

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Abstract of diploma thesis**

# **BUSINESS MODELS**

by

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## Summary of diploma thesis

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This diploma thesis, which is dealing with business models and its application on small enterprises, is divided into two parts.

Theoretical part comprises information explaining business models and its importance for enterprises and firms of all sizes and focuses. This part elucidates some different approaches to business model which were defined by experts as are Chesbrough, Mayure, Johnson, Zott, team who created Business Model Generation Canvas and more.

Practical part contains the case study of whole process of looking for the ideal business model for the small family business called Atelier Čarodějka whose main focus is on flowers, decorations, home decor and lifestyle. The second part is mostly focused on application of the Business Model Canvas at this particular enterprise in all its forms and with financial analysis as well. SWOT analysis and other additional analyses are used as well for better understanding and unbiased results.

Results of this diploma thesis based on the comprehensive analysis and management tools revealed that business model of Atelier Čarodějka is successfully efficient and well-designed. Atelier Čarodějka have to improve several limitations and persists on the innovations of seasonal markets.

**Keywords:** Business model, business model canvas, business plan, small business

## **Aims and goals of diploma thesis**

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The main objective of the diploma thesis is to develop a business model for a small firm called Atelier Čarodějka by bringing sustainability to this business in a long- term perspective.

The goals of this diploma thesis are to analyze the entire business of this particular enterprise with all its strengths, weaknesses, threats and opportunities according to business model canvas. The profound understanding of how entrepreneurship and business model perform in genuine world with focusing on Atelier Čarodějka and its existing model. The overall comprehension of current business model and customer segments of Atelier Čarodějka would help to improve and modify the business model, indicate which customer segments are profitable, attractive and convenient to focus on by Atelier Čarodějka, which will be formulated in graphical approach.

The overall consequence of the diploma thesis convey several recommendations for Atelier Čarodějka what to improve which would lead to capturing and delivering the best value for customers and sustainability on the market in the long- term successfully.

## Methodology

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Diploma thesis is conceived as an empirical case study. Object of investigation is small family business called Atelier Čarodějka. The thesis is divided into theoretical and practical part.

Theoretical part is focused on capturing all theoretical information necessary for the practical part acquired mainly from academic journals founded on business and management acquaintances. There are summarized knowledge of business models, different definitions prepared by distinguished authors with their permission if necessary and the whole theoretical background. The theoretical part is concluded by comparative analysis of mentioned business model for overall comprehension.

Practical part is concentrated on the object of diploma thesis, Atelier Čarodějka. Secondary sources presented mostly by investigation of private documents provided by Jaroslava Malinová are replenished by data and information from primary sources. The most important element is observation and unstructured interviewing of owner and founder of Atelier Čarodějka, Mrs. Jaroslava Malinová. This is going to provide qualitative data which are essential and significant foundation for the practical part and which includes some insight business information as well. Management tools such as empathy maps are exploited in cooperation with the team of Atelier Čarodějka which participated at brainstorming session with group discussion. The financial data from registration and from annual reports would be used for identification of major value generating factors and their use in optimal combination in the future. The main framework of the practical part is Business Model Generation Canvas which is going to be analysed based on information of interview, analyses and management techniques with members of the atelier's team and with the results from accounting books. The business model canvas is replenished by the environment and competitor analysis which are not covered in business model but which provide the overall view about business. All the results including interview, outcomes and SWOT analysis generates recommendations what suppose to be changed and improved and which would lead to sustainable growth, success of this particular firm and adaptation to the current market.

## Conclusions and recommendations to Atelier Čarodějka

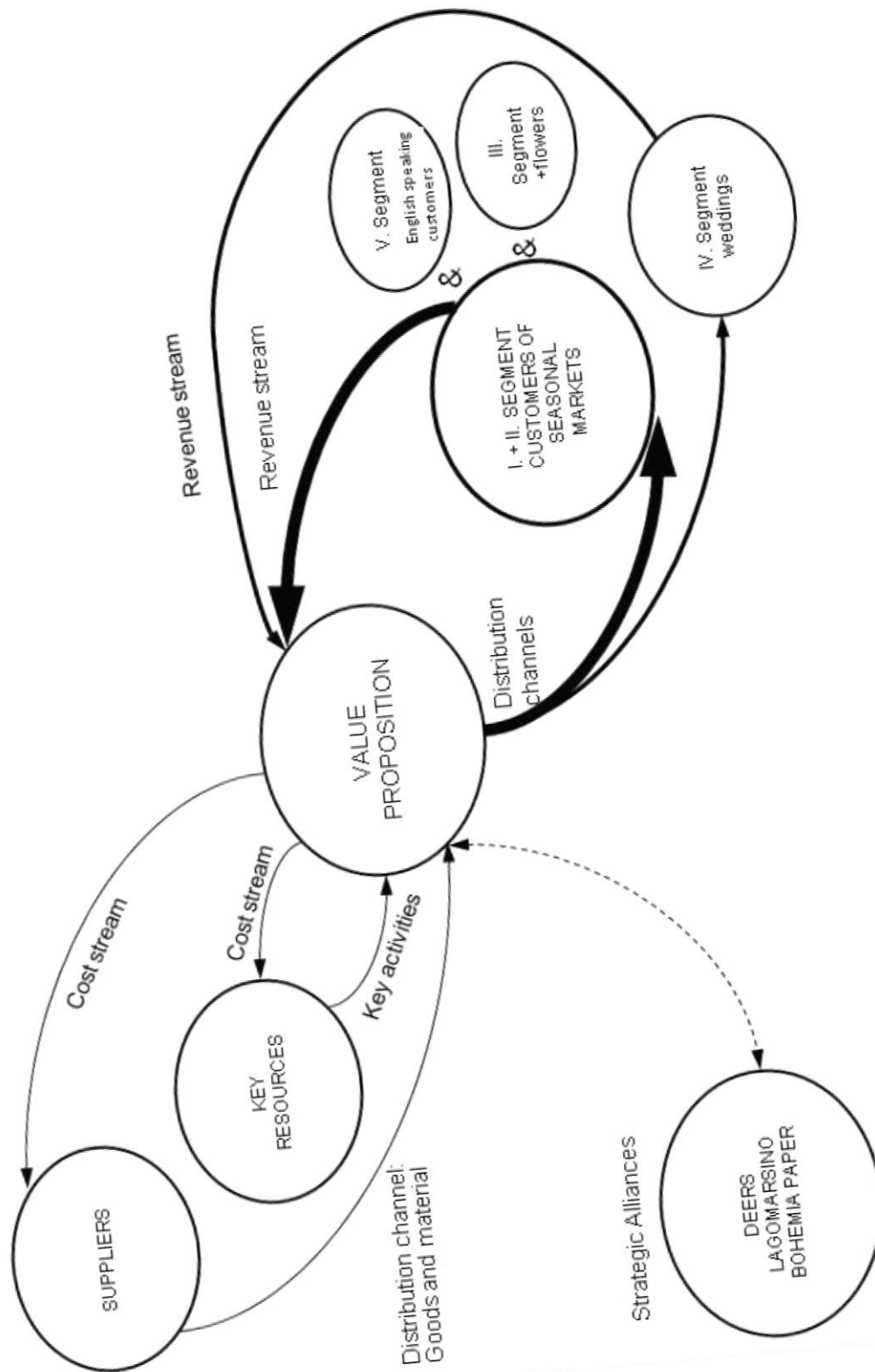
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Atelier Čarodějka has high-quality unique business model focused on unique products and services in the field of flowers, decorations and interior items for customers with whom it has an excellent relationship. The significant competitive advantage remains in the exceptional venue of the old mill in the countryside where the whole business is located and where there is also a spacious showroom.

The management of Atelier Čarodějka should consider preparation of a plan with changes about weaknesses which have to be modified into the firm's benefits and which primarily includes a payment terminal, establishing the customer relationship management through an efficient and formal database of customers which would make Atelier Čarodějka more professional than reaching customers mainly via Facebook and new advertising campaigns.

Atelier Čarodějka should continue on the established business model with seasonal markets and additional services; however, the firm should slightly modify the model and focus only on customer segments which generate the most profit, such as customers coming to seasonal markets, flower wedding services and foreign clientele, which is potential if Atelier Čarodějka chooses the right marketing targeting. The seasonal markets are generating the major value of profit mainly due to unique decorations and floristry manufactured in the atelier. The inefficient segment which does not generate profit should be merged with the most profitable second segment. That would decrease costs associated with this segment, Atelier Čarodějka would not lose clients and it could be possible to offer them superior services with a new customer experience which would modify and generate the revenue of this segment.

The firm Atelier Čarodějka with its continual improvement and innovation is capable to sustain a competitive advantage by capturing the best value for customers and maintain its position on the market in the long-term successfully. Atelier Čarodějka is going to increase its significant position on the local market; however, it is not going to be a key player if it should retain the individual approach.



Picture: The recommended business model for Atelier Čarodějka

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