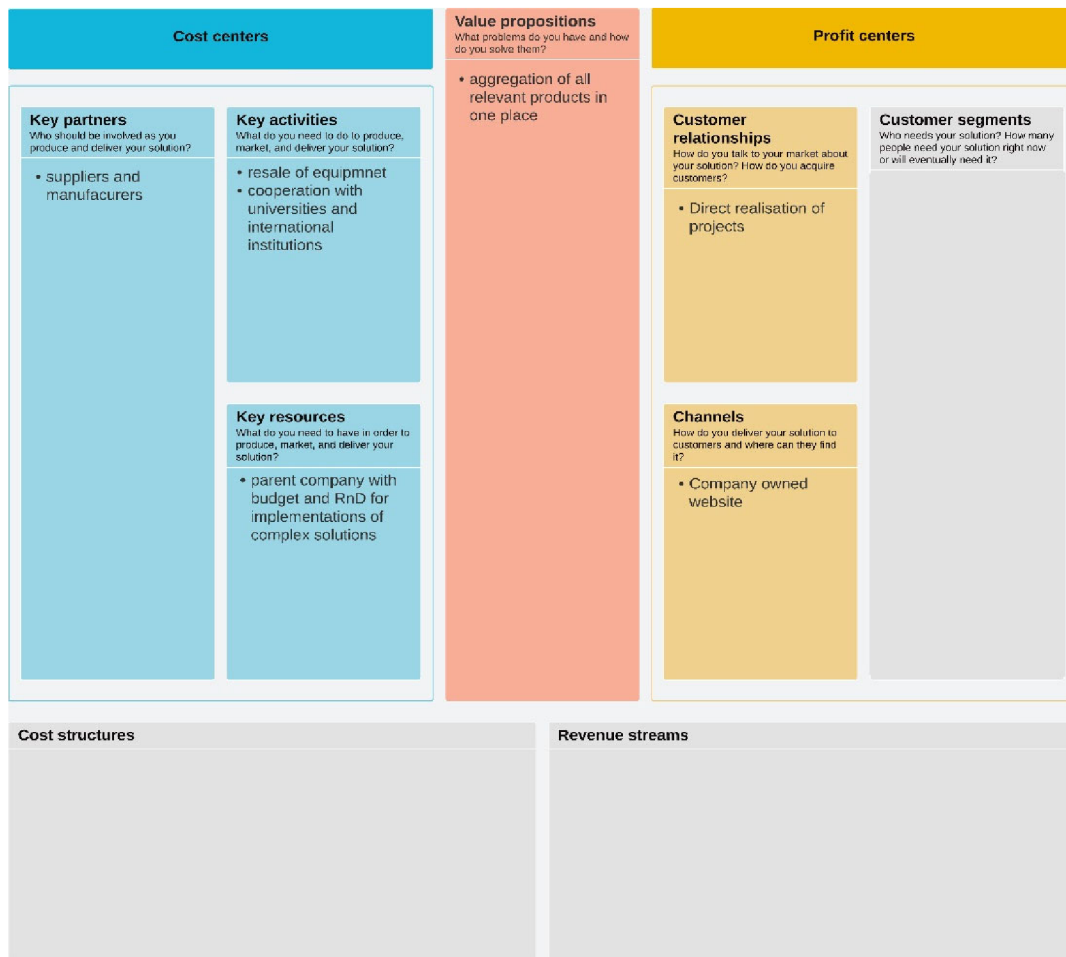


Figure 17: Differences in business model canvas Dekonta CBRN (own creation, EGO Zlín)

#### **2.4.4 Competitors summary**

The company EGO Zlín has many competitors. Some of them are more prominent than others. While there always are advantages and disadvantages with every company. For example, the EGO Zlín's Biobag is a more mature and developed product than the competitors, but because of how tenders work the unoptimized product can be selected for purchase because of higher numbers.

On the other hand, EGO Zlín is a bigger company than VAKUFORM who specializes only in production of vacuum plasters and spends very little on other businesses expenses like marketing and distribution channels. For this reason, the reach is not as big, but they are able to produce their product for a cheaper price than EGO Zlín.

### **2.5 SWOT analysis**

The main purpose of the swot analysis is to aggregate all factors which should be based on the summaries of the analytical part. This will help to narrow issues and other internal and external factors that the proposal should focus on.

#### **2.5.1 Strengths**

- Highly recognizable brand
- High quality and reliability of products
- Ability to design tailored solutions
- Based in Czech Republic
- Know-how and tradition
- Manufacturer
- Personal connections of CEO
- Own research and development
- International references
- Company thrives during crisis
- Complementary product portfolio
- Big financial reserves

### **2.5.2 Weaknesses**

- Old machinery
- Fluctuation of personal
- Underfunded marketing
- Challenging internal communication flow
- Lack of digital tools
- Lack of concrete sales strategy
- Reluctance to invest
- Rigid management
- Low motivation of employees by management
- Insufficient onboarding

### **2.5.3 Opportunities**

- Cooperation with associations to increase reach
- Relatively low competition market
- High barrier to entry
- High media coverage during crisis events
- Loyal customer base
- Small and stable customer pool
- High volume orders
- Predictable re-acquisition of products

### **2.5.4 Threats**

- Competitors copy products
- Long purchase periods
- High dependency on external environment
- Low awareness of customers
- Volatile funding in the sector
- Volatile attention

- High dependence on regulations
- High control in the sector

### **2.5.5 Evaluation phase**

The purpose of this phase is to figure out what is the importance of individual points compared to each other. Furthermore, it will select the most important points from each section. These points will then be compared to each other. For the evaluation a three-point system will be used:

- 1 means this point is more important than the one it is being compared against
- 0,5 means this point has the same importance than the one it is being compared against
- 0 means this point has lower importance than the one it is being compared against

For the opportunities and threats also a matrix table will be added. For opportunities this matrix will show the probability of success and how big the opportunity is. For threats the matrix will show the severity of the threats and the probability of their occurrence (Bazant, 2015).

### 2.5.5.1 Evaluation of strengths

Table 2: Evaluation of strengths  
(own adaptation, EGO Zlín)

	Highly recognizable brand	High quality and reliability of products	Ability to design tailored solutions	Based in Czech Republic	Know-how and tradition	Manufacturer	Personal connections of CEO	Own research and development	International references	Company thrives during crisis	Complementary product portfolio	Big financial reserves	SUM
Highly recognizable brand	x	0	0	0	0	0	0	0	1	0	0	0	1
High quality and reliability of products	1	x	0,5	0	1	1	1	1	1	1	1	1	9,5
Ability to design tailored solutions	1	0,5	x	1	1	1	1	1	1	1	1	1	11
Based in Czech Republic	1	1	0	x	0	0	0	0	0,5	0	0	0	2,5
Know-how and tradition	1	0	0	1	x	1	1	0,5	1	1	1	1	8,5
Manufacturer	1	0	0	1	0	x	0	0	0	0,5	0	0	2,5
Personal connections of CEO	1	0	0	1	0	1	x	1	1	1	0	0	6
Own research and development	1	0	0	1	0,5	1	0	x	1	0	0	0	4,5
International references	0	0	0	0,5	0	1	0	0	x	0	0	1	2,5
Company thrives during crisis	1	0	0	1	0	0,5	0	1	1	x	0	1	5,5
Complementary product portfolio	1	0	0	1	0	1	1	1	1	1	x	1	8
Big financial reserves	1	0	0	1	0	1	1	1	0	0	0	x	5

This table shows that the most important strengths of the company are:

- Ability to design tailored solutions
- High quality and reliability of products
- Know-how and tradition
- Complementary product portfolio
- Personal connections of CEO

### 2.5.5.2 Evaluation of weaknesses

Table 3: Evaluation of weaknesses  
(own adaptation, EGO Zlin)

	Old machinery	Fluctuation of personal	Underfunded marketing	Challenging internal communication flow	Lack of digital tools	Lack of concrete sales strategy	Reluctance to invest	Rigid management	Low motivation of employees by management	Insufficient onboarding	SUM
Old machinery	x	0	0	0	0	0	0	1	1	0	2
Fluctuation of personal	1	x	1	1	1	1	1	1	1	1	9
Underfunded marketing	1	0	x	0	0	0	0	0	0	0	1
Challenging internal communication flow	1	0	1	x	0,5	0,5	1	1	1	0	6
Lack of digital tools	1	0	1	0,5	x	1	1	1	1	1	7,5
Lack of concrete sales strategy	1	0	1	0,5	0	x	1	1	1	0	5,5
Reluctance to invest	1	0	1	0	0	0	x	0,5	0,5	0	3
Rigid management	0	0	1	0	0	0	0,5	x	0	0	1,5
Low motivation of employees by management	0	0	1	0	0	0	0,5	1	x	0	2,5
Insufficient onboarding	1	0	1	1	0	1	1	1	1	x	7

This table shows that the most important weaknesses of the company are:

- Fluctuation of personal
- Lack of digital tools
- Insufficient onboarding
- Challenging internal communication flow
- Lack of concrete sales strategy

### 2.5.5.3 Evaluation of opportunities

Table 4: Evaluation of opportunities  
(own adaptation, EGO Zlín)

	Cooperation with associations to increase reach	Relatively low competition market	High barrier to entry	High media coverage during crisis events	Loyal customer base	Small and stable customer pool	High volume orders	Predictable re-acquisition of products	SUM
Cooperation with associations to increase reach	x	1	1	1	0	1	1	1	6
Relatively low competition market	0	x	0,5	0	0,5	1	0	0	2
High barrier to entry	0	0,5	x	0,5	1	1	0	0	3
High media coverage during crisis events	0	1	0,5	x	0	0	0,5	0	2
Loyal customer base	1	0,5	0	1	x	0,5	1	0,5	4,5
Small and stable customer pool	0	0	0	1	0,5	x	0,5	0	2
High volume orders	0	1	1	0,5	0	0,5	x	0	3
Predictable re-acquisition of products	0	1	1	1	0,5	1	1	x	5,5

This table shows that the most important opportunities for the company are:

- Cooperation with associations to increase reach
- High barrier to entry
- Loyal customer base
- Small and stable customer pool
- Predictable re-acquisition of products

Table 5: Matrix of opportunities and their probability of success  
(own adaptation, EGO Zlín)

		probability of succes	
		High	Low
Opportunity	High	Cooperation with associations to increase reach Predictable re-acquisition of products	Loyal customer base High volume orders
	Low	Small and stable customer pool High barrier to entry Relatively low competition market	High media coverage during crisis



This matrix shows that the best opportunities for the company are Cooperation with associations to increase reach and Predictable re-acquisition of products. On the other hand, it also shows that the company should not focus on targeting high media coverage during a crisis.

#### 2.5.5.4 Evaluation of threats

This table show that the direst threats for the company are:

- Long purchase periods
- High dependency on external environment
- Low awareness of customers
- Volatile funding in the sector
- High dependence on regulations

Table 6: Evaluation of threats  
(own adaptation, EGO Zlín)

	Competitors copy products	Long purchase periods	High dependency on external environment	Low awareness of customers	Volatile funding in the sector	Volatile attention	High dependence on regulations	High control in the sector	SUM
Competitors copy products	x	0	0	0,5	0	0,5	1	0	<b>2</b>
Long purchase periods	1	x	0	1	1	1	1	1	<b>6</b>
High dependency on external environment	1	1	x	1	1	1	1	1	<b>7</b>
Low awareness of customers	0,5	0	0	x	1	1	0	1	<b>3,5</b>
Volatile funding in the sector	1	0	0	0	x	1	1	1	<b>4</b>
Volatile attention	0,5	0	0	0	0	x	0	0	<b>0,5</b>
High dependence on regulations	0	0	0	1	0	1	x	1	<b>3</b>
High control in the sector	1	0	0	0	0	1	0	x	<b>2</b>

This matrix shows that the biggest threats to the company which have the highest probability of occurrence are High dependency on external environments and long purchase periods. On the other hand, the lowest probability of occurrence and the lowest thread is that the competitors will copy the company's products.

Table 7: Matrix of threats and their probabilities of occurrence  
(own adaptation, EGO Zlín)

		the probability of occurrence	
		High	Low
threats	High	High dependency on external environment Long purchase periods	High dependence on regulations High control in the sector
	Low	Low awareness of customers Volatile funding in the sector volatile attention low awareness of customers	Competitors copy products

### 2.5.6 Evaluation of the intensity of mutual relations

Now that we have the most important points from each category, we can compare them against each other to figure out their relations. This will be done by comparing them in 4 different tables.

- 1 - indicates no relationship (ambivalence)
- 5 - close relationship, important,
- a positive sign is chosen for a positive relationship and a negative sign for a negative one.

	Silné stránky (Strengths)	Slabé stránky (Weaknesses)
Priležitosti (Opportunities)	SO	WO
Ohrozenia (Threats)	ST	WT

Figure 18: SWOT matrix  
(Smetana, 2005)

Legend:

- SO - use strengths to gain an advantage
- WO - overcome weaknesses by taking advantage of opportunities
- SW - use strengths to face threats

- WT - minimize costs and face threats (Smetana, 2005)

#### **2.5.6.1 Approaches and strategies based on SWOT analysis**

- Maxi-Max approach
  - "We will maximize our strengths and capture maximum market share"
  - Offensive business approach from a position of strength
  - Utilizing all opportunities of a strong position
- Maxi-Mini approach
  - "We will maximize opportunities to minimize our weaknesses"
  - Cautious business approach
  - Strengthening position and sharing opportunities with common allies
- Mini-Max approach
  - "We will maximize our strengths to eliminate threats"
  - Building capability to face competition
  - Investing only where advantageous
- Mini-Mini approach
  - "Mobilize all available resources"
  - Limiting production
  - Considering compromises
  - Seeking strong partner (Smetana, 2005)

Table 8: Mutual evaluation of strengths and opportunities  
(own adaptation, EGO Zlín)

s-o					
	Cooperation with associations to increase reach	High barrier to entry	Loyal customer base	Small and stable customer pool	Predictable re-acquisition of products
Ability to design tailored solutions	1	3	3	3	5
High quality and reliability of products	1	2	5	1	4
Know-how and tradition	1	4	5	3	5
Complementary product portfolio	5	3	4	2	4
Personal connections of CEO	4	1	4	2	4
					79

Table 9: Mutual evaluation of strengths and threats  
(own adaptation, EGO Zlín)

s-t					
	Long purchase periods	High dependency on external environment	Low awareness of customers	Volatile funding in the sector	High dependence on regulations
Ability to design tailored solutions	1	1	-4	1	3
High quality and reliability of products	-3	2	-3	1	1
Know-how and tradition	3	3	2	2	5
Complementary product portfolio	2	1	4	1	1
Personal connections of CEO	2	1	1	4	1
					33

Table 10: Mutual evaluation of weaknesses and opportunities  
(own creation, EGO Zlín)

w-o	Cooperation with associations to increase reach	High barrier to entry	Loyal customer base	Small and stable customer pool	Predictable re-acquisition of products
Fluctuation of personal	1	1	-5	-5	-5
Lack of digital tools	-1	1	1	-4	-3
Insufficient onboarding	-1	-3	-5	-5	-5
Challenging internal communication flow	-1	-2	-2	-1	-2
Lack of concrete sales strategy	-3	-4	-5	-5	-5
					-68

Table 11: Mutual evaluation of weaknesses and threats  
(own adaptation, EGO Zlín)

w-t	Long purchase periods	High dependency on external environment	Low awareness of customers	Volatile funding in the sector	High dependence on regulations
Fluctuation of personal	-2	-2	-2	-3	-2
Lack of digital tools	-2	-1	-1	-1	-2
Insufficient onboarding	-2	-2	-3	-3	-2
Challenging internal communication flow	1	1	1	-2	-3
Lack of concrete sales strategy	-3	-2	-1	-3	-1
					-42

Table 12: Result of mutual relations in SWOT analysis (own creation)

	strengths	weaknesses
opportunities	79	-68
threats	33	-42

## 2.5.7 Outcome of SWOT analysis

In this section the outcomes of the mutual evaluations of different points from the swot analysis will be aggregated.

### 2.5.7.1 Outcome of strengths and opportunities

The table shows that here are big mutual relationships between:

- Ability to design tailored solutions and Predictable re-acquisition of products
- High quality and reliability of products and Loyal customer base
- Know-how and tradition and loyal customer base
- Know-how and tradition and predictable re-acquisition of products
- Complementary product portfolio and cooperation with associations to increase reach

### 2.5.7.2 Outcome of strengths and threats

The table shows that here are big mutual relationships between:

- Knowhow and tradition and high dependence on regulations

### 2.5.7.3 Outcome of weaknesses and opportunities

The table shows that here are big mutual relationships between:

- Fluctuation of personal and Loyal customer base
- Fluctuation of personal and Small and stable customer pool
- Fluctuation of personal and Predictable re-acquisition of products
- Insufficient onboarding and Loyal customer base
- Insufficient onboarding and Small and stable customer pool
- Insufficient onboarding and Predictable re-acquisition of products
- Lack of concrete sales strategy Loyal customer base
- Lack of concrete sales strategy Small and stable customer pool
- Lack of concrete sales strategy Predictable re-acquisition of products

#### ***2.5.7.4 Outcome of weakness and threats***

The table shows that there were no big mutual relationships between weaknesses and threats

#### ***2.5.7.5 Outcome of mutual relations in SWOT analysis***

Based on the intensity of mutual relations of the swot analysis we can deduce the best possible approach for the company EGO Zlín. The outcome suggests that the optimal approach for the company would be to choose the strategy S-O (Maxi-max). That means that the company should utilise their strong position and adapt a strategy that would maximally utilise their strengths to fight for the maximal space on the market. However, the Maxi-mini approach could also be utilized despite being not as favourable.

## 2.6 Connection between the strengths, weaknesses, and the Business model canvas

If we plot the most important strengths and weaknesses based on the SWOT analysis on the business model canvas based on where they belong or where changes need to be made for their mitigation, we get relevant parts of the business model. On these parts should be the main focus in the proposal of changes.

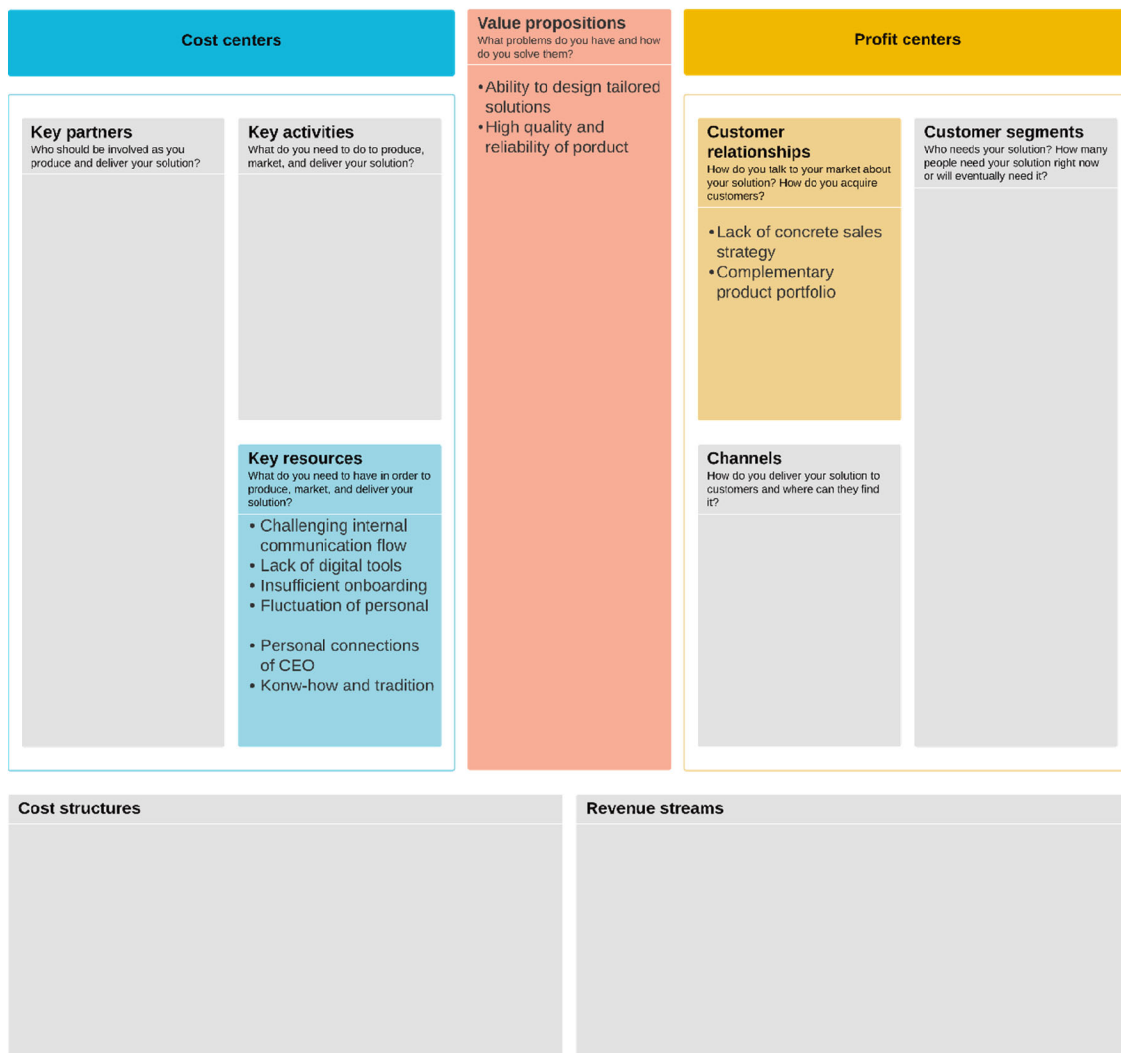


Figure 19: Connection between the business model canvas and Strengths and weaknesses (own creation)



## **2.7 Conclusion of the analytical part**

In the analytical part the company EGO Zlín has been introduced together with most important products of its portfolio.

To analyse the internal environment of the company a business model canvas was created with cooperation with employees of the company. This model was then further elaborated on, and all different parts of the business model were supplemented via a quantitative interview. And relevant internal documents were added. This was done to detect strengths and weaknesses in the business model.

To analyse the external environment of the company a SLEPT analysis has been conducted. This was done to detect opportunities and threats to the company.

These findings were then evaluated against each other in the SWOT analysis.

The SWOT analysis has revealed that the company has a strong position on the Czech market especially because of its know-how and high-quality products but also has many internal weaknesses that should be mitigated by taking advantage of the opportunities of the segment. "

Finally, business model canvas was created to chart the most influential strengths and weaknesses into relevant sections.

### **3 Proposal of solution**

This section will focus on possible improvements and changes in the business model of the company EGO Zlín. This will be done by evaluating the analysed outcomes of the SWOT analysis from previous parts of the thesis.

In the conclusion of the analysis, mainly in the Figure 15: Connection between the business model canvas and Strengths and weaknesses. We can see that the section where the company EGO Zlín has most of its weaknesses is the key resources of the company namely high fluctuation of personnel and insufficient onboarding and in the customer, relationship namely lack a concrete sales strategy. This proposal suggests the company to mitigate these weaknesses by creation of a new sales strategy for the Czech market.

Other issues within the section of key resources of the company are internal communication flow and lack of digital tools. For these reasons the second part of the proposal will suggest a process for digitalisation of the company.

Third suggestion will evolve around the employee retention and the current situation of personal contacts of the CEO and the know-how he possesses. It will formulate a method for the company and suggest a restructuration which should improve the issues in the key resources. Namely the fluctuation of personal and need for a complex onboarding guideline.

Furthermore, the analysis has shown that the company EGO Zlín has a very good position on the Czech market. The main outcome of the SWOT analysis confirms this by suggesting utilisation of this strong position and its usage to get as much of the Czech market as possible. However, the management of the company is very rigid and is highly reluctant to invest into uncertain expansions. For this reason, the solution proposal will also utilise the Maxi-mini approach. This approach is preferable by the management and also suitable for the everchanging environment the company operates in.

### 3.1 Strategy for Czech market

Table 13: Outcomes of SWOT for creation of strategy for Czech market (own adaptation, EGO Zlín)

<p>Strengths:</p>	<p>Weaknesses:</p> <ul style="list-style-type: none"> <li>• Fluctuation of personal</li> <li>• Lack of concrete sales strategy</li> <li>• Low motivation of employees by management</li> <li>• Insufficient onboarding</li> </ul>
<p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Relatively low competition market</li> <li>• High barrier to entry</li> <li>• Loyal customer base</li> <li>• Small and stable customer pool</li> </ul>	<p>Threats:</p>

There are many opportunities in the market which can be leveraged by the company to build a strong position on the market with a good strategy. However, the company has weaknesses it needs to address to be able to take full advantage of these opportunities.

#### 3.1.1 Objective

- Increase sales on the Czech market
- Create a mutual understanding between the management and employees
- Help employees to orient themselves in the environment and understand the expectations of the management

#### 3.1.2 Methods

The creation of the strategy should be done as a cooperative effort with both the employees and the management. This should ensure that the expectations and threats are mutually understood and are accounted for in the strategy itself. This will alleviate some of the pressure the employees are under and overall should create an environment of mutual understanding.

The strategy should be created based on aggregation of all relevant contacts and information that the company has. The M-projects are a great tool that can be utilised for this part.

Due to limited human resources in the company the strategy must focus only on a small portion of strategically chosen customer segments in the beginning. This should ensure that the targeted segments are sufficiently covered. However, it is crucial to select the correct segments to interact with. Based on the Table 1: Table of sales in percentage in different segments in last five years we can see that the most profitable segments for the company are medical emergency services (ambulances) and medical facilities (hospitals). For this reason, the first segments which should be chosen should be these two. Another potential segment that can be taken into consideration is humanitarian help. This segment is the only one that has experienced growth over the last three years. Furthermore, this segment has grown from being 0,4 % of the company's revenue to being 2,8 % this is seven times increase year over year which could suggest huge potential of the segment.

Next step is to create a systematic plan of approaching the segment identification of the most important contacts the company has and scheduling meetings with them. The goal of the meeting is to introduce/re-introduce the company and show the range of product the company offers and gauge their interest. Ask what the acquisition plans in the sector are and how will they be fulfilled. Also ask if there are any improvements that the products could use or if there are any specific modifications that the customer could want.

The strategy should focus on personal connections with the customer ideally face to face interactions. For this reason, the utilising of the company's vehicles for business purposes should be maximally encouraged.

### **3.1.3 Financial requirements**

Creation of a new strategy itself has no direct costs, but it will require the time and effort by both the management and the employee. If we calculate that the creation would take roughly 20 hours of mutual work by the management and the employee and calculate with the average pay for one hour 300, - CZK. The total cost for the company would be 12 000, - CZK.

The company will also notice an increase in fuel usage and in other travel related expenses which will need to be accounted for. These expenses cannot be calculated because they will be strongly dependant on destinations which will the person travel to. However, these expenses will be negligible or very small.

### **3.1.4 Evaluation**

If this strategy is implemented for the year 2023 and manages to increase sales in the three categories mentioned by 25 % which based on the Table 1: Table of sales in percentage in different segments in last five years is not and an unreasonable estimate. It would increase the profit of the company from the Czech market by 17,5 % which seem to be a reasonable speed of growth especially considering that this should relieve the employees by 75% of customer segments.

The only condition of creation for this strategy is the willingness of employees and management to cooperate on the creation of this strategy and ability to dedicate the time for creation.

## 3.2 Digitalisation

Table 14: Outcomes of SWOT for Digitalisation  
(own adaptation, EGO Zlín)

<p>Strengths:</p> <ul style="list-style-type: none"> <li>• Big financial reserves</li> </ul>	<p>Weaknesses:</p> <ul style="list-style-type: none"> <li>• Lack of digital tools</li> <li>• Reluctance to invest</li> <li>• Rigid management</li> <li>• Fluctuation of personal</li> </ul>
<p>Opportunities:</p>	<p>Threats:</p> <ul style="list-style-type: none"> <li>• High dependency on external environment</li> </ul>

One of the major weaknesses the company has is lack of digital tools. This causes a lot of communication issues and wastes a lot of valuable time on creation of documentation which could be atomised. In this sector the company is highly dependent on external environment which is highly volatile. For this reason, the management is reluctant to changes and investments. However, the company has built big financial reserves which could be consciously utilised to mitigate this problem.

### 3.2.1 Objective

- Retention of contacts
- Streamline internal communication flow
- Introduce digital tools in the company
- Save time by automatization of tasks
- Generation of reports and graphs
- Improve management of customers

### 3.2.2 Methods

The introduction of a CRM system would mitigate the problem with retention of contacts. However, the company seem to need a complex digital solution that would streamline the internal communication flow and save time by automatization of tasks.

The company should approach a small but established software implementor and cooperate with them on digitalization of work processes. If the company decides to follow this suggestion it must very strongly consider all disadvantages that come with such complex task.

Firstly, there needs to be internal consensus of the whole company both employees and management need to come to a consensus whether this suggestion should be followed. Implementation of digital tools is always highly disruptive to the established workflow. Furthermore, the benefits of these tools come into effect only after they are fully implemented and adopted which could be measured in years. Not to mention this approach is very expensive.

After the consensus is reached, the company should approach a digital integrator and start mapping its internal processes. The understanding of the company and the correct definition of needs must be carefully specified.

When the plan and all necessary materials are aggregated the slow process of adoption can be started. The first part to be implemented can be the CRM system, there is a big need for such tool, and it is relatively easy to implement because it will not interfere with any existing infrastructure. Second module will be the connection to the accounting software. This will be done for several reasons. Accounting will be the backbone of the entire structure because one of the main sources of data will be accounting documents. After this, the module for the management of the company can be created. This tool will mostly take the information from the accounting and will present it in tables and graphs to the management to make decision making easier and faster. Furthermore, this will free up time which departments had to spend on generation of such documents. Then, modules for sales department, manufacturing/storage and project management can be implemented. The modules for the sales department will be able to generate price offers and other useful documents. Furthermore, they will be used in conjunction with the CRM module to make invoice making easier. The manufacturing and storage modules will serve for monitoring of the current state. Lastly the project management software should allow the company to easily share any kinds of information and should also serve as a library of important documents and knowledge.

### **3.2.3 Timeline and Financial requirements**

Timeline for such a huge project is immensely hard to predict. The adoption of the digital system should start slowly, but with clear goals. These goals should be based on the difficulty of implementation and adaptation but should be clearly stated in the begging of adoption to mitigate dangers of unnecessarily prolonging the process and avoid additional costs. Based on the current

needs of the company the starting point can be the CRM system. This system will be introduced to the sales department and allow them to manage their contacts. This process of full digitalization of the company can take if not done responsibly a very long time possibly months and even multiple years.

The budget that is necessary is also extremely hard to predict because it needs to be done based on a concrete inquiry. However, integration of one module can be estimated to cost between 200 000 and 300 000 CZK. This means that if the company truly wants a solid solution which could consist of 4-8 modules, they should be prepared to invest at between 800 000 CZK and 2 400 000 CZK. However, this calculation does not consider the cost of the people who will be integrating the solution and the opportunity costs which will be wasted on adoption and integration of the solution.

### **3.2.4 Evaluation**

If the company chooses to undertake the digital transformation. Currently based on the SWOT analysis it is a good time for the company to invest. Furthermore, if we assume that after the solution is fully implemented and can save 10 employees only 20% of their time and we assume an average hour wage of 300 CZK. The calculation shows that this would save the company 1 200 000 CZK/year. This is of course only an estimate but based on this calculation the return on investment for the company would be 2 years. Furthermore, this estimate does not consider the opportunity gains which will be created by implementation of the system and freed up time of the employees. And other benefits like retention of contacts and easier internal communication



### 3.3 Employee retention

Table 15: Outcomes of SWOT Employee retention (own adaptation, EGO Zlín)

Strengths:	Weaknesses: <ul style="list-style-type: none"> <li>• Fluctuation of personnel</li> <li>• Low motivation of employees by management</li> <li>• Challenging internal communication flow</li> </ul>
Opportunities:	Threats:

Evaluation of weaknesses has revealed that the biggest weakness of the company EGO Zlín is employee retention. This is mainly a symptom of low motivation of employees by the management and challenging internal communication flow.

#### 3.3.1 Objective

- Mitigate fluctuation of personnel
- Mitigate need for a complex onboarding guidelines
- Retain employees with highly valuable personal connections

#### 3.3.2 Methods

The work environment in the company is highly demanding this is not only created by the swiftly changing environment the company itself operates in but also be the management of the company. The chief executive office who is also the owner of the company has founded it when he was 50 years old which was 30 years ago. Furthermore, the CEO is responsible for most of the decision making and work division within the company. This creates a lot of stress and pressure which is then transferred to the employees. This is not helped by the fact that the company is steadily growing. Another symptom of this is unclearly defined goals and expectations from the employees this creates internal conflicts and hinders employee morale.

The possible solution which can be implemented is for the CEO of the company to surrender some of the decision-making responsibilities to the management of the company. For example, the manager and the CEO would agree on possible approaches to a problem and the manager would then be free

to operate within these guidelines if a problem was to arise the manager would consult with the CEO new possible approach.

Another solution is the utilisation of the successor of the CEO to serve as an intermediary between the employees and the CEO of the company. This would not only be beneficial for the employees because they would be able to acquaint themselves with the successor, but it would also serve as a good training tool for the successor to understand the inner workings of the company.

### **3.3.3 Timeline and Financial requirements**

The handover of decision-making responsibilities should be implemented slowly, but with clearly defined goals. The CEO should decide which of the decision-making responsibilities are the most time consuming and then determine their effect on the company. The CEO should still be deciding long term direction of the company, but the day-to-day functions or decisions which do not strongly affect the wellbeing of the company can be handed over to management.

While there are no direct costs of this solution the management should be financially compensated for taking upon more responsibilities. Furthermore, this transition will not be easy and will require a lot of discussions and negotiations which will cost the company in opportunity costs.

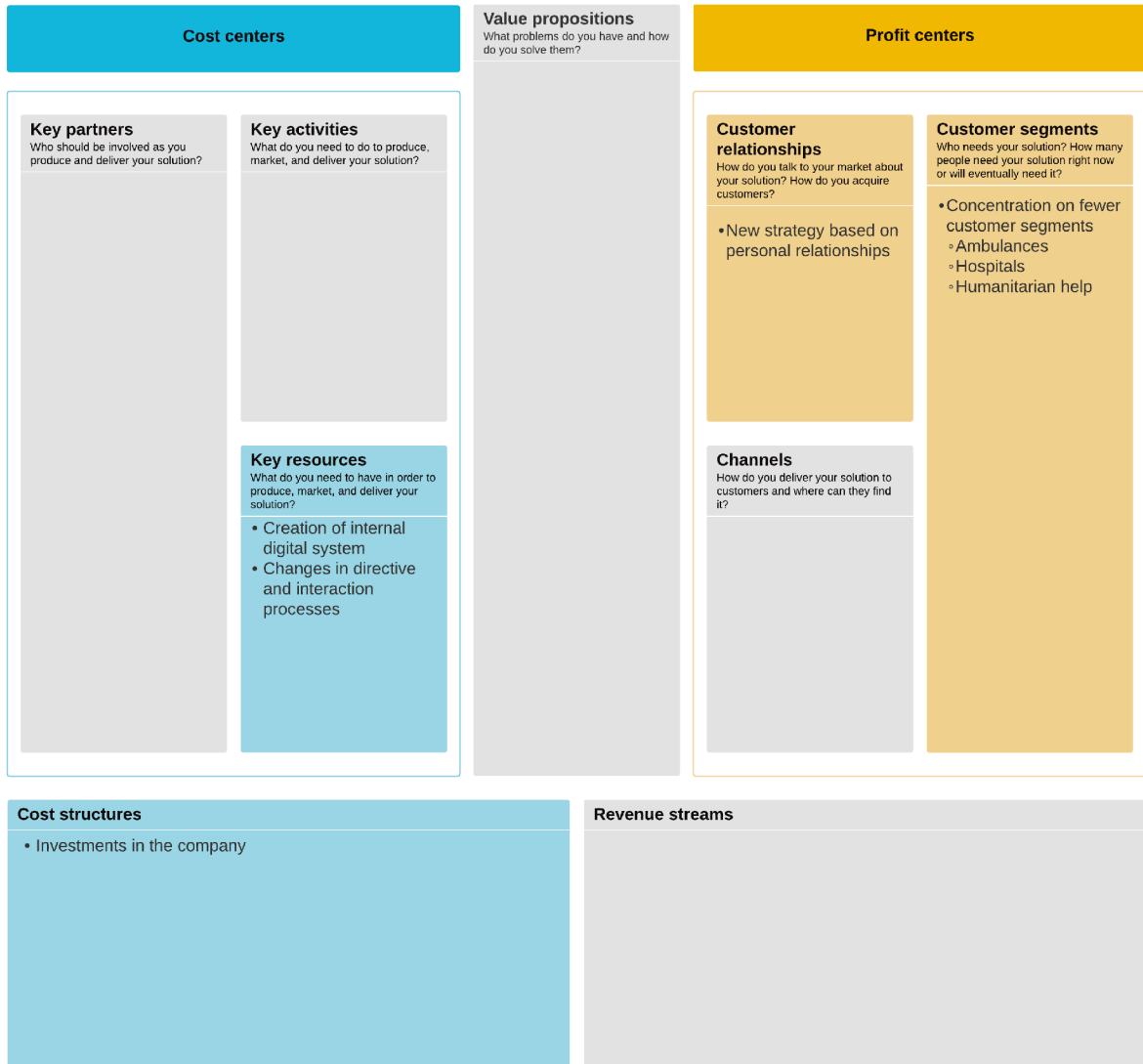
The utilisation of the successor to serve as an intermediary should be implemented as quickly as viable. The training and the knowledge that can be cultivated is immense and it would help significantly with the future transition of governance of the company to the next generation.

The opportunity costs will not be as significant for the employees, but the CEO will need to invest a lot of time to sufficiently instil knowledge and vision in the successor.

### **3.3.4 Evaluation**

The changes proposed should have a positive effect on the entire company. They should release the pressure that is currently present because of frustration and mutual misunderstanding between the employees and the management. And if these plans are executed correctly, they should also show the employees that the company will be operating in the future even after the owner decides to retire.

### 3.4 Summary of proposal



**Figure 20: Proposed changes in the business model**  
(own work)

The proposal suggests changes in these parts of the business model of the company EGO Zlin. The first proposal is to customer relationships and customer segments. The proposal suggests creating a strategy for customer interaction which would focus heavily on personal interactions and long-lasting relationships. To enable this strategy changes in the customer segments are proposed to focus companies' attention on targeting only a small number of carefully selected key customer segments

which were most profitable or show strong potential. This strategy should directly increase the percentage of sales on the Czech market.

The second part proposes changes to the key resources of the company. Creation of a digital environment in the company that would facilitate faster communication, document creation and contacts retention. Creation of such tool is an enormous investment and undertaking that is why it needs to be carefully considered. However, based on the SWOT analysis the position of the company supports big investments.

Last proposed change is also in the key resources of the company. Here it is suggested to the current directive and interaction process. This change should alleviate misunderstandings and stress which is currently in the company and secure its future growth. While these suggestions do not directly affect the company's performance on the Czech market, they should significantly free up the employees to help them focus on sales.

All these proposed changes require investment for the company so the cost structure will need to be adapted.

## 4 Conclusion

The theoretical part of the thesis has been created to introduce the tools and knowledge necessary for business development. Relevant tools like business model canvas which is the main tool of the analytical part were introduced and explained. Furthermore, important analyses like SLEPT analysis which was utilised for mapping of the external environment and SWOT were shown. Other general topics relevant to the company development were described such as what is business development itself and specifications of B2B and B2G markets.

The analytical part has introduced the company EGO Zlín, their portfolio and their business model. Then the external factors which influence the company were described in a SLEPT analysis. Relevant competitors for the company were introduced and it was explained what their advantages and disadvantages compared to EGO Zlín are.

Based on the business model strengths and weaknesses were aggregated, similarly opportunities and threats were compiled to be than evaluated against each other in a SWOT analysis to determine what are the possible proposal for the business model development of the company.

The proposal outlines several changes to the business model of EGO Zlín. The first proposal emphasizes the importance of customer relationships and suggests implementing a strategy focused on personal interactions and long-lasting connections. By targeting a smaller number of profitable customer segments, the company aims to increase sales in the Czech market.

The second part of the proposal recommends creating a digital environment within the company to enhance communication, document creation, and contact retention. Although this undertaking requires careful consideration due to its significant investment, the company's favourable position, as indicated by the SWOT analysis, supports such initiatives.

Furthermore, the proposal suggests changes to the key resources of the company, particularly the current directive and interaction process. This adjustment aims to alleviate current misunderstandings and stress, ensuring future growth. While these changes may not directly impact the company's performance in the Czech market, they are expected to provide employees with greater freedom to focus on sales-related activities.

It is important to note that implementing these proposed changes will require investments, necessitating adjustments to the company's cost structure. Overall, these recommendations aim to enhance customer interactions, streamline internal processes, and position the company for growth and success.

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## List of figures

<b>Figure 1: Value proposition canvas</b> (Strategyzer, 2023) .....	19
<b>Figure 2: Opportunities matrix</b> (Bazant, 2015) .....	36
<b>Figure 3: The threats matrix</b> (Bazant, 2015) .....	<b>Chyba! Záložka není definována.</b>
<b>Figure 5: Biobag</b> (EGO Zlín, 2023).....	40
<b>Figure 6: BioBox with attached decontamination shower</b> (EGO Zlín, 2023) .....	41
<b>Figure 7: Vacuum mattress</b> (EGO Zlín, 2023).....	42
<b>Figure 8: Business model canvas from the management and staff</b> (own adaptation, EGO Zlín) .....	43
<b>Figure 9: Graph of percentual number of sales in different segments in last five years</b> (own adaptation, EGO Zlín).....	45
<b>Figure 10: Graph of Number of sales on domestic and export markets form 2014-2022</b> (own adaptation, EGO Zlín).....	50
<b>Figure 11: Graph of expenses</b> (own adaptation, EGO Zlín).....	55
<b>Figure 12: Summary of business model canvas</b> (own creation, EGO Zlín).....	56
<b>Figure 13: Military expenditure in Ukraine from 2000 to 2022 (in billion current U.S. dollars)</b> (Statista Research department, 2023).....	59
<b>Figure 14: Targets for health risks reduction in disasters in article 30 (I) of the Sendai Framework for Disaster Risk Reduction</b> (Kocak, 2021) .....	60
<b>Figure 15: IsoArk N 36 series system air transport</b> (Beth-el, 2023) .....	63
<b>Figure 16: Differences in business model canvas Beth-el</b> (own creation, EGO Zlín).....	64
<b>Figure 17: Differences in business model canvas VAKUFORM</b> (own creation, EGO Zlín) .....	65
<b>Figure 18: Differences in business model canvas Dekonta CBRN</b> (own creation, EGO Zlín) ....	66
<b>Figure 19: SWOT matrix</b> (Smetana, 2005).....	74
<b>Figure 20: Connection between the business model canvas and Strengths and weaknesses</b> (own creation) .....	80
<b>Figure 21: Proposed changes in the business model</b> (own work).....	91

## List of tables

Table 1: Table of sales in percentages in different segments in last five years (own adaptation, EGO Zlín).....	45
Table 2: Evaluation of strengths (own adaptation, EGO Zlín) .....	70
Table 3: Evaluation of weaknesses (own adaptation, EGO Zlín) .....	71
Table 4: Evaluation of opportunities (own adaptation, EGO Zlín).....	72
Table 5: Matrix of opportunities and their probability of success (own adaptation, EGO Zlín) .....	72
Table 6: Evaluation of threats (own adaptation, EGO Zlín) .....	73
Table 7: Matrix of threats and their probabilities of occurrence (own adaptation, EGO Zlín).....	74
Table 8: Mutual evaluation of strengths and opportunities (own adaptation, EGO Zlín).....	76
Table 9: Mutual evaluation of strengths and threats (own adaptation, EGO Zlín) .....	76
Table 10: Mutual evaluation of weaknesses and opportunities (own creation, EGO Zlín) .....	77
Table 11: Mutual evaluation of weaknesses and threats (own adaptation, EGO Zlín).....	77
Table 12: Result of mutual relations in SWOT analysis (own creation).....	78
Table 13: Outcomes of SWOT for creation of strategy for Czech market (own adaptation, EGO Zlín) .....	83
Table 14: Outcomes of SWOT for Digitalisation (own adaptation, EGO Zlín) .....	86
Table 15: Outcomes of SWOT Employee retention (own adaptation, EGO Zlín) .....	89