

# **BACHELOR**

# **THESIS**

Business plan of a new pub in Dunajská Streda

Podnikatelský plán pro nové pohostinství v městě Dunajská  
Streda

# **STUDIJNÍ PROGRAM**

Ekonomika a management

# **VEDOUCÍ PRÁCE**

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Cílem je zpracovat podnikatelský plán pro nové pohostinství v městě Dunajská Streda na Slovensku. Plán může sloužit jako podklad pro strategické rozhodnutí o založení daného podniku.

Obsah: 1) Úvod, 2) Teoretická část - podnikatelský plán, specifiky sektoru pohostinství, 3) Praktická část - představení podniku, analýza prostředí, strategie, marketing, finanční plán, rizika, 4) Závěr

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McKeever, M. P. (2018). How to write a business plan. Nolo.  
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Aulet, B. (2013). Disciplined entrepreneurship: 24 steps to a successful startup. John Wiley & Sons.  
Daft, R. L. (2015). Management. Cengage Learning.

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# Abstrakt

Předmětem bakalářské práce je vytvoření podnikatelského plánu, který se týká založení nového pub baru v Dunajské Středě. Teoretická východiska, zejména právní úprava podnikání a struktura podnikatelského plánu, jsou hlavním předmětem první části práce. Tato teorie je pak uvedena do praxe v části, která je zaměřena na založení podniku, která je zaměřena na zahájení podnikání s prodejem piva a lihovin. Výstupem podnikatelského plánu je posouzení životaschopnosti projektu a jeho vhodnosti k realizaci.

## Klíčová slova

Podnikatelský plán, podnikání, hospoda, marketingový mix, finanční plán

# Abstract

The subject of the bachelor thesis is to create a business plan that concerns the establishment of a new pub bar in Dunajská Streda. The theoretical background, in particular business regulation and business plan structure, is the main focus of the thesis's first section. This theory is then put into practice in the section that is focused on starting a business that sells beer and spirits. The business plan's outcome is an assessment of the project's viability and suitability for implementation.

## Key words

Business plan, entrepreneurship, pub, marketing mix, financial plan

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# Introduction

A business plan is a document that describes both external and internal factors related to business activities. It helps the owner to find answers to important questions, such as where we are, what we want to achieve, what we need to do to achieve it and how much it will all cost. When drawing up a business plan, it is necessary to be aware of and take into account whether it is an existing business or whether we are introducing a completely new business to the market. For a well-functioning business, it is very good to identify the strengths and weaknesses of the business and also to identify the threats that could threaten us in the course of the business, to react to them in time and to be prepared for them. The same applies to opportunities that could benefit the business in the future. The entrepreneur should define and follow the goals of where he wants to go.

Nowadays, pubs are still outdoing each other in offering services, but at the same time, there are objects that cannot withstand the competition and end up on the market. In order for a business to be successful, the entrepreneur must put in a lot of effort, account for possible risks, be resilient to stress and above all be passionate about the cause. The entrepreneur must be ready for change, inspiration and ideas on how to differentiate himself from the competition or attract new customers, for example. Therefore, it is important to find out what the customer wants and give them something more than just the benefit of the product.

The main goal of this thesis is to create a business plan for a pub in Dunajská Streda, which has always been a big dream of mine, to share the Czech cultural experience in my hometown. The first part of this thesis focuses on the theory of entrepreneurship, it describes a business plan's structure and its individual components. The second part uses these analyses, like competition analysis, marketing mix and financial analysis in order to develop strategic plans from a marketing or financial perspective.

# **THEORETICAL PART**

# 1 Business plan

## 1.1 Entrepreneurship

Martinovičová defines entrepreneurship as a methodical, long-term, profitable, independent activity that is carried out on one's own initiative. Its objective is to value the invested assets in order to generate profit and increase the market value of the business. This is achieved by meeting the needs of customers and all other stakeholders. As a result, it characterizes entrepreneurship as a means of achieving one's own needs while also addressing the needs of others. (Martinovičová, Konečný, Vavřina 2014)

Every organization is created with the intention of carrying out its stated mission or purpose, which is to produce goods or offer services to customers. The business's mission, or mission statement, must align with the owners' perceptions of what the company does, who its customers are, what they need, and what products it will use to satisfy those needs, i.e. their vision. (Keřkovský, Vykypěl 2006)

The concept of business has several interpretations:

- Economic concept - a dynamic process that uses economic resources in such a way as to increase their original value. An investor is looked upon as someone who is an innovator and is able to identify the necessary information and use it to achieve profit.
- Psychological concept - it is a search for entrepreneurial qualities that are supposed to ensure his potential success and lead to achieving self-realization or independence.
- Sociological concept - it is a way to better create and use new opportunities with the help of creating suitable conditions for all entities affected by business.

Business as such has several basic features that are common. It is primarily a purposeful activity that entails innovative approaches, must have some added value, manages and organizes processes, and last but not least, it is a cyclical process. (Veber, Srpová 2012)

Every new entrepreneur must set a clear vision and goals that he wants to achieve in his business. Amar Bhidé defined 5 basic categories of business based on his extensive research:

- Life-style - nowadays more and more entrepreneurs work so-called "freelance". This is when an entrepreneur wants to work only for himself, and he only wants to work when

he himself deems it appropriate. These entrepreneurs want to be their own boss, even at the cost of remaining a small business that focuses only on the local market.

- Modest venture - this group is more ambitious than the previous one because they are targeting a bigger market and also making more money, but they also don't want to cross some potential limit of their possibilities, in this case it is the border of the region. Despite the fact that the entrepreneur is very enterprising, unfortunately he does not have sufficient knowledge and skills to manage a business above a certain size. This type of business tries to avoid any major competition.
- Promising venture - entrepreneurs have a clear vision and they firmly follow her. They want to be number one on the local market, some even on the regional market. They don't take big risks because they know their limitations and move only in markets where they are sure of their position.
- High-growth venture - only a small handful of entrepreneurs, and those who are already really experienced, can start such a business. Before starting a business, these entrepreneurs thoroughly analyse the market in order to find such an opportunity at all and be able to establish a business with high growth potential. In most cases, they try to dominate that market.
- Revolutionary venture - a revolutionary entrepreneur happens once in every few years. It is not enough for an entrepreneur to come up with a new product, but he must come up with a completely new concept of the business itself. Existing companies will not be able to keep up and will gradually leave the market.(Harper 2005)

## 1.2 Business plan

“a formal written expression of the entrepreneurial vision, describing the strategy and operations of the proposed venture.” (Dollinger, Marc J. 2008)

A business plan is a written document showing all the important internal and external factors that relate to starting a business or operating an existing business. These are mainly factors related to the establishment of the business and its operation within the time frame for which the plan is being drawn up. It helps the firm to answer questions such as: Where are we? Where do we want to be? How do we get there? The business plan specifies the future goals of the entrepreneur. Beginning entrepreneurs often consider creating a business plan an unnecessary activity, as they tell themselves that they have the plans in place and thought out in their heads. However, practice often shows that it is only when the intentions are of the entrepreneur are clearly written

down, it is possible to determine whether they are actually feasible and viable or whether they are just a fantasy. Moreover, this will make entrepreneurs more aware of the possible risks associated with the business and the possibility of eliminating them. There are many reasons to draw up a business plan before starting a business. One of the most typical is the discovery of the overall need for funds, the need to of external resources and the possibility of valuing them. When a business plan has already been developed, it can be used to arrange financing, find a partner or as a way to convey important information to corporate partners or employees. (Srpková, Svobodová, Skopal 2011)

When a new company is founded or whenever a company wants to make a sizable investment, a business plan can be created. It may be created for both internal and external users. The owner or management of the business are considered as the internal user. The most typical external user is either a potential investor, a bank, or another lending organization. The business plan is produced for internal use, but it is needed by outside parties as well. Many new or growing businesses frequently find it easier to come up with new ideas which they finance with their own money or with the aid of investors. The business plan is used by external users to determine whether a company is capable to calculate their finances, it is important to persuade outside parties that the project they are asked to invest in will be profitable in the long run. The decision of the project's funding sources may be impacted by the quality of the business plan. The financial plan, which is commonly regarded as one of the most crucial components of the entire plan, is therefore given a lot of attention. A description of the business plan, a list of objectives, an analysis of the markets and competitors, a description of the marketing and business strategy, and potential risks associated with the business are also included. (Veber, Srpková 2012)

The business plan, according to Synek, is the fundamental planning document that, over time, develops a picture of the future development of the enterprise, the purpose of the business, available resources, and anticipated outcomes. According to him, it serves as a tool for putting strategy into practice and quantifies and defines the goals of the entrepreneur as well as the means to achieve them. A document created in this manner primarily accomplishes two essential tasks. It can be used internally as a tactical plan of operations with the intent of serving as a planning tool and subsequently as a tool for managing the business. (Synek, Kislingerová 2010)

### **1.3 Content of business plan**

There are a lot of businesses on the market. Size, industry, management style, and legal structure set them apart from one another. Because of this, there isn't a universally applicable structure for business plans. Nevertheless, no matter the kind of business, there are some com-



ponents of a business plan that are always necessary. Depending on the objective for which the plan is being created, a business plan's structure can change. That is, based on the person for whom the document was created. (Veber, Srpová 2012). The content of the business plan should be presented at the start. The summary's purpose is to stir up the reader's interest and encourage them to read the entire plan. So that it can be quickly read and easily understood, this chapter should be written clearly and concisely. The summary needs to be written with great care and accuracy. It is advised that the summary include a simple table with the essential data. Information on the business plan, success factors, company goals, and economic target variables should also be included. (Srpová 2007).

A well written plan should have these components, according to Srpová:

- title page;
- content;
- introduction, purpose and position of the document;
- summary;
- description of the business opportunity;
- goals of the company and owners;
- potential markets;
- competitor analysis;
- marketing and business strategy;
- implementation project plan;
- financial plan;
- main prerequisites for project success, project risks;
- attachments

Such a content allows the reader to see the critical factors to consider while developing a business plan, especially the analyses to do in order to gather information and assess the likelihood that the business will succeed. (Srpová, Svobodová, Skopal 2011)

### **1.3.1 Analysis of the environment**

In the analysis of the environment, a company's actions can influence the entire marketing environment to some extent. One of the most widely used methods for analyzing the micro-environment is Porter's five market forces model, which tracks current competition, new entrants, customers, substitutes, and suppliers.

### **Porter's five forces**

An industry's attributes can be clarified using Porter's Five Forces, a model that identifies and examines five competitive forces that affect every industry. The structure of an industry is typically identified using the Five Forces analysis to formulate corporate strategy. Any sector of the economy can benefit from using Porter's model to better understand industry competition and increase long-term profitability. Porter's 5 forces are:

1. Competition in the industry
2. Potential of new entrants into the industry
3. Power of suppliers
4. Power of customers
5. Threat of substitute products (Porter 1980)

The competitiveness of a company can be generally defined as a certain the ability to compete successfully in markets (Beneš 2006). A business can improve its competitive position by taking advantage of opportunities around the company. Companies that compete with one another must operate in similar markets or offer similar goods in order to attract customers. Competitors are evaluated by using various criteria, such as whether they are better, worse, or on the same level as our business in a particular field. Sales volume, product quality, other service quality, advertising quality, prices, technology, staff quality, workload, capacity, and many other factors are a few examples of the selection criteria. Businesses in the for-profit sector as well as non-profit organizations like hospitals, art galleries, public benefit societies, schools, and municipalities are competitors. (Dvořáček, Slunčík 2012)

Competition generally means rivalry. When two or more parties want something that they can't all have, it happens. Competition is a key idea in economics and is linked to economic effectiveness. In the context of economics, competition can be free, flawless, imperfect, monopolistic, unfair, destructive, functional, oligopolistic, or global. Businesses typically engage in competitive behaviour by lowering costs or prices, differentiating services or goods, and innovating product differentiation. For customers, competition brings lower prices, an optional choice and selection and a wider offer. Competitive advantage is a source of differentiation in activities through a difference in price or relative cost. We have two options: we can perform the same tasks as our competitors but more effectively, or we can perform the tasks differently. (Magretta 2012)

The first factor is the influence of competitors who are already known to exist in the market. This impact is influenced by the industry's structure as well as the presence and volume of competing businesses. It is also impacted by the market expansion of rival companies as well as the dynamics of the market's overall growth. Exit barriers, which prevent companies from leaving the industry, also play a part. Market competitors are looking for a competitive advantage, which could be primarily of a cost/price or differentiating nature.

Potential competitors are entities that are not yet active in the sector but may enter the sector and compete with the company. The so-called barriers to entry act as a disincentive to such new competition. Overcoming barriers is related to the increase in costs incurred with the start of the business. Barriers may be, for example, legislative, technological, time-cost or marketing in nature. The lower the barriers are, the more likely a highly competitive environment exists.

The answers to the following questions may influence how strong a buyer's contract is:

- Are these customers oligopolistic or monopolistic?
- Are the consumers purchasing in large quantities?
- Do customers have a choice of inexpensive businesses?
- Can consumers make simultaneous purchases from multiple producers?
- Is vertical integration a concern?
- Can consumers produce their own inputs?

A firm's ability to control its terms of sale increases with the number of customers it has and the number of substitutes and competitors that supply the product.

By applying a similar principle, we can measure the contractual strength of suppliers according to factors such as the absence or small quantity of substitutes supplied; the industry in which we operate is not existentially important to the supplier; high supplier differentiation; the threat of vertical integration of suppliers; inability of the buyer to vertically integrate, etc.

At last, substitutes come from other industries but provide a similar type of product and the customer therefore can substitute for the product of the firm under investigation. If there are otherwise technologically substitutes or may be created, they pose a threat to the firm in the form of price competition.

### 1.3.2 SWOT analysis

The SWOT analysis is one of the most widely used and popular analyses of external, as well as internal environment. Its aim is to find out to what extent the enterprise has the right strategies and whether it is able to cope with the changing market. It aims to summarise the conclusions of the strategic analysis by strengths, weaknesses, opportunities and threats. (Jakubíková 2013)

It is an analysis that discusses the interconnected relationships between internal and external analyses. This analysis consists of abbreviations of four English words namely:

- **Strengths** – the fields in which the business is the best in, know-how of the enterprise, market share, skilled workforce, equipment of the enterprise, flexibility, adaptability, etc.
- **Weaknesses** - these are areas in which the company does not excel and became its weakness such as geographical coverage, performance, capacity, workforce.
- **Opportunities** - these are the opportunities through which a company can grow and meet its goals more effectively. But in order to use them at all, a business must identify them first.
- **Threats** - these are mainly areas that represent a certain risk for the company. An example can be a change in laws, the arrival of new competitors in the industry, technological progress, an increase in existing costs

Internal factors that we can partially control and regulate are described by strengths and weaknesses. Threats and opportunities are external factors that the business cannot control. We can adjust to them and react accordingly. (Koráb, Peterka, Režňáková 2008)

It is incorrect to think of marketing purely as advertising or other activities intended to convince consumers. Instead, marketing should be seen as a tool that assists in resolving issues in the market environment where, on the supply side, there are too many rivals competing for the attention of too few consumers. A strong marketing strategy is essential because sales and, by extension, marketing, have a significant impact on a company's ability to succeed. Establishing marketing objectives is necessary for effective business management. (Srpová, Svobodová, Skopal 2011)

### 1.3.3 Marketing

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A successful marketing strategy can be developed with the help of a business plan. The firm's marketing can be tailored to that objective once you have taken the time to determine your target customers or case types. Additionally, it helps in preventing potential problems. Will the business need more equipment or workers if it attracts more clients? Can the company react to market changes? (Rathod, S. H., Mohamedbhai, Q. 2016)

Product, price, place, and promotion have historically been the four main components of the "marketing mix," which is a foundational business model (McCarthy 1964). It has been also described as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target market" (Kotler 1999) The resources can be used to create strategies for both the short term and the long term, and the proportions in the marketing mix can be altered in the same way and differ from the product to product. The marketing mix is an effective approach primarily because it makes marketing look manageable and allows the isolation of marketing from other business operations. (Goi 2009)

An item that satisfies the demands or wants of the customer is referred to be a **product**. Products can either be physical (goods) or immaterial (services, ideas or experiences). The quality, features, benefits, style, design, branding, packaging, services, warranties, guarantees, life cycles, investments, and returns are considered while making decisions about products.

The **price** is a monetary expression of the value of the product. The viability of a business depends on the correct pricing and thereby determines its position against its consumers. The price also affects how much interest there will be in the product, because the company may lose customers if the price is set incorrectly. Pricing methods differ and are divided into 3 categories according to the criteria they use:

- Cost-based pricing - this is the simplest and most widely used pricing method. The principle is to calculate the cost of 1 product and add a profit margin.
- Demand-driven pricing - changes based on demand, the higher the demand for the product, the higher the price. Conversely, the lower the demand for the product, the lower the price.
- Competitor-driven price - is derived from the competitor's price for the same type of product or service. It is mainly used when a firm enters a market where it faces the interests of a large number of strong competitors (Foret, Melas 2021)

**Place** is defined as the "direct or indirect channels to market, geographical distribution, territorial coverage, retail outlet, market location, catalogues, inventory, logistics, and order fulfilment. Place can refer to a company's actual office space or to the channels it uses to distribute goods to customers. It is not important to the customer how the product got there, he only cares if the product is available, in the right quantity, at the right time and in the right place. Place can also refer to a physical store, but increasingly it also refers to online businesses or a telephone call centre. (Blythe 2009)

**Promotion** refers to "the marketing communication used to make the offer known to potential customers and persuade them to investigate it further" Advertising, public relations, direct selling, and sales promotions are examples of promotion elements. This activity should bring the product closer to the customer, show him its advantages and convince him that it is right for him and thus convince him to buy.(Blythe 2009)

**People** in this perspective include contact between the customer and the service provider. It therefore includes not only customers but also employees of the company. Customer-employee contact directly influences the quality of service provided. It is for this reason in particular that companies have recently been paying more and more attention to the selection and training of their employees and are thus trying to improve this aspect of sales. However, they are equally focused on setting certain rules for customers and their behaviour. Both of these aspects then form a significant part of creating a positive customer-employee relationship and, consequently, a positive customer relationship with the brand. (Vašítkova 2014)

The **physical environment** represents a large part of the customer's first impression. When purchasing services, there is an increased risk for the customer, as he cannot adequately assess its quality until he uses the service. Therefore, the material environment should partially represent the given service and its quality. It can be important for the customer, for example, in which building they are services provided, what products are applied during the service or what quality tools its employees use to perform the service. Employees' clothes, their overall appearance or smell

can also be important. All these aspects are considered by the customer before purchasing the service and it is therefore important to focus on them.(Vašítkova 2014)

**Processes** focus on how the service is delivered. Usually, as is already mentioned above, takes place between the customer and the employee, and so is very important, that the employee represents the company correctly and does not create a negative opinion about the products or the brand as such. In this interaction, it is important to focus on effectiveness interaction, providing good information about the product and its benefits or assisting e.g. administrative tasks related to the product. All these processes during the interactions need to be analysed and continuously improved, innovated or simplified.(Vašítkova 2014)

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### **1.3.4 Finance**

The financial plan, which acts as a foundation for evaluating the business opportunity, is a crucial component of the business plan. It displays the company's previous plans and activities in the form of a financial form. The total amount of capital required, its risk and price structure, the proportion of short-term and long-term assets, investment choices, and liquidity planning are all included in the financial plan. The financial plan's goal is to forecast how the company's financial situation will change. (Synek, Kislingerová 2010)

The financial plan examines all costs and potential sources of funding for them as well as the financial return and economic effectiveness of the company initiative, is a crucial component. It is important to conduct a detailed risk analysis of the plan, identify ways to lower those risks, and develop a strategy for corrective action. (Fotr 1992)

It is the entrepreneur's job to secure financial resources for the operation and development of the company, choosing the optimal capital structure with regard to the structure of the company's assets and the cost of capital, managing and financing current assets (inventories, receivables and cash), investing in the purchase of fixed assets, financial planning, regular assessment of the financial health of the firm through monitoring and analysis activities.(Veber, Srpová 2012)

A properly conducted financial analysis helps to reveal a number of important facts such as the profitability level of the business, capital structure, efficiency of asset utilization and so on.

Additionally, it is necessary for estimating and projecting future developments. Financial statements like the balance sheet, profit and loss account, and cash flow statement are sources of data for the company's financial analysis. (Knápková, Pavelková, Remeš, Šteker 2017)

An important characteristic of the analysis is that it should have an understandable and easily interpretable telling value about the economic side of the company. The output data can be presented in different units - in CZK, in percentages, in time or in dimensionless quantities. (Veber 2009)

### **Revenue and income planning**

A company's revenue is the amount of money it has earned over a certain period (e.g. month, half-year, year). In double-entry bookkeeping, no distinction is made as to whether revenue has already been collected. Therefore, we distinguish between revenue and income. The main income of an enterprise is sales revenue. The above said revenue refers to the sums of money that the company actually makes when it sells goods or services. (Veber 2009)

### **Cost and expense planning**

It is important to distinguish between costs and expenses. We refer to an outflow of funds as an expense. We speak of costs when they enter into the production of a product or service. Costs should be spent efficiently. For effective management of a company, it is necessary to distinguish the cost structure by:

- type (material, labour, energy, depreciation, etc.)
- purpose (unit, performance)
- activity (operating, financial, extraordinary)
- dependence on changes in production volume (variable and fixed). (Srpová, Svobodová, Skopal 2011)

### **Balance sheet**

Another part of the financial plan is the balance sheet, which gives an overview of the assets and liabilities, which are arranged at a specific point in time. The balance sheet, which provides an overview of the assets and liabilities as they are set up at a specific point in time, is another component of the financial plan. The fundamental purpose of the balance sheet is to provide an overview of the organization's financial statements at a specific date, which enables us to assess the entity's financial situation. An opening balance sheet, which is a list of the assets as of the entity's formation date, is created in the case of a start-up activity. (Březinová 2013)



We evaluate a company's assets from two perspectives: from the standpoint of the types of assets the company has, and from the standpoint of the sources from which these assets were acquired. Assets are divided into current assets and fixed assets. The sources from which the assets were purchased are the liabilities. These are either own resources or foreign resources. (Rubáková 2014) The sum of the assets must equal the sum of the liabilities. The balance sheet is how we find the profit or loss.

### **Profit and loss statement**

The profit and loss account is a derived financial statement and provides an overview of the generation of profit or loss during the financial year, regardless of whether actual cash receipts or cash payments are made. (Šteker, Otrusínová 2013)

Because income and expenses are combined, the income statement is different from the balance sheet. The income statement is presented vertically. Roman numerals are used to represent revenue, and capital Latin letters are used to represent expenses.

Making a profit is the main objective of any business, and the income statement reveals this. A company is profitable if revenues are higher than costs. If the situation is the opposite and costs are greater than revenues, the business has lost money.

### **Cash flow**

Both the balance sheet, which informs the firm about the state of assets and capital in the firm, and the income statement are important for capturing the economic performance of a business. Another third important accounting statement is the statement of cash flows, also called the cash flow statement. This statement presents information about the movement of a company's cash in connection with its business over a period of time. (Scholleová 2012)

A summary of past income and expenses related to the principal activities of the enterprise are monitored in the operating, investment and financial areas. The cash flow statement can also be compiled using the direct and indirect methods. In the direct method, individual items of income and expenditure. This method requires separate classification of documents. It is appropriate to be used in a shorter period of time. In the indirect method, information is used from the balance sheet and the profit and loss account. (Koráb, Peterka, Režňáková 2008)

### 1.3.5 Risk

Risk, in Srpová's understanding, is a negative deviation from the objective that has a negative effect on society. A risk analysis not only outlines the likelihood of achieving the desired results, but also allows for the preparation of steps to be taken if a risk situation arises. It helps to design preventive measures to reduce certain risks. Examples of such risk factors may be legislative change, weaknesses in the business, changes in customer behaviour, technological advances, etc. (Srpová, Svobodová, Skopal 2011)

Fotr, on the other hand, views risk as both a chance of business failure and an opportunity to produce outstanding results. A variety of factors with uncertain future developments affect a project's success. These factors are called risk factors or uncertainty factors and can be causes or sources of risk. Business risk can therefore be understood as the threat that actual results will deviate from planned results. The risk arises mainly from the fact that the values of certain factors cannot be reliably determined in the future. Although the unreliability of predicting the evolution of these factors cannot be completely eliminated, it can be reduced, for instance, by better knowledge, better tools, the use of reliable data sources, etc. (Fotr, Souček 2005)

# **PRACTICAL PART**

## 2 Business plan of Lokal Beer Pub

### 2.1 Introduction

The idea to establish a beer pub in my hometown came to my mind when I first started my studies in Prague, Czech Republic in 2016. Since I had always appreciated a glass of good, high-quality beer, I knew about the culture which surrounds this beverage in this country. Despite all this, I had a culture shock when I started to visit the local establishments. The service was much faster and competent which I was used to, the taste and the structure of the beer was phenomenal which made this drink more pleasant to consume, the prices were not high at all and the overall atmosphere of the pubs was a huge improvement compared to what I had experienced back home in Slovakia. I had a feeling that I cannot be the only one who prefers this kind of service and taste, so I thought that opening a pub in Dunajská Streda which incorporates these values in another country could be a great opportunity, which could fill out the market gap.

Lokal Beer Pub's main competitive advantage on the market is the imported, high-quality beer from the Czech Republic. It's brewed with a more advanced system being used, the same what they use in most pubs in the Czech Republic. The main goal is to create a friendly and pleasant atmosphere which will make the customers come back every time they want to have a good time, hence making revenue for the company.

### 2.2 Licence

From a legal standpoint there are two ways to operate a pub in Slovakia, either as a physical person (self-employed person) or as a legal entity registered in the commercial register (as a limited liability company). (Vargicová 2022) In both cases, a trade license is needed for the hospitality activities. In addition to the general legal conditions, it is therefore necessary to prove professional competence in order to obtain this trade. There are a few options for proving professional competence:

- Proof of education in the relevant field
- Sufficient experience in the relevant field (6 years) with a certificate
- Prove education in a related field in combination with experience in the field, Or
- Prove an officially recognized qualification or requalification for the given field.

I personally do not own any of these documents, but I will start a course regarding this industry to be able to meet the legal conditions. Until that time, I will employ someone whose qualification meets these conditions, so I don't have to wait with the starting process of the business

Lokal Beer pub is going to function as a limited liability company, which is a company whose capital is made up of predetermined contributions by partners, according to the Slovak Commercial Code. (section 1, § 105)

The next step is to register a trademark, which is any sign, consisting mainly of words, including personal names, colour, drawing, letters, numbers or the shape of the product or its packaging, if it is capable of distinguishing the products or services of one person from the products of another for the logo of the bar (in the register of the Industrial Property Office). The validity of the trademark is 10 years and it can be extended for another 10 years (upon request). (Law no. 506/2009) With the registration fee, the online registration of the pub's logo will cost 96 € compared to the 166 € for the written registration.

## 2.3 Labour, style of management and organisation

Besides of the Czech beer, Lokal Beer pub's competitive advantage has to be its excellent and quick service which makes people become frequent customers, so it is crucial to have a competent, hard-working staff members with a few years of experience, who can handle the traffic and the occasional pressure, mainly on Fridays and Saturdays when the pub is full.

Finding the right personnel for the job is not an easy task, however there are a few strategies which can be used:

**Compensation** - providing the right benefits and paying employees fairly, while keeping an eye on industry norms. Along with salaries, fair compensations also includes benefits like paid time off, health insurance, and bonuses.

**Workplace** - setting up a welcoming and comfortable work environment increases the chances of attracting the most capable people for the job. The goal is to create a business culture which makes the workers feel that they are part of something bigger and can work as a team, eventually they can come up with ideas on how to make operational processes more efficient and with suggestions on what to improve further. This can help to even reduce the costs of the pub and also to innovate. There will be teambuilding days and parties in order to improve the morale of the staff

**Reward system** - the management's job is express gratitude to make employees feel appreciated for going above and beyond. Additional benefits can be offered as a sign of appreciation, extra days off, tickets for an event, or a bonus if the daily revenue exceeds a certain amount. In our case, the waitresses will keep all the change from customers, which will be evenly distributed among them.

Lokal Beer Pub has a capacity to host for 60 people. For this amount of customers, the staff consists 5 employees plus the manager/owner. One of the employees has a full-time contract, the most qualified person from the group. Our opening hours are from 15:00 until 23:00 from Monday – Thursday. These are workdays, so we do not expect a lot of traffic in this time period, so it would not be financially profitable to have more than 1 person working during daytime. On Friday it opens at 15:00 as well but closes one hour later at midnight, due to the expected heavier traffic. From 18:00, one or two employee starts his/her shift to help out. The service of the specific tables is divided between them, everybody has the same tasks, which is taking the order, cleaning after a table opens up, answer phones for reservations, and close the pub, which means cleaning it and taking care of the accounting, closing the cash register. The pub is open on the weekends from 12:00 until 12:00 on Saturday and 11:00 on Sunday. Ideal candidates for the 4 part-time positions are students who can assist over the weekends while they are in school and more frequently during the week during the summer, when we have the most customers. Depending on the season and their hours, the employee with a full-time contract receives a compensation of 1200 €, while the other 4 receive a wage of 500 €. The main waitress is responsible for training the new employees, she/he is in charge when the manager/owner is not present.

## **2.4 Porter's five forces**

### **2.4.1. Competition in the industry**

As direct competitors, I consider establishments which serve beer produced in the Czech Republic. There are 4 businesses in Dunajská Streda and surroundings which meet with this criteria, I will first introduce and compare them as best as possible with Lokal Beer Pub in terms of price, quality of service, staff, availability, environment, communication and flexibility.

### **Nosztalgia bar**

The location of this bar is possibly the best in the city. A charming garden was added to an old, 50-year-old building, creating a wonderful atmosphere in the summer. They can accommodate the most guests during out of the pubs when the weather is nice outside, roughly 70. The pub offers two kinds of beer from the brand Svijany, which is also a Czech brewery. The lighter, Svijany 10°, costs 1,30 €, and the stronger Svijany 12° costs 1,50 €. Their biggest drawbacks are that the service is slow, lazy, and forgetful, and the beer has a metallic aftertaste.

### **Tilos Beer pub**

It is situated right in the middle of the city and is flanked by other businesses. Both Budvar and a craft beer of some kind are always available on tap. Service and client interaction are their biggest strengths; there is always something fresh and interesting on their social media platforms. A few times a year they organize mini beer festivals where they sell their own beer, which is a great marketing tool for attracting new customers. Their biggest drawback is that they only have enough room for 20-30 people inside, thus it is more visited during the warmer months. They have Budvar on tap which cost 1,40 € and their craft beers are usually more expensive, around 2 € or more.

### **St. Patrick Irish pub**

Although the owners of this bar have only recently entered the market, they have extensive experience in the industry as this is their second operation. Their first year was really amazing; they offered a wide selection of high-quality beers, and the food was also excellent. Unfortunately, they were unable to maintain their initial momentum; their food is subpar and they only offer three types of beer. I think it was not worth keeping so many barrels of beer open, the demand was not so high for them, so they kept the ones which people ordered the most. Since the service is constantly changing, a consumer cannot really predict whether his visit will be enjoyable or not. It is also centrally located, on the promenade next to the courthouse. Given that it is a sports bar, the ambiance is frequently intense. Their beer is also Budvar and it costs 1,50 €.

### **Park bistro**

With plenty of room and a good decor, this institution combines elements of a restaurant and a bar or pub. Its location is its largest competitive advantage because it is close to basketball courts, a park, and football and handball stadiums. Krušovice, a standard Czech beer with nothing special,

is available on tap for 1,50 €. Like its rivals, it is not primarily focused on beer; instead, many visitors eat there and drink wine or cocktails.

Other than these four companies, the city is home to approximately 15-20 pubs that are our direct rivals. However, these bars draw in clients with their low prices on alcohol and their established customer bases. Individuals who value good taste and favour quality over quantity are the people we want to reach.

### **2.4.2 Potential of new entrants in the industry**

It is only a matter of time before new incoming competition appears in the market. All you need to start a business is a trade license and the documents required to establish a limited liability company, premises and equipment. But many interested parties are quickly discouraged by the initial investment in purchasing the machines, and the stressful situations which come with managing a pub or an establishment

### **2.4.3. Power of suppliers**

Before starting the business itself, it is necessary to find suitable suppliers of goods, which will serve as a key attraction for new customers, and without the pub would be impossible to operate. We will need at least 2 suppliers, mainly for the beer and alcohol.

For the beer, the main supplier will be Luch Pezinok, which is one of the biggest alcohol and beer importers in the country, and most importantly the only supplier of the products of Únětické brewery. Their biggest advantage is that they have free delivery if the order costs more than 120€, saving a lot of time and energy for us. It is important to have a good business relationship with them because of their monopoly situation on the market.

Paradiso Slovakia is a local wholesale company with a lot of products, including groceries and lot of types of alcohol, they have free delivery as well. I know them personally, they have been on the market for 30 years, it is a reliable company to have a partnership with.

### **2.4.4. Power of customers**

Dunajská Streda is a city with a population of roughly 22 700 people, 18 858 adults who are potential customers. (Dunajská Streda, Slovensko — statistika) The average annual consumption of pure alcohol in the Slovak Republic is 11.1 litres, or roughly 2.3 bottles of wine or 4.3 litres of beer.(OECD 2021) The city and the whole area is rapidly expanding due to the closeness of the



capital, people from the whole country are moving in. The rent and the property/construction costs are much lower compared to Bratislava and with the construction of a new highway it's possible to get to the capital around 30 minutes. This might be a great chance to keep growing and try to connect with the new residents. Another big target group can be the large number of tourists, mostly from the Czech Republic, who spend their holidays in the city's spa. These tourists could be a sizable potential market that the company could target in order to generate revenue that does not only come from locals, considering the fact that the Czech Republic is one of the leaders of the world in beer consumption. It is safe to assume that there may be a significant opportunity to reach them, particularly with a Czech-styled pub serving authentic Czech beer. Other bars miss out on this market because they do not make much of an effort to draw in these customers. Threat of substitute products

### **2.4.5. Threat of substitute products**

As a substitute we can include any establishment which does not specialize particularly in selling quality beer, like cocktail bars, wineries or nightclubs.

## **2.5 Swot analysis**

### **Strengths**

- friendly environment
- unique beer on tap
- excellent service
- outside seating
- good location

### **Weaknesses**

- A small selection of alcoholic beverages
- no food available
- bad image of the place from the previous business

### **Opportunities**

- growing population
- expanding the product portfolio according to current trends
- adding food on the menu
- event management

### **Threats**

- poor communication to new customers about the newly created pub
- new pubs in the area

- Opening of a new competing pub in the area

## 2.6 Marketing mix

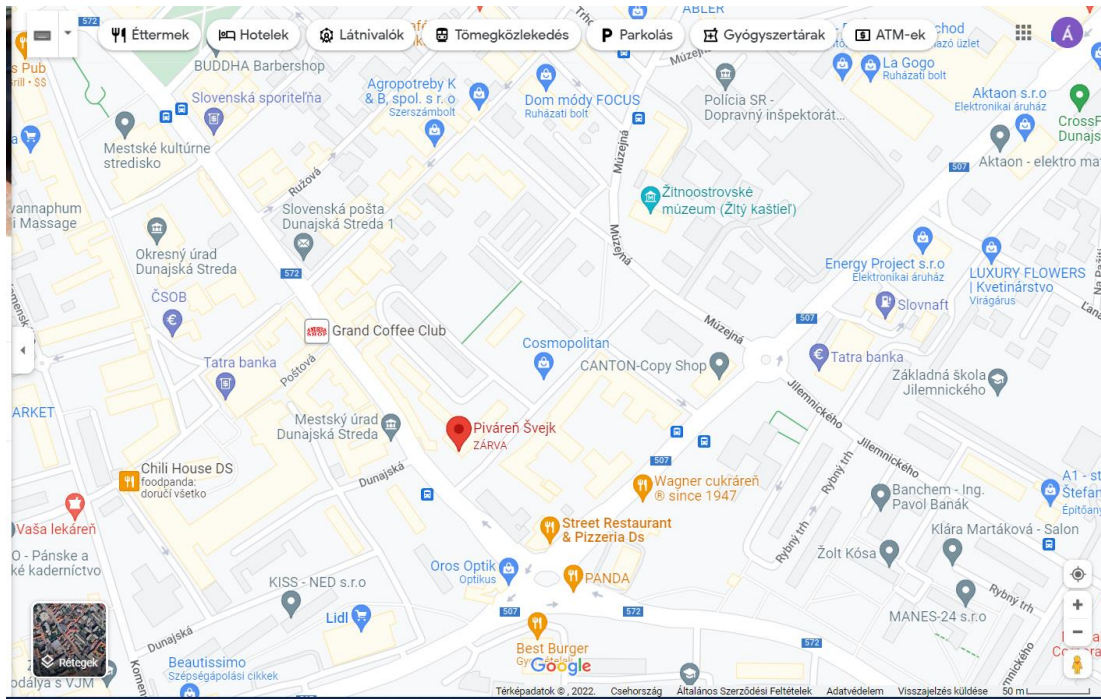
For my marketing plan, I chose the simplest, most popular and at the same time the most used 7P concept, which is used in the case when a company offers services.

**Product:** Lokal Beer Pub's main product is tapped beer from the Unětice Brewery, Czech Republic for an available price. It is a small brewery just outside of the country's capital, Prague. It was built in 1710, and for a long time it was the third biggest brewery in the region. Two of their main beers will be on tap in the pub, Únětice 10° which is a lighter beer with a 4% alcohol and the slightly stronger Únětice 12° with a 5,1%. In 2012 Únětice 10° received an award as the best beer in its category, and Únětice 12° ranked 3rd among twelve degree beers in survey. The history of the brand and its award winning products are a very relevant part of the pub's marketing communication, we want to introduce the Czech Republic's beer culture to our customers and remind them of the origins of the beer they are consuming in the pub. The beer is served in a authentic Únětice beer glass, which is different from the glasses commonly used in the region and attracts the attention of people who are unfamiliar with this beer.

For those, who do not like beer, the pub offers wine, basic cocktails like gin and tonic, rum and cola, vodka-juice and hard liquors like vodka, rum, whisky, brandy and gin. The portfolio of non-alcoholic products includes coffee, tea, tapped Kofola and different kinds of soft drinks. From the marketing perspective these products are not so relevant, we want beer to become our number one attraction.

**Place:** The pub's location will take place on the main street of the city, across the city hall. Due to the fact that Dunajská Streda is a small city with walkable distances, the pub's location makes it very accessible from everywhere. It is easy to access it by car as well, there are many parking spaces in the vicinity, although parking itself is charged on weekdays until 17:00. It is located in the city centre, close to many restaurants, coffee shops, and bars, where traffic is especially congested on weekends, when most of the customers are expected to use our services. The building itself used to be a Czech styled pub called "Švejk" for 30 years, with a lot of loyal customers. It was closed due to personal problems with the owner. The building is the ideal foundation for creating a renovated, more modern pub because of its cosy, nostalgic atmosphere that is reminiscent of the old Czech pubs. Its covered terrace, which is ideal for drawing customers in during the summer even when it's raining outside, is one of its biggest advantages. Despite the higher

prices and a slightly more modern atmosphere, there is a good chance that some of the old customers will return because of its reputation in the city. The location is favourable from the tourist's perspective, it is a 15-20 minute walk from the spa's area, or 2 minutes by car.



Obrázok 1: Map of Dunajská Streda, SOURCE: Google Maps



Obrázok 2: the old Švejk, SOURCE: facebook.com

**Promotion:** Lokál Beer Pub's financial situation prevents it from making regular marketing investments, unlike large restaurant chains, although it will be advertised through a variety of marketing channels. Online promotion, specifically on content and search, is the only regularly paid form of advertising that makes use of marketing agencies. Utilizing an agency has the benefit of using its knowledge and experience while developing electronic promotional materials. However, this type of promotion can be done independently within the management of the pubs in order to cut costs.

Since the pub's main customer base is people from Dunajská Streda and the surrounding villages, there is no need for a big marketing campaign, which would come with huge costs, a starting business simply does not have the financial resources for it. Our main marketing channel will be the online platforms, however, if we want to target the tourists in the spa area, an online campaign might not be enough, considering the fact that a lot of these people are elderly, they do not use as much social media, but maybe they would be open to a good beer. Making a deal with the spa and posting some flyers about the pub where everyone can see them might be a good

idea. Locals who work there would eventually learn about the pub's existence and be able to tell customers about it when they ask for information about restaurants or nightlife in the city.

Most of the marketing communication to the customers happens on social media, more specifically on Facebook and on Instagram. On Facebook, the basic information about the pub is displayed like the location, contact information, pictures of the pub and the drink menu. Our followers are notified about every news regarding the products and every week a picture is uploaded about the life of the pub, the goal is to connect with the customers. Another great way for connecting is to share "behind the scenes" stories on Instagram or to upload funny content about the staff workers. A Facebook page that informs potential customers of the establishment's existence must be ready before it opens. In an effort to expand our audience, a game will be introduced in which we will choose three people at random from among those who shared our page and reward them with a basket full of unique beers.

The small community in the area is another significant deterrent to investing in marketing campaigns, in addition to costs. Our mission is to satisfy our customer's needs with our beer and service because word-of-mouth advertising is the best form of marketing for businesses.

**Price:** Our prices are a little higher than at other places in the city, nevertheless this is most unique tap beer in the area. A big glass of Únětice 10° costs 2 €, the stronger one, Únětice 12° costs 2,20 €. A local distributor sells 50l barrels of each beer for 88 and 101 €. There is no delivery fee if the order exceeds 120 €, so it would be a perfect partner for Lokal Beer Pub. Our hard liquor will be sold for 2,50 € on average, and the soft drinks for around 2 €, which is the price for them in the city.

**People:** An indispensable component in the provision of services are people, without whom the pub could not function effectively. These are the employees who make the establishment work properly and they are the ones who ensure the smooth running of the business. Employees are responsible for the quality of services, so it is very important to have a qualified staff.

**Process:** The process refers to the provision of services and satisfaction of customer needs, which begin at the entrance to the pub. As the customer comes gets into contact with the staff, it is therefore very important that the waitresses have a pleasant demeanour, know how to communicate well, and above all that they pay sufficient attention to customers. It is necessary to establish a good relationship right from the start, so that the customer feels good being in the pub and remains loyal to us.

**Physical evidence:** The customer's perception with Lokal Beer Pub is strongly influenced by the characteristic Czech design, which is dominant in the whole establishment. The wooden tables and decorations, nice copper beer tap and the unique beer glasses all make the impression of a pub which concentrates mostly on beer.

A negative element of the environment may be for some customers the history of the pub, it used be a place which was often visited by some shady people and alcoholics, it was not very appealing for the younger generations or for people who are judgemental against these kinds of places. With the right communication towards our customers, after some time it won't be perceived like its old self.

## 2.7 Financial plan

In this part, which is important for determining whether the business is capable of generating profit and thus being sustainable, the method of its financing is given, the costs associated with the establishment and operation of the business are itemized, the sales estimate is calculated and the return of the own investment, if any. In addition, statements such as the balance sheet, profit and loss statement and cash flow are also presented here.

At the beginning, the company calculates the costs that it has to spend on formal duties, marketing, additional purchase of appliances that are not part of the furnished premises, first month's rent, utilities and instalments, etc.

*Tabulka 1: Estimation of initial costs, SOURCE: own processing*

<b>Establishment cost</b>	<b>Cost/month</b>	<b>Cost/year</b>
Administrative fee for registration of the company	300,00 €	x
Fees for official verification of signatures	16,50 €	x
<b>Total</b>	<b>316,50 €</b>	<b>x</b>
<b>Renovation costs</b>		
building modifications	5 000,00 €	x
painting	500,00 €	x
decoration	400,00 €	x
<b>Total</b>	<b>5 900,00 €</b>	<b>x</b>
<b>Costs associated with starting a business</b>		
rent	1 000,00 €	12 000,00 €
energy	220,00 €	2 640,00 €
bank fees	28,00 €	336,00 €
salaries	4 210,77 €	50 529,24 €
maintenance	40,00 €	480,00 €
insurance	100,00 €	1 200,00 €

internet/phone	25,00 €	300,00 €
<b>Total</b>	<b>5 623,77 €</b>	<b>67 485,24 €</b>
<b>Marketing costs</b>		
banner	100,00 €	x
flyers	50,00 €	x
social media ads	70,00 €	x
logo and title	100,00 €	x
<b>Total</b>	<b>320,00 €</b>	x
<b>Material</b>		
office supplies	30,00 €	360,00 €
inventory	5 065,00 €	60 780,00 €
<b>Total</b>	<b>5 095,00 €</b>	<b>61 140,00 €</b>
<b>Total costs for starting the business</b>	<b>135 161,74 €</b>	
<b>Total recurring costs</b>	<b>128 625,24 €</b>	

The total costs at the beginning will be 135 161,74 €. The business will not take a loan from a bank, my family's other business will provide 22 000 € which will be paid back in the future. This transaction will not be described in the financial plan.

Tabulka 2: Inventory costs, SOURCE: own processing

Equipment costs	Amount	Price/Amount	Total price
bar stools	15	35,00 €	525,00 €
chairs	25	40,00 €	1 000,00 €
benches	8	50,00 €	400,00 €
tables	15	200,00 €	3 000,00 €
bar top	1	150,00 €	150,00 €
bar tables	4	150,00 €	600,00 €
shelves	4	35,00 €	140,00 €
cupboards	2	170,00 €	340,00 €
lockers	2	50,00 €	100,00 €
<b>Total</b>			<b>6 255,00 €</b>
<b>Devices</b>			<b>Price</b>
dishwasher			1 200,00 €
coffe maker			500,00 €
tap equipment			2 000,00 €
refrigerator			600,00 €
speakers			800,00 €
cash register software+hardware			2 000,00 €
<b>Total</b>			<b>7 100,00 €</b>

Bar equipment costs	Amount	Price/Amount	Total price
beer glasses	100	2,00 €	200,00 €
wine glasses	100	1,80 €	180,00 €
cocktail glasses	30	1,70 €	51,00 €
whisky glasses	35	1,00 €	35,00 €
tea glasses	35	1,50 €	52,50 €
coffee glasses	40	1,50 €	60,00 €
shot glasses	50	0,80 €	40,00 €
glasses for soft-drinks	70	0,50 €	35,00 €
pitchers	8	8,00 €	64,00 €
beer coaster	120	0,20 €	24,00 €
knives	5	4,20 €	541,50 €
coffee plates	40	0,40 €	903,00 €
<b>Total</b>			<b>2 186,00 €</b>
<b>The value of inventory in the premises</b>			<b>15 541,00 €</b>

Tabulka 3: Balance sheet, SOURCE: own processing

Assets		Liabilities	
<b>Long-term assets</b>	<b>20 038,00 €</b>	<b>Own equity</b>	<b>30 000,00 €</b>
long-term tangible assets	20 038,00 €	basic capital	30 000,00 €
<b>Current assets</b>	<b>9 962,00 €</b>		
inventory	3 108,00 €		
bank account	6 854,00 €		
<b>Total assets</b>	<b>30 000,00 €</b>	<b>Total liabilities</b>	<b>30 000,00 €</b>

Tabulka 4: Salaries, SOURCE: own processing

Employees	Contract	Salary	Cost/month	Cost/year
main waitress	full-time	1 500,00 €	2 028,00 €	24 336,00 €
student waitress	part-time	500,00 €	727,59 €	8 731,08 €
student waitress	part-time	500,00 €	727,59 €	8 731,08 €
student waitress	part-time	500,00 €	727,59 €	8 731,08 €
<b>Total</b>			<b>4 210,77 €</b>	<b>50 529,24 €</b>

Tabulka 5: Cost of inventory, SOURCE: own processing

	Únětice 10° (50l)	Únětice 12° (0,5l)	Wine (0,7l)	Spirits (0,07l)	Coffee/tea	Soft drinks (0,4)
<b>Quantity</b>	25	20	40	20	200	150
<b>Price/quantity</b>	88,00 €	101,00 €	6,00 €	15,00 €	0,70 €	1,10 €
<b>Cost/week</b>	550,00 €	505,00 €	60,00 €	75,00 €	35,00 €	41,25 €
<b>Cost/month</b>	2 200,00 €	2 020,00 €	240,00 €	300,00 €	140,00 €	165,00 €
<b>Cost/year</b>	26 400,00 €	24 240,00 €	2 880,00 €	3 600,00 €	1 680,00 €	1 980,00 €



Total cost of inventory/year 60 780,00 €

The costs calculated so far represent a realistic variant of the estimated costs. However, there may be a situation where my estimate was not correct and the cost will be either higher or lower. For this reason, in table no. 6, I calculated an optimistic variant, where I estimate 20% lower costs, and then a pessimistic one, where, on the contrary, I add 20% to the realistic costs.

*Tabulka 6, Realistic, optimistic and pessimistic cost estimations, SOURCE: own processing*

Years	Realistic	Optimistic	Pessimistic
1	60 780,00 €	48 624,00 €	72 936,00 €
2	63 819,00 €	51 055,20 €	76 582,80 €
3	67 009,95 €	53 607,96 €	80 411,94 €

I base my sales revenue calculations on the average price for each product type. The number of customers is again based on an estimate of traffic. Over the next few years, I assume that sales will increase by at least 10% year over year. The final estimate, in turn, is expressed in the pessimistic variant, where I assume 20% lower sales and in the optimistic variant, on the contrary, 20% higher sales - in the case of an incorrect estimate. also assuming a rise of 10%

*Tabulka 7: Revenues, SOURCE: own processing*

	Únětice 10° (50l)	Únětice 12° (50l)	Wine (0,7l)	Spirits (0,07l)	Coffee/tea	Soft drinks (0,4)
<b>Quantity</b>	25	20	40	20	200	150
<b>Price/quantity</b>	200,00 €	220,00 €	14,00 €	40,00 €	2,00 €	2,50 €
<b>Revenue/week</b>	1 250,00 €	1 100,00 €	140,00 €	200,00 €	100,00 €	93,75 €
<b>Revenue/month</b>	5 000,00 €	4 400,00 €	560,00 €	800,00 €	400,00 €	375,00 €
<b>Revenue/year</b>	60 000,00 €	52 800,00 €	6 720,00 €	9 600,00 €	4 800,00 €	4 500,00 €
<b>Total revenue</b>	<b>138 420,00 €</b>					

Tabulka 8: Realistic, optimistic and pessimistic revenue estimations, SOURCE: own processing

Years	Realistic	Pessimistic	Optimistic
1	138 420,00 €	110 736,00 €	166 104,00 €
2	152 262,00 €	121 809,60 €	174 409,20 €
3	167 488,20 €	133 990,56 €	183 129,66 €

## Statements

I made an estimate of costs and revenues for 3 situations - realistic, optimistic and pessimistic. I wanted to clearly show how it can manifest itself if my estimate is not correct. When creating reports and evaluation of the financial plan, however, I only work with a realistic variant.

The income statement or profit and loss statement is presented in a simplified form in table no. 9. The company achieves a positive economic result already in the first year of business.

Tabulka 9: Final balance sheet, SOURCE: own processing

	31.12.2022	31.12.2023	31.12.2024
<b>ASSETS</b>	25 747,00 €	43 634,69 €	55 078,30 €
Inventory	16 029,74 €	15 168,41 €	1 154,30 €
Bank account	9 717,26 €	28 466,28 €	53 924,00 €
<b>LIABILITIES</b>	25 747,00 €	43 634,69 €	55 078,30 €
Own equity	22 000,00 €	22 000,00 €	22 000,00 €
PROFIT/LOSS	3 258,26 €	18 749,03 €	28 387,35 €
state	488,74 €	2 885,66 €	4 690,95 €

Tabulka 10, Profit and loss statement, SOURCE: own processing

	1. year 2022	2. year 2023	3. year 2024
Revenue from the sale of goods	138 420,00 €	152 262,00 €	167 488,20 €
Costs for goods sold	60 780,00 €	63 819,00 €	67 009,95 €
Energy consumption	2 640,00 €	2 800,00 €	2 800,00 €
Services	2 316,00 €	2 316,00 €	2 316,00 €
Salary costs	50 529,24 €	50 529,24 €	50 529,24 €
Material	360,00 €	360,00 €	360,00 €
Rent	12 000,00 €	13 200,00 €	13 200,00 €
Personal costs	6 536,50 €	- €	- €
<b>EBT</b>	<b>3 258,26 €</b>	<b>19 237,76 €</b>	<b>31 273,01 €</b>
Income tax for ordinary activity	488,74 €	2 885,66 €	4 690,95 €

- due	- €	488,73 €	2 885,66 €
- postponed	488,74 €	2 885,66 €	4 690,95 €
<b>EAT (+/-)</b>	<b>3 258,26 €</b>	<b>18 749,03 €</b>	<b>28 387,35 €</b>

The last table in this section is dedicated to Cashflow. The flow of money is growing every year, which I can describe as positive. It means that in the case of an optimistic variant, the company would perform even better.

Tabulka 11, Cash-flow, SOURCE: own processing

	1. year 2022	2. year 2023	3. year 2024
Initial balance of money	6 459,00 €	9 717,26 €	28 466,28 €
<b>Cash flow from operating activities</b>			
Income from the sale of goods	138 420,00 €	152 262,00 €	167 488,20 €
Expenditures for goods sold	60 780,00 €	63 819,00 €	67 009,95 €
Expenditure for energy consumption	2 640,00 €	2 800,00 €	2 800,00 €
Expenditure for services	2 316,00 €	2 316,00 €	2 316,00 €
Expenditure for salary costs	50 529,24 €	50 529,24 €	50 529,24 €
Expenditure for material	360,00 €	360,00 €	360,00 €
Expenditure for rent	12 000,00 €	13 200,00 €	13 200,00 €
Expenditure for personal costs	6 536,50 €	- €	- €
Income tax	- €	488,74 €	2 885,66 €
<b>Net cash flow from operating activities</b>	<b>3 258,26 €</b>	<b>18 749,02 €</b>	<b>28 387,35 €</b>
<b>Final balance of money</b>	<b>9 717,26 €</b>	<b>28 466,28 €</b>	<b>56 853,63 €</b>

## Business plan evaluation

Tabulka 12, Return on investment, SOURCE: own processing

	1.year	2.year	3.year
<b>ROE - EAT/OE</b>	15%	85%	129%
<b>ROS - EAT/ revenue</b>	2%	12%	17%
<b>ROA -EAT/ assets</b>	13%	43%	52%

All indicators testify to very good profitability of invested funds. Všechny 3 ukazatele mírně klesají, jejich dynamika není příliš vysoká.

Tabuľka 13, Turnover of assets, SOURCE: own processing

	1.year	2.year	3.year
<b>Turnover of assets (revenues/assets)</b>	538%	349%	304%

Asset turnover is above the recommended value and at the same time decreases over time, which in our case means unnecessarily delayed assets and they do not serve the company as well as they should. In our case, it is money in the account that is just lying there and we need to start managing it more responsibly.

## 2.8 Risk analysis

Every business plan is associated with a large number of various risks that can affect the operation of the given business. If the author is aware of these risks, he can more easily prevent them or solve them as best as possible. Establishing a pub can be met with several risks.

The main risk is lack of experience in the given area of business. This risk can be avoided very easily by attending seminars that are focused on the given issue, or gaining experience from an other pub owner. Self-study is also very popular these days, there is a lot of learning materials on the Internet for everything.

The next risk is the economic state of the world and the area, inflation is growing, who knows how much money will the people have to spend it on our products

The last possible risk is a bad estimate of demand and the entry of a new competitor into the market. In order to avoid a bad estimate of demand, it is necessary to constantly analyse the market and monitor the competition. I took this into account in the financial plan, when I tried to outline a pessimistic estimate of the number of visitors of the pub. As for the new competitor, this can be avoided by offering quality services and ensuring their satisfaction all the time, not only at the beginning of the business.

## Conclusion

The aim of the bachelor's thesis was to verify, through the application of a business plan, whether running a pub in Dunajská Streda is feasible from a financial point of view or not. The theoretical part of the work defined the basic terms and presented individual areas of the business plan, thereby preparing the foundations for the practical part.

In the practical part, a detailed business plan for the establishment of a pub in the town of Dunajská Streda in the south of Slovakia with a population of 23,000 was prepared. The introduction includes an introduction to the business itself called Lokal Beer Pub, its employees and strategy. Porter's five market forces model was used to analyze the environment, and the SWOT analysis was used for the internal environment. The 7P method was used to create the marketing mix, which, unlike the 4P method, also includes people, processes and the material environment. The products of the pub have been defined and at what prices they will be offered. The pricing strategy was determined primarily based on the competition. Furthermore, the suppliers were carefully selected - the company LUCH Pezinek for the beer and Paradiso Slovakia for everything else. Last but not least, the marketing plan contains a description of the forms of promotion with which the company will try to reach customers.

At the end, the company's financial plan was drawn up, which forms an integral part of the business plan and whose results predict the development in the first years of the company's operation. All initial costs, ongoing costs, sales were determined gradually, and the balance sheet, profit and loss and cash flow statements were compiled. The profit and loss statement, as well as the cash flow, have been in positive numbers since the first year. Based on these calculated data, the business plan was evaluated. Based on all the available and established findings, it can be concluded that the investment in this particular business is worthwhile and that this business plan is feasible.

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# Evidence výpůjček

Prohlášení:

Dávám svolení k půjčování této bakalářské práce. Uživatel potvrzuje svým podpisem, že bude tuto práci řádně citovat v seznamu použité literatury.

Jméno a příjmení: Ábel Kosár

V Praze dne: 14. 09. 2022

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