

**SLOVAK UNIVERSITY OF AGRICULTURE
IN NITRA
FACULTY OF ECONOMICS AND MANAGEMENT**

1129918

DEVELOPING THE BUSINESS PLAN

2011

Sládečková Kristína

**SLOVAK UNIVERSITY OF AGRICULTURE
IN NITRA
FACULTY OF ECONOMICS AND MANAGEMENT**

DEVELOPING THE BUSINESS PLAN

Bachelor Thesis

Study program:	International Business with agrarian commodities
Branch of study:	622170 International Economic Relations
Department:	Department of economics
Supervisor:	Ing. Daniela Hupková, PhD.

Nitra 2011

Sládečková Kristína

Declaration of originality

I, the undersigned Sládečková Kristína, solemnly and sincerely declare that the thesis „Developing the business plan“ is a result of my own independent research and was written only by me using the literature listed in bibliography.

I am aware of the legal consequences in case the data are not true and correct to the best of my knowledge.

Nitra, 10th of May, 2011

Sládečková Kristína

Acknowledgements

Through this way, I would like to express my thanks to Ing. Daniela Hupková, PhD for her assistance, professional guidance, valuable advices and comment during writing my bachelor thesis.

Abstract

The bachelor thesis „Developing the business plan“ deals with a creating of a business plan for Creperie. The thesis is based on theoretical knowledge, which is followed by the practical part which processes concrete real project. This part consists of the analysis of the market environment, competition, company itself and marketing mix. Finally, it elaborates a procedure for starting a business and amount of money necessary for start up, as well as extraordinary balance sheet which was created due to the opening of the business. Financial analysis of the business includes analysis of costs which were divided according to accounts and analysis of revenues which were predicted based on market research, seasonality, data obtained from similar business and other factors. After analysing these data it comes to expected economic result for the first year, which is demonstrated by the income statement. For the better orientation during the next years, there are calculated expected results for the five years of business using two types of view – optimistic and pesimistic.

Key words:

- business plan,
- market analysis,
- marketing mix,
- financial plan.

Abstrakt

Bakalárska práca „Developing the business plan“ sa zaoberá vytvorením podnikateľského zámeru pre palacinkáreň. Práca vychádza z úvodných teoretických poznatkov, po ktorých nasleduje praktická časť, ktorá spracováva konkrétny reálny projekt. Súčasťou praktickej časti je analýza trhového prostredia, konkurencie, podniku samotného a marketingového mixu. Nakoniec je rozpracovaný postup pre rozbehnutie podniku a výška potrebného počiatočného kapitálu ako aj mimoriadna súvaha, ktorá bola zostavená ku dňu otvorenia prevádzky. Finančná analýza podniku zahŕňa analýzu nákladov, ktoré boli rozdelené na základe účtovnej osnovy a analýzu výnosov, ktoré boli odhadnuté na základe prieskumu trhu, sezónnosti, údajov získaných z podobných gastronomických prevádzok a iných faktorov. Po analýze nákladov a výnosov sa finančná časť práce zaoberá predpokladaným výsledkom hospodárenia za prvý rok podnikania, ktorý je rozobratý vo Výkaze ziskov a strát. Pre lepšiu výhľad počas budúcich rokov podnikania sú spracované predpokladané výsledky hospodárenia na päť rokov s použitím dvoch pohľadov – optimistického a pesimistického.

Kľúčové slová:

- podnikateľský plán,
- analýza trhu,
- marketingový mix,
- finančný plán.

Table of contents

Table of contents	7
List of tables	9
List of illustrations	10
List of abbreviations and symbols	11
Introduction	12
1 Theoretical background	13
1.1 Definition of a business plan	13
1.2 Purpose of a business plan	14
1.3 Composition of a business plan	16
1.4 Description of a company	17
1.5 Market analysis	17
1.5.1 Marketing research	18
1.5.2 Analysis of the customers	19
1.5.3 Analysis of a competition	19
1.5.4 SWOT analysis	20
1.6 Strategy of a company	20
1.7 Marketing mix	22
1.7.1 Products and services	22
1.7.2 Promotion and public relations	23
1.7.3 Pricing	24
1.7.4 Place and distribution	25
1.8 Financial projections	26
1.8.1 Financing of a business	26
1.8.2 Financial documents	27
1.8.3 Financial ratios	28
2 Objective	30
3 Methodology and data	31
3.1 Ratio analysis	31
4 Result and discussion	33
4.1 Description of the business sector	33
4.2 Market analysis	34
4.2.1 Description of the town Piešťany	34
4.2.2 Competitors analysis	35

4.2.3 Customers analysis	36
4.2.4 SWOT analysis	36
4.3 Basic information about the company	37
4.3.1 Description of Creperie	37
4.3.2 Goals of the company	38
4.3.3 Personnel	38
4.4 Marketing mix	39
4.4.1 Product	39
4.4.2 Price	40
4.4.3 Place	40
4.4.4 Promotion	41
4.5 Financial plan	41
4.5.1 Expenses from economic activity	41
4.5.2 Expenses from financial activity	47
4.5.3 Average annual expenses for the first year of business	48
4.5.4 Revenues from economic activity	49
4.5.5 Start Up summary	50
4.5.6 Balance sheet	51
4.5.7 Expected result from the 5 years of business activity	51
4.5.8 Ratio analysis	52
Conclusion	54
Resumé	56
Bibliography	59
Appendeces	63

List of tables

Tab. 1 Competitors analysis	35
Tab. 2 Swot analysis.... ..	36
Tab. 3 Sales forecast.....	43
Tab. 4 Consumption of energy for the first year.....	44
Tab. 5 Other services expenses for the first year.....	45
Tab. 6 Monthly wages	45
Tab. 7 Depreciation table	47
Tab. 8 Loan repayment schedule	47
Tab. 9 Average annual expenses for the first year of business activity.....	49
Tab. 10 Expected revenues for the first year of business.....	50
Tab. 11 Start up.....	51
Tab. 12 Outlook to the 5 years of business activity.....	52
Tab. 13 Ratio analysis... ..	53

List of illustrations

Pic. 1 Distribution of population by age.....	35
---	----

List of abbreviations and symbols

no. - number

Pic. - picture

Tab. – table

etc. – et cetera (from latin), and other things

i.e. - id est (from latin), that is

MA – marketing activities

SWOT – strenghts, weaknesses, opportunities, threats

LLC – limited liability company

HACCP – Hazard Analysis and Critical Control Points

Introduction

Although many experts on theory of business plan advise first to plan and then to act, in every day life we find that most of small businesses start without any plan and further development usually comes spontaneously. Small entrepreneurs use business plan less, for example, to get business loan, business expansion, procurement, acquisition of new facilities, subsidies and so. In this type of planning entrepreneurs emphasize mainly on financial analysis. Another reason for planning ends in the number of quick decisions in dealing with specific situations. Here, however, many entrepreneurs make a mistake, because precisely business plan gives space for strategic planning and management with an outline of the basic objectives and procedures.

To be successful in the current market conditions is becoming increasingly difficult and the amount of constant changes forces companies to develop and improve their activities. Chance have especially those, who do not defend against the innovation and activity, who are flexible, develop their own skills and skills of their workers and also can estimate customer needs.

Business plan should use theories which are well understood, transparent and accessible to current practice and use available information. Selection of information is quite complicated process because of huge surplus of resources. Implementation of strategy into the practice and its feedback control should be fast as possible too, and its effectiveness measurable by simple numerical indicators.

I chose this thesis topic because the business is very attractive for me. It is necessary to understand and evaluate all the risks that comes with business, moreover to consider own strength, knowledge and skills that are necessary in the business. Finally, it is important to assess market situation and the application of concrete idea.

For the business success is not enough just a good idea and a gap found in the market, but sophisticated and detailed business plan. Every entrepreneur should make it before starting his business. Development of business plan is subject to sufficient knowledge, analysis of the environment, choosing of appropriate product, skills of the entrepreneur and also to personal and financial assurance. These attributes are elaborated in my work in the way to answer the question whether the intention of business idea is feasible.

1 Theoretical background

The current society is characterized by high availability of information from domestic and foreign authors. According to this, present available resources which are dealing with selected issues are presented.

1.1 Definition of a business plan

BERRY T. (2004) defines a business plan as plan that works for a business to look ahead, allocate resources, focus on key points and prepare a business for problems and opportunities. Unfortunately, many people consider business plan important only for starting businesses or as an essential thing for starting a new business or for applying for business loans. But business plan is also important for running business in order to optimize growth and development according to its priorities. So it is not important whether business needs new loans or new investment, business plan is necessary for all types of businesses.

In view of McKEEVER M. (2008), business plan is a written statement that describes and analyzes business and gives detailed projections about its future. Moreover, business plan also covers the financial aspects of starting or expanding your business.

GREENE G. (2006) adds that a well-prepared business plan is more than a necessary tool to seek funding. It should also be a functional road map for the growth strategy of business. There are plenty of tools necessary to complete in order to be successful, concluded operations with a clear understanding of the customers, internal strengths, competitive environment and vision of how it will evolve to compete in the future. Another essential part is capital to start, to operate and to grow. Business plan is a powerful tool for attracting investors, roadmap for the company, which clearly states where the company is, how the company got there and how it plans to proceed.

SHEA P. (2010) claims that a business plan is a written description of business's future. Role of business plan is to help perform a number of tasks for those who write and read them. It is used by investment-seeking entrepreneurs to convey their vision to potential investors. It may also be used by firms that are trying to attract key employees, to prospect for new business, to deal with suppliers or simply to understand how to manage their companies better.

1.2 Purpose of a business plan

GREENE G. (2006) states that the business plan is prepared as a necessary instrument for raising capital from potential investors, bankers and other lenders. It is an essential document when taking business public or selling all or part of a company. To lenders or potential investors, it does not provide only information and reveal an evaluation of venture's feasibility, but also reflects management abilities. An analytical objective business plan convinces lenders that the company is capable, organized and prepared. In the case the business plan is poorly researched or makes unsupported assumptions, it shows that the company is inexperienced. Lenders usually receive a great number of business proposals and plans, therefore they do not have a lot of time to spend with them. So the plan has only few minutes to make good impression.

McKEEVER M. (2008) describes specific and immediate benefits company will derive from business plan. Business plan will:

- help company to get money because most investors or lenders will require a written business plan in purpose to consider business proposal from the company.
- help the company to decide to proceed or stop
- let the company improve its business concept
- improve company's odds of success
- help the company to keep on track

According to SHEA P. (2010), business plan needs everybody, who is beginning or extending a venture that will consume significant resources of money, energy or time. The complex of these resources is expected to return into a profit. He stated types of businesses for which the plan is essential. They are:

- Startups: represented by an entrepreneur who is seeking for funds to help start a new venture. Their plan is used to convince investors to put up the capital necessary to get them under way. Many times occurs the same mistake, that only cash-starved startup's need business plan. It is important at all stages of company's existence.
- Established firms seeking help: not every business plan is written by starry-eyed entrepreneurs. Many business plans are written for established companies that are long past the startup stage.

According to SLÁDEK G. (2003), future entrepreneur must have an interest to obtain and examine information and documents from the content terms, as well as in terms of time to make the most correct decision on establishing of a company with goal of sustained business success and minimum economic risk. Risk factors in a contemporary society, in a global world political situation and economy, as well as in national economies are growing mainly because of external influences. Their effect is usually temporary, but may nevertheless significantly affect the economic results.

BARROW C., BARROW P. and BROWN R. (1992) stress that business plan is the ticket of admission giving the entrepreneur his first and often only change to impress prospective sources of finance with the quality of his proposal. They also referred to requirements which the successful business plan should meet:

- evidence of market orientation and focus: business plan must demonstrate that the company has recognised its potential market, needs of potential customers. Innovative idea is not sufficient for being successful. Business plan should explain how products will be sold and to whom more detailed than the product descriptions and technical explanations. If not, financiers usually will not admit it.
- evidence of customer acceptance: company should demonstrate that its product or service will be successful, it will be sold and is being used, even if only on a trial or demonstration basis. Another important thing for financiers is company's demonstration that they know how and to whom its new product or service must be sold and they have a financially viable means of doing so.
- proprietary position: this includes exclusive rights such as patents, copyright, trademark protection or licence which help to reduce the apparent riskiness or limit competition.
- financiers needs: existing asset security to re-pay back the loans. This requirement also includes interest rate which reflects current market conditions and their view of the risk level of the proposal.
- believable forecasts: future expectations, sales forecast, market opportunities

1.3 Composition of a business plan

BERRY T. (2004) defines standard outline for business plan. It consists of executive summary, company description, product or service description, market analysis, strategy and implementation, management team and financial plan. He also stresses that is not good to develop the plan in the same order it will be presented as a finished document. Although the executive summary comes as the first section of business plan, it is recommended to write it after everything else is done.

According to GREENE G. (2006), optimal length of the summary is about one or two pages. It should be provided briefly and focused, because most investors and lenders are inundated with potential opportunities. Summary give them a first impression of the business. Business plan is unique for the company, each one has its approach and structure which vary considerably. But regardless of form, there are some basic points that should be addressed considering the plan. They are:

- Cover sheet: including company name, owner name, business address, phone number, e-mail,
- Business description: brief description of the business,
- Description of purpose of business plan: whether its goal is to find financing from lenders or use it to attract potential managers for the business,
- Description of the product/service,
- Description of five/six critical factors that will make a difference in company success,
- Customers, target market, description of market potential,
- Financial picture, description of financial forecasts plus explanation of how they were determined. It should include relevant assumptions such as projected market share, market potential, market penetration etc. Company states its desired financing and show how the funds will be allocated. Also it should show when and how the money will be paid back.

In view of BARROW C., BARROW P. and BROWN R. (1992), business plan must include not only a description of the company's purpose or mission, but also full details of company and its prospective partners' experience and suitability for this venture. It is also

needed to explain the name of business, why it was chosen, and under what legal form it will operate.

GREENE (2006) defined more descriptions in the summary, like description of goals and objectives for the long and short term, vision of the firm at the end of the year, in three years, five years, how the company future will be etc.

1.4 Description of a company

According to GREENE G. (2006), in case of decision on the type of business that company is in, company will know the types of product and services to provide, target market, the competitors it is up against. Business plan should include history of a company, current business conditions, industry trends, and what makes company unique. To help with business description, entrepreneurs may ask the following questions:

- When and why was company formed?
- What is the nature of the product/service that is provided?
- What successes has been experienced over the years?
- What is competitive advantage?

PINSON K. (2001) refers to description of the legal structure it was chosen and explanation why it is the most advantageous for business. It includes name of the owners or corporate officers. In this part, strengths and weaknesses of legal structure are highlighted.

When setting up a new business, it is crucial to decide which business structure is better suited to company. Type of business, its size and many other factors determine type of structure company will choose. There are four basic types of structures: sole-proprietorship, partnership, corporation and limited liability company . (KOSTINE P. , 2005)

1.5 Market analysis

GREENE G. (2006) explains that it is critical to understand market. A good product is not enough to guarantee market success. It is one of the most important sections of business plan. It will be scrutinized carefully, therefore, market analysis should be as specific as possible, focusing on believable, reliable, achievable projections.

According to HINGSTON P. (2002), market analysis provides an internal picture of trade, local and national trends, and understanding of potential customers. Market is created by those people or businesses, which could be potential customers

In market analysis, GREENE G. (2006) advises to focus on description of:

- potential market: where a picture of customers is presented.,
- sales: include forecasted sales
- competitive analysis: consideration of competitors, how they market their products and why people buy from them. Determination of their strengths and weaknesses, their position in the market place, and their status.
- market feasibility: why market will support business, including trends in industry
- marketing strategy: explanation how products will be sold, and how will be move into new markets.
- presentation of promotional plan, including budget and description of marketing mix.

1.5.1 Marketing research

Marketing research can give to business a picture of what kinds of new products and services may bring a profit. In the view of SPENCER PYLE L. (2010), for products and services already available, marketing research can help to identify whether they are meeting customers' needs and expectations. Research for specific questions can give to small-business owners answers how they can increase their sales by for example changing their package design or offering some additional services. Results of marketing research can be used to create business and marketing plan or to measure the success of current plan. Bad research, done poorly can direct a business in the wrong way. That is why it is important to ask right questions, in the right way, to right people.

In AAKER D. , KUMAR V. and DAY G. (2001) opinion, marketing research is a critical part of such a marketing intelligence system. It helps to improve management decision making by providing relevant, accurate, and timely information. They claim, that every decision poses unique needs for information and relevant strategies can be developed based on the information gathered through marketing research in action. Key to business achievement is in the right use of market research. Marketing decisions involve all issues dealing with business. The context for marketing decisions is the market planning process

which consist from four stages: situation analysis, strategy development, marketing program development and implementation.

1.5.2 Analysis of the customers

WILLSON E. (2009) stresses the importance of understanding the target customers. As an example can be stated targeting customers demographically, which helps to determine exactly what products or services will be, and what kind of customer service tactics will work best. Marketers know that not every message will work on every person and even there are target groups of customers, these groups have its own subsets. Despite consumers resistance to medias, demographics certainly are not becoming obsolete.

Target market can be a useful planning tool, but before it must meet some criterias:

- definable: it should have specific characteristics identifying what the potential customers have in common
- meaningful: these characteristics must meaningfully relate to decision to purchase
- sizable: it must be large enough to profitably sustain the business
- reachable: both the definition and size must lead to affordable and effective way to market the potential customers (ABRAMS R. , KLEINER E. , 2003)

BARROW C., BARROW P. and BROWN R. (1992) describe the process, where the customers and potential customers are divided and organised into groups of similar types as a market segmentation. Each of these customer groups has different incentive why to buy exact product and motivation to buy. Because of this, selling message has to modified according to types of the groups. Market can be segmented on the basis of demographic segmentation, benefit segmentation or geographic segments.

1.5.3 Analysis of a competition

BARROW C., BARROW P. and BROWN R. (1992) also refer to importance of determination of competitors. They explain the difficulty of how to understand who real competitors are. Just because someone sells a similar product or service, it does not mean he has to be a competitor. He can make the same product but sells it in different market. In opposite just because someone sell product or service that is absolutely different does not mean that he is not competitor.

There are many theories and strategies for forging alliances. Most popular are described by HARRIS JK. (2009). He claims that company should know its competitors, find out everything about competitors, if it is possible, develop relationship with competitors, be prepared to cooperate and collaborate when necessary, use competitors to improve, resist the urge to compete on price, be prepared for the competition to play dirty.

BROWN D. (2006) claims that even the simplest competitive analysis displays two critical dimensions: the competitors and the criteria - competitive framework. The purpose of the competitive framework is to present the data in a way that makes it easy to compare various sites across different criteria.

1.5.4 SWOT analysis

BERRY T. (2007) explains the main purpose of SWOT analysis as to evaluate strengths, weaknesses, opportunities and threats of a company. It enables to start thinking strategically. It is a natural brainstorming tool that everyone understands and works well for groups. Moreover, it brings people into the process. SWOT involves people in the plan, helping them see the strategy and making them feel like part of it.

In view of ZAHORSKY D. (2007), strengths and weaknesses focus business to look internally at what business can do. Many businesses are great at looking inward but fail to look outside their company. SWOT analysis is helpful because it emphasises not only to internal but also external factors. It challenges company to see beyond walls to determine what opportunities are opened for the company and how to capitalize on its own strengths. While most of company's analysis will be subjective, the SWOT can provide multiple benefits to small business.

1.6 Strategy of a company

It does not matter whether it is small company or large corporation, strategy is common point what will set them apart from their opposition. Employees, managers, they are both under the same strategy to be effective in their position and make better decision. Goal is to drive company forward in a predictable direction. (KEEGAN B. , 2010)

LARSON P. (2010) stresses the fact, that having been successful at selecting strategy does not necessarily mean an organization will be successful at implementing that strategy. In his opinion, while the implementation is taking place, also the regular work

and operations of the company have to keep going. Implementation of a new strategy involves changing the systems and structures of an organization. This requires motivated employees and managers. Lastly, there may be a host of other issues that have to be dealt with (global considerations, human resources issues, staff and competency and technical issues...)

SPECULAND R. (2009) defines strategy implementation as the actions taken by organization today, to deliver the strategy tomorrow. People in an organization are always taking action. He claims that many strategies are expected to deliver growth. New and larger challenges are appeared as a business grows, which again emphasizes companies to be good at strategy implementation.

In definition of SHEA P. (2010), operation is the general name given to all the activities required to implement company's strategy.

GREENE G. (2006) describes how the company plans to operate its business:

- manufacturing or service operations: basic processes for producing product or service.
- location and facilities: description of advantages and disadvantages. Location and facilities may be crucial for projecting business image.
- equipment: equipment necessary for producing the product, including leasing arrangements, service agreements, and warranties.
- raw materials and suppliers: materials that go into producing product and who will provide them to company. The reputation of suppliers may be important to potential investors and lenders.
- staffing analysis: workforce projections should represent a head count by function or department for a specified time period.

According to GREENE G. (2006), management part of business plan should include a discussion of management team and its employees. More detailed explained hiring criteria, training plan, salary and benefits structure and company's system for performance evaluation. LIEBLER J. G. and McCONNEL CH. R. (2004) describe personnel management as one of the most dynamic components of the organization's management. It is an important part of company management. The main objective of the personnel

management is to create conditions for effective implementation of the business concept to the company based on the maximum performance of staff.

In view of ABRAMS R. and KLEINER E. (2003), in the organizational structure, lines of authority are the core. When examining their organization, managers usually begin with the formal structure- the official lines of authority. They decide how employees will be supervised and how job functions will be allocated. Increasingly, companies use horizontal management structures rather than strict hierarchical, top-down lines authority. In such organizations, employees have greater authority for decision making in their own areas of responsibility. This enables those closest to the customer or to the production process to make decisions quickly and respond to change faster than in more centrally-controlled organizations.

LIEBLER J. G. and McCONNEL CH. R. (2004) define organizational chart as a management tool used for depicting organizational relationships. It is useful for managers, because since an organizational chart maps major lines of decision making and authority. Therefore they can identify any inconsistencies and complexities in the organizational structure, review such factors as the span of management, mixed lines of authority and splintered authority. He also claims that an organizational chart may be used to orient employees, since it shows where each job fits in relation to supervisors and to other jobs in department.

1.7 Marketing mix

KINGSTON P. (2002) stresses that the phrase marketing and advertising blend refers towards the main components that should be attended to as a way to correctly marketplace a item. Also recognized because the four Ps of Marketing and advertising, the advertising blend is actually a really valuable, if a little basic, guideline for comprehension the fundamentals of what would make a great marketing and advertising marketing campaign. Right here can be a quick description of every element with the four Ps from the marketing and advertising combine.

1.7.1 Products and services

ABRAMS R. and KLEINER E. (2003) stress how important is explanation of what a company is selling in specific terms but to avoid unnecessary jargon. The reader should

end up with more than just a vague idea about products or services of the company is selling. In view of GREENE G. (2006), it is important to discuss competitive advantage of product or service – why people will choose this product or service over its competitors, the benefits of the product or service, and how the edge will be sustained. It should conclude product lines – features and benefits of product or service and its unique features.

1.7.2 Promotion and Public Relations

KITA J. (2005) defines sales promotion as a short-term initiative aimed at encouraging the purchase of product and services. Sales promotion includes a wide variety of tools, methods and techniques. It may be aimed at consumers, wholesalers, retailers and sales personnel.

SCHNECK B. (2010) suggests 3 steps for successful promotion campaign. Company must target its effort, plan its incentives and must know what it wants to achieve. In addition, promotion includes all the ways company tells its customers about its products or services and how it will market and sell to them.. Small changes in the way company promotes and sells its products can lead to dramatic changes in its results. Even small changes in advertising can lead immediately to higher sales. (TRACY B. , 2004)

KITA J. (2005) claims that advertising is one of the most widely used tool for influencing customers – buyers. It is the most visible and most discussed form of marketing communication. Advertising is every paid form of non-personnel presentation and support of ideas. It has the ability to change the needs, demand, but also the interests, habits and traditions.

A good reputation is must for all businesses. MEDNICK B. (2006) describes public relations as an effective way to build and enhance a company's reputation. Public relations can be particularly powerful for small businesses because they offer low cost and high credibility, compared to other types of advertising and marketing. Public relations requires relationship-building, creativity, persistence, cooperation with media and their understanding. It is long-term strategy for the company. PR is way to:

- enhance a company's reputation,
- build and maintain a corporate brand,
- increase visibility or create buzz in marketplace,

- drive a company's sales and revenues,
- position a company as a market leader,
- influence opinions and beliefs of key stakeholders,
- launch a new product or service.

A good public relations strategy allows organization to communicate effectively with its target audience. To achieve optimum value, business owners need a process for executing that strategy is done as effectively and efficiently as possible.(MERANUS R. , 2007)

1.7.3 Pricing

Pricing is irrecoverable part of products or services. In view of SUGARS B. (2008), common problem with the most pricing issues is risk setting prices too high therefore to push potential customers away, or risk setting prices too low therefore cut profits. Company can eliminate these risks through obtaining better information. The more company knows, the less risk it perceives.

BARROW C., BARROW P. and BROWN R. (1992) define the most frequent mistake made when setting a selling price for the first time. It is to set the price too low. This mistake can occur either through failing to understand all the costs associated with making and marketing the product, or through yielding to the temptation to undercut competition at the outset. Both these errors usually lead to fatal results.

As it was mentioned in previous paragraphs, the most common mistake is to set the price too low or too high. However, there are more mistakes to be aware of like: going in too low and undercutting all the time, using the same margin for all products, not understanding the difference between margin and markup, forgetting to take all costs into account, finding out what competition charges and doing the same, setting sales commissions based on sale prices versus percentage of profit, discounting instead of adding value. (SUGARS B. , 2008)

During the setting price, company has to take into consideration important issues connected with pricing. SHEA P. (2010) emphasises issues such as costs, consumer perceptions, competition, elasticity of demand, company policy, business conditions, channels of distribution, capacity, margins and markets.

HINGSTON P. (2002) points at key element in the calculation of prices which is to understand its own costs. There are two major types of costs:

- fixed costs (overheads): include business expenses, which are invariable – fixed (rents, fees, insurance fees)
- variable costs: include expenses that are directly change depending on the level of business (raw material costs)

Prices which were chosen for products and services must reflect fixed and variable costs and generate surplus – profit.

When setting a price there are lot of possibilities of how to set it in more suitable way for the company. BERRY T. (2006) describes three most popular and common pricing methods:

- cost-based pricing: setting the price as a multiple of cost, or cost plus a determined amount
- value-based pricing: base the price on what the product or service is worth to the buyer
- market-based pricing: market determines the price. This is the most common and most realistic pricing method for small and medium businesses

1.7.4 Place and distribution

Due to BARROW C., BARROW P. and BROWN R. (1992), there are two main types of distribution. If the business is working like a retailer, customers will come. Physical location will most probably be the key to success. For business in the manufacturing field is more probable that it will go out to find customers. In this case, it will be company's channels of distribution that will be the vital link.

If we consider that the company needs some raw materials for its production, main task will be suppliers. They are important element of every business. SHUMBA R. (2010) describes a supplier as a provider of good or services which the business in turn resells or adds value to. Company has to be very careful in choosing suppliers. The quality of suppliers has direct impact to quality of products or services. Company should take into consideration many aspects when choosing the supplier. Shumba states some examples:

supplier capacity and reliability, corporate value system, quality of products, credit terms, proximity and distance, competitive pricing, warranty issues, system efficiency, etc.

In opposite example of when product will come to customers, not customers to products is crucial issue to select the right distribution channels. BARROW C., BARROW P. and BROWN R. (1992) define main factors company should consider when choosing channels of distribution for particular business: whether it will meet customers needs, if a product itself survive, if it is possible to sell enough that way, if it is compatible with the image of the company, how distribution of competitors is, whether the channels will be cost effective etc.

1.8 Financial projections

The sales forecast is perhaps the most important set of numbers to come out of the business planning process so far. These sales figures are used to predict the cash flow forecast, the pro forma income statement, and pro forma balance sheet, and ultimately the viability of the whole venture. These projections are also the key for valuing the business, and so they will determine whether or not bankers will lend and investors invest. (BARROW C., BARROW P. and BROWN R. , 1992)

GREENE G. (2006) stresses that most forms of business financing require forecasts. These forecasts serve to demonstrate not only the need for funds but also the potential future value of equity investments or debt repayment. Developing the proper financial forecasts is, therefore, a critical factor in obtaining capital for business.

1.8.1 Financing of business

In view of SHEA P. (2010), financing of the business is taking place in several stages of investments: seed, start up, other early stage, development, expansion. It is not easy to obtain financial means for starting business. Among the common financial instruments in practice includes in particular:

- credit – capital for start-ups,
- risk capital,
- development programmes – priority sectors, regions,
- leasing,

- support funding programmes – guarantee, credit, allowance programs, start-up capital,
- investment incentives,
- non-refundable funds.

1.8.2 Financial documents

PINSON L. (2001) defines financial documents as the records used to show past, current and projected finances. It contains the major documents company considers and includes in its business plan. They will consist of both pro forma and actual (if it possible) statements. Pinson named types of financial documents as following:

- statements of sources and uses of fund from a lender or investor
- pro forma statements
- actual performance statements
- financial statement analysis

According to ABRAMS R. and KLEINER E. (2003), there are three most important financial forecasts:

- income statement: shows whether company is making a profit
- cash-flow projection: shows whether the company has the cash to pay its bills
- balance sheet: show how much the company is worth overall

Other forecasts include:

- sources and use of funds: shows where company will get financing for its business and how it will spend the money invested or lent.
- break-even analysis: shows the point at which sales exceed costs and company begins to make a profit.

PINSON L. (2001) describes the main forecasts as following: Balance sheet shows where the money came from to fund company's business and where it was spent at a fixed point in time, usually at yearly intervals. The where it came from will usually include share capital, the profit generated to date, and loans received to date. The where went to will usually include fixed assets, stocks, debtors, plus the cash left in bank. Income statement is like a picture of how well the business is doing according to its sales, costs and profitability. Usually it is made on a monthly basis but covering an accounting

period of one year. Cash-flow statement is another picture of how well the business is doing, but in terms of cash flow generation. It bears a very close resemblance to the profit and loss account but reflects the effect that credit taken from suppliers and given to customers has on cash flow. Profit does not always equal cash. Break-even analysis will show the level of sales required to generate sufficient gross profit to cover the overhead of the business, and thereby break even.

1.8.3 Financial ratios

Financial ratios analysis is considered to be the most important step while analyzing a company from an investment perspective. Financial ratios are commonly used by current and potential investors, creditors and financial institutions to evaluate a company's past performance to spot trends in business and to compare its performance with the average industry performance. To ensure safe of further investments, financial ratios enable them to identify strengths and weaknesses of a business. (SHARMA G. , 2009)

According to PEABODY M. (2008), a financial ratio is a simple mathematical comparison of two or more variables from a company's financial statements. It is used to chart progress of the company and to point to potential problem areas. It is important tool to evaluate risk for bankers and investors and to influence their decision if they will lend or invest money to company. He is also describing four types of ratios: liquidity, profitability, leverage and turnover.

On the other side, in the view of PRIDE W. M. , HUGHES H .J. and KAPOOR J. R. (2009), most useful ratios are profitability ratios, short-term financial ratios, activity ratios, and the debt-to-owners equity ratio. Whether the company is profitable is indicated by company's net income after taxes. However, it does not indicate how effectively are used resources of the company. For this purpose, three profitability ratios can be computed. They are: return on sales, return on owner's equity and earnings per share.

PEABODY M. (2008) defines profitability ratios as a demonstration whether the business is making any money and whether the level of profitability is large enough to justify capital investments. Due to her, main profitability ratios are net profit margin, operating profit margin, gross profit margin, return of assets and return of equity.

Liquidity ratios on the other hand measure how well a business is able to meet its short-term obligations as they fall due from available cash. Liquidity ratios include current ratio and quick ratio.

Leverage ratios cover debt to assets ratio which reveals the extent to which a company is financed with debt. A healthy company has a good balance between assets provided through debt and assets provided by the company's owners. The higher the ratio, the greater the risk to a current or future creditor. A lower ratio means that company is more financially stable. Turnover ratios include inventory turnover ratio which tells how often a business' inventory turns over during the course of the year, payables turnover which tells how quickly company is paying its bills and receivables turnover which indicates how quickly customers are paying the company. PEABODY M. (2008)

2 Objective

For the future entrepreneurs is important to prepare a business plan. It captures and analyzes the period of business from the initial intention of doing business till the period when all the resources invested will return to entrepreneur.

The objective of my bachelor thesis is to design a business plan, concretely establishment of a small restaurant specialized in pancakes – Creperie in Piešťany.

This plan includes selection of strategy, marketing mix, creation of financial plan and evaluation of the collected data which will show, whether the project is viable and feasible. The aim is to achieve state, when restaurant will satisfy customer needs and also fulfill a major function of business, profit. To satisfy customer needs and penetrate into the market, company has to:

- attract and retain potential customers,
- gain reputation,
- offer only quality services and products.

In addition to this, business plan must include financial analysis, analysis of expenses and revenues to promptly response on situation in the market and situation of the firm. Well done financial plan is crucial part of every business plan. Financial forecasts such as income statement and balance sheet will show us expected economic result. To identify company perspective from economic point and analyze it from an investment perspective are assigned financial ratios. It is important to meet short-term goals of the firm, as well as long-term ones during the next few years.

The thesis is divided into two parts, theoretical and practical. The theoretical part is composed of information from literature which are the basis for the practical part. The practical part processes business purpose with help of analysis of internal and external environment.

3 Methodology and Data

In this section, we will analyze the market environment, external and internal influences. Our own project of business plan will be based on the conclusions of this analysis.

3.1 Ratio analysis

In the financial analysis of the company we used following ratios:

- Return on assets
- Return on equity
- Debt to total assets
- Debt to equity
- Average collection period

Return on assets

Return on assets is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources. It is calculated as follows :

$$\text{Return on assets} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Return on equity

Return on equity is a measure of profitability. It is computed on the basis of owner's equity. It is the rate earned on resources provided by owners and measures the earnings accruing to the owners. Return on equity is expressed as a percentage and calculated as:

$$\text{Return on equity} = \frac{\text{Net Profit}}{\text{Shareholder equity}}$$

Debt to total assets

It is a ratio that indicates what proportion of debt a company has relative to its assets. It is used to assess the organization's ability to meet its long-term obligations. These types of debts include both current and long term liabilities. The formula is:

$$\text{Debt to assets} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Debt to equity ratio

Debt to equity ratio is a measure of how much of a company's assets is funded through borrowing or financing and how much through equity. In short, it measures a company's ability to borrow and repay money. The formula is:

$$\text{Debt to equity} = \frac{\text{Total liabilities}}{\text{Shareholder equity}}$$

Average Collection Period

The average collection period is the number of days, on average, that it takes a company to collect its credit accounts or its accounts receivables. In other words, the average collection period of accounts receivable is the average number of days required to convert receivables into cash. It is calculated as:

$$\text{Average Collection Period} = \frac{\text{Receivables} \times 365}{\text{Sales}}$$

4 Results and discussion

4.1 Description of the business sector

We will run a business in a gastronomy, which can be linked to the tourism sector. Tourism is a sector involving range of activities aimed at travel and subsequent stay that is not practiced as a regular livelihood (i.e. travelling tourists, vacationers, sports, spa guests, convention tourists, travelers on business trips, etc...), as well as related services and therefore the alimentation, which leads us to gastronomy.

Name gastronomy comes from the Greek word „gastro“ which means stomach. At the beginning of the culinary art, the preparation of meals was held only by paid servants, who strictly guarded their collection of recipes. Later scientists started to be interested in food and its effects, they analyzed and classified meal into different food groups. Meanwhile, they developed a theory of gastronomy. Gastronomy is a science, which aims to look after the maintenance of an individual through the best possible nourishment. It affects all social classes. Gastronomy examines a taste in connection with its pleasant and unpleasant aspects, also examines the impact of food on the mental life of man, determines the proper use of food substances and classifies food according to its different properties. Definitions of gastronomy can be different:

- theory of culinary art
- science of culinary art
- gourmet
- eating culture

Nowdays, trends are typical for gastronomy. They adapt to the needs and wishes of customers. Among the latest trends in gastronomy are fast food, experience gastronomy, ethnic cuisine, rational kitchen, convenience food, catering service, author's cuisine.

Trends belong to an important aspects of successful penetration into the market and thus to attract customers. Because of this, we are trying to adapt the latest trends in gastronomy and focus on customers. The priority for us is to maximize customer satisfaction through fresh food from which products are prepared and also preference to healthy food from food that contains large amounts of substances harmful to health and the use of fresh fruits and vegetables.

Our Creperie can be included in experience gastronomy. We will try to provide not only interesting and original dishes for our guests, but also to make our guests feel comfortable.

4.2 Market analysis

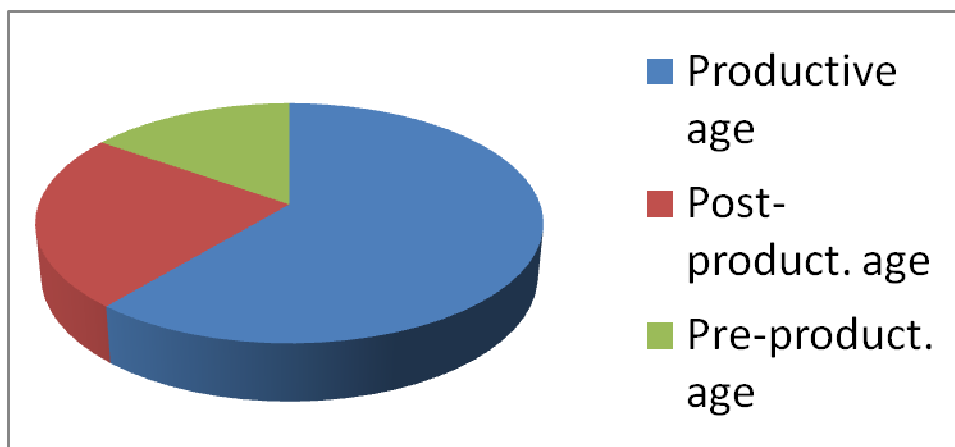
This chapter is divided into 4 parts:

1. Description of a place, where the restaurant will be situated
2. Analysis of competitors
3. Analysis of customers
4. SWOT analysis

4.2.1 Description of the town Piešťany

The world-famous spa town Piešťany is located in the western part of Slovak Republic, in Trnava region, in the valley of down stream of the longest Slovak river Váh. The town is the seat of the district Piešťany which consists of 27 municipalities. Town is located at the junction of international transport corridors (air, highway, railway and in the future with perspective to link also to river transport). Airport with international status also creates excellent conditions for tourism and economic development of wider region. Highway D1 (Bratislava, Trnava, Piešťany, Trenčín, Žilina) with international connection on Brno and Vienna creates ideal link of Piešťany with the region of Bratislava and the region of upper Považie.

Town is located on international railway line with links to Budapest, Vienna and Warsaw. Town Piešťany has currently 29 299 inhabitants. Population structure is characterized by high share of education and skilled labour force. Slovank nationality (97.5%) dominates in the region.



Pic. 1 Distribution of population by age

Source: <http://www.piestany.sk/index.php?id=10>

Number of economically active inhabitants in town is 21 054. The unemployment rate in district is 5,2%. Piešťany belongs to the districts with the lowest unemployment rate.

4.2.2 Competitors analysis

It is hard to determine direct competition for our Creperie. It is because we are specialized mainly on pancakes as our primary product, and this type of restaurant is not in the town. But we have to take into consideration restaurants and bars which are close to us, therefore we could consider them as competitors.

Tab. 1 Competitors analysis

Competition	Strengths	Weaknesses
<i>Monsalvy</i>	<ul style="list-style-type: none"> - Wide sortiment of desserts, cakes and coctails - Good locality - Enjoyable atmosphere - Stable clientele 	<ul style="list-style-type: none"> - Higher prices - Service is slow
<i>Petit Maison</i>	<ul style="list-style-type: none"> - Nice and pleasant service - Summer terrace - Offer of daily menu 	<ul style="list-style-type: none"> - Not visible from main street - Higher prices
<i>Pizza Bandi</i>	<ul style="list-style-type: none"> - Long opening hours 	<ul style="list-style-type: none"> - Unqualified personel - Bad hygiene - Not fresh products

Source: own processing

4.2.3 Customers analysis

We mainly focus on young people and families with childrens as our target group. Our goal is to attract ordinary people, such as inhabitants of Piešťany and tourists, who go everyday eat somewhere or just go out for cup of coffee. We want to attract such people by pleasant interior, friendly staff, delicious food and quality service.

In addition we offer various types of menu at lower, better prices, as well as menu for children or students. The aim is to gain and keep customers and thus to contribute to the development of the company.

4.2.4 SWOT analysis

According to SWOT analysis, we will try to eliminate our weaknesses. Our strengths on the other side we will constantly improve, as well as qualified personnel, who gets into direct contact with guests, so its importance is very high. Another important elements are of course high level of hygiene and fresh food. We will also ensure regular repayment of the loan and keeping our other commitments.

Tab. 2 SWOT analysis

<p><i>Strengths:</i></p> <ul style="list-style-type: none">- Qualified personel- Always fresh products- High level of hygiene- Uniqueness- Good locality	<p><i>Weaknesses:</i></p> <ul style="list-style-type: none">- Little experience with business- Indebtedness- Starting business without brand name
<p><i>Opportunities:</i></p> <ul style="list-style-type: none">- Tourism and town development- Real wage growth- Standard of living- Marketing acitivites- Potential customers	<p><i>Threats:</i></p> <ul style="list-style-type: none">- Unemployment- Strong competition- Change in rental contract

Source: own processing

4.3 Basic information about the company

Name: Creperie Bonnes

Business name: Crepes LLC

Address: Teplická street 19, Piešťany 921 01

Legal form: limited liability company according to Commercial Code no.531/1991 Coll. of Law

Subject of business: catering , restaurant service

Key persons:

- Sládečková Kristína, Horný Majer 7, 921 01 Banka
- Vavrinčová Katarína, Mateja Bela 28, 921 01 Piešťany

Projected date of creation and opening:

- Registration date/creation : 30.11.2011
- Opening date: 1.1.2012

4.3.1 Description of Creperie

Creperie is located in the city centre, in the busy street near the pedestrian zone, shopping center Aupark, city park and spa Island. We consider this place as the most appropriate, because there is a constant rush and large movement of people on this street. It is an ideal location for this type of business. Building in which Creperie is situated we have to rent.

Creperie is directly next to the sidewalk, on the right side of the street. The front walls of Creperie are situated to the street. Therefore people inside can observe rush and life of the street from a pleasant atmosphere during having a meal or cup of coffee. Whole interior is tuned to the warm colors in the shade of orange.

Opposite the entrance is the bar, where the customers can order. Up on the wall is written menu of complete offer of pancakes. Guests from the staff separates shopwindow counter, where are fresh ingredients for preparation of pancakes because the pancakes are prepared right in front of guests eyes. Thus guests can „compose“ pancakes according to their taste. Behind the bar are doors to the kitchen and room for personnel. In the main room, in front of bar are three tall tables with chairs for fast food eating. Next to the bar is entrance to another room where are 6 tables of total capacity 28 people. This room has

a window situated to the street too. We focus also on families with children, so part of the Creperie is also a children's playground.

Main task of Creperie is to provide restaurant services. In addition we offer various pancakes but also waffles, toasts and wide range of non-alcoholic drinks, milk cocktails, hot chocolate or coffee. We also offer the possibility to organize small celebrations such as birthday parties for children, during which we prepare the menu and program.

4.3.2 Goals of the company

Short-term goals:

- gain a good name (goodwill): to offer the best products and services with aim to achieve customer satisfaction,
- attract customers: through various food and drink events, also events specialized for children,
- employ qualified personnel: only through professionalism we can achieve the quality of products and services,
- begin to repay a loan: develop a plan which will help us to repay the precise amount on exact date,
- elaborate a strategy: develop a detailed plan for the future of business.

Long-term Goals:

- keep the goodwill: continuously improve the products and services,
- to repay a loan: exactly at the scheduled date and properly pay the entire amount borrowed,
- extension of offer: work closely with suppliers, new products, use of the seasons and trends, improvement of products,
- to make a profit: effective work with costs and increase of revenues,
- improvement of quality of services provided: motivation of employees to better performance.

4.3.3 Personnel

Piešťany has a long tradition in hotel and restaurant services, so we assume that the recruitment of qualified staff will not be difficult.

Work time will be determined by the Labour Code. Working shifts will be divided into short and long week We are planning to employ five employees working under the employment contract in the beginning. All employees will be employed according to the Labour Code.

When determine the salary, we followed Act on Minimum Wage no.663/2007 Coll. of Law , which is 317 euro from 1.1.2011. We also took into the consideration the average salary in the region. We will use monthly tariff to pay the salary to our employees. In addition we will try to financially motivate our employees to the best performance.

We decided to use line organization structure in our business. The reason is because is the most simple structure and is designed for start-ups with few employees. We are planning to employ four employees as full-time in the beginning.

4.4 Marketing Mix

4.4.1 Product

The main product of Creperie are crepes. Instead of various types of pancakes there are in offer waffles, toasts, and in beverage menu delicacies such as hot chocolate, milkshakes, soft drinks and coffee. In summer we will extend our menu by ice drinks and ice cream sundaes.

Ensuring the quality of products and services provided is one of the most important tasks of the owner or manager of the company. The reason is simple. By the quality is ensuring guest satisfaction and goodwill of the company, which are essential for the smooth operation and implementation of short and long term business objectives. Quality is obtained mainly by professional attitude of management and staff as well as the continuously control of products and services offered in order to achieve the highest customer satisfaction.

In our business we want to ensure the quality in the following ways:

- careful selection of suppliers,
- work with qualified staff,
- training of personnel,
- motivation of personnel,
- strict adherence to hygiene rules,
- follow direction of HACCP,

- effective work with expenses,
- always fresh and delicious products ,
- innovation of offer list/menu,
- effective work with expenses.

The offer in catering facilities is performed through the menu card or drinks menu. It conveys the first and very important visual impression. For the guest it is a written offer and an overview basis for control of a bill for consumption.

For the restaurant, it is:

- a promotional tool,
- assistance for staff to help them when ordering food,
- basis for the breakdown and control of revenues,
- basis for control of charged prices, sales and consumption of raw materials according to recipes.

4.4.2 Price

Price is very important factor in consumer decision-making processes, therefore calculations are based on the average cost of product, trade margin and subsequent comparison with competitors. We decided so, because we did not want to overestimate our products, thus to discourage our customers. But we did not want to set too low prices to seem as less quality.

Prices in gastronomy are based on Act on Prices no. 18/1996 Coll. of Law, and all products are based on calculations.

4.4.3 Place

We consider our location as the one of the biggest competitive advantage. Creperie is located in the Teplicka street where hundreds of people pass severy day. In the close neighborhood is shopping mall Aupark, and there are also many offices and shops around Creperie which cause constant rush. Close to Creperie is parking lot, which is also advantage for us, because potential customers therefore will not have problems to come by car.

4.4.4 Promotion

Competition in gastronomy in Piešťany is strong, therefore the most important factor is quality. Quality assurance is perceived as a priority in our marketing strategy. But to promote our sales of our products and services we will use also the advertising of our products and services. Because Creperie is newly opened restaurant, we will make greater effort and use more resources to promote it.

Marketing activities before opening: before opening of Creperie we will try to attract customers by advertisements about opening of Creperie in local media such as Piešťanský týždeň, Piešťansko, A.B.

Marketing activities during the opening day: there will be special prices and discounts on selected products, for example if the customer order two milkshakes, the second one will be for free, 25% discounts on all pancakes etc. For children we will prepare face painting, every child will get balloon and small painting book and so on.

Marketing activities after the opening: proper running of the restaurant means constant improvement of products and services offered to customers. Therefore, we will continue in similar events as it was the opening day and also we will offer special prices and discounts. Of course, we can not forget to promote, therefore in future we are also planning to spend more finances on promotion.

4.5 Financial plan

The important part of the business plan is creation of a financial plan which provides entrepreneur intention into the cash flow. While preparing the financial plan is necessary to plan required capital for establishment of a company, thus starting budget and plan of expected costs and revenues.

4.5.1 Expenses from economic activity

Here we planned all the expenses from economic activity we are expecting for the first year of business. It concludes both, fixed and variable costs. We divided these costs according to the accounts for the purpose of better orientation and creation of an income statement, which is Appendix no. 1. All the accountabilities listed below are in the framework for chart of accounts for entrepreneurs.

501/001 Consumed raw materials/food

In this account are included costs of materials – food, which we use for preparation of our products. Predicted amount of consumption is calculated in the Table 3 - Sales forecast. It is divided into two parts, which are own products and merchandise. But in this account we deal only with own products. This table is based on market research and data gained from similar restaurant as Creperie is. Their capacity is nearly same, even the line of products is slightly different, we consider this restaurant as a right base to prepare our sales forecast.

During the preparation of the plan we were influenced by:

- Market research
- Seasonality
- Capacity
- Popularity of products

We predict total amount 20 267 € for the period of first year. The sum of expenses of own products is based on our calculations of every single product we will produce in Creperie. Therefore expense of a product from this table is the amount only for raw materials, not for other expenses such as energy and work force. Table is divided into four quarters, while one quarter consists of three months. We chose this division because of better orientation in planned sales and seasonality. Numbers from quarters predict number of products sold, and the sum is the total of these numbers. In the column of expenses is the amount of costs for the raw materials and column of revenues states predicted sum of revenue from own products. In our calculations we use margin in absolute value to create final price of a product.

Tab. 3 Sales forecast

<i>Own products</i>	I. quartal	II. Quartal	III. Quartal	IV. Quartal	SUM	Expenses	Revenue
Pancakes	6095	6330	6670	7510	26605	13 176 €	47 707 €
Toasts	455	475	490	515	1935	956 €	3 265 €
Waffles and Ice creams	1270	1260	1300	1345	5175	2 364 €	10 307 €
Hot Drinks-coffee	1855	1905	1900	1990	7650	1 441 €	9 241 €
Milkshakes	1120	1160	1180	1220	4680	2 330 €	10 098 €
Total						20 267 €	80 618 €
<i>Merchandise</i>							
Soft Drinks	3222	3265	3245	3220	12952	5 311 €	15 182 €
Alcoholic Drinks	692	745	740	755	2932	1 582 €	4 878 €
Snacks	263	295	315	305	1178	510 €	1 423 €
Total						7 403 €	21 482 €

Source: own processing

501/002 Consumed material

Even it is also named material as in the previous account, the difference is that here we do not deal with raw materials, but with material under which we understand costs such as furniture, equipment, working tools and appliances of the business. We calculated sum of all the property of the company with entering price lower than 996 €. Total sum of consumed material for the first year is 16 500 €.

502 Energy Consumption

Amount of money used to pay consumption of energy for 1 year is expected on 5 920 €. This prediction was calculated based on the price for energies, the area of commercial space in m², and also based on energy consumption data of the restaurant we have already used to predict sales. In the Table 4 are listed all the energy expenditures with the price per year.

Tab. 4 Consumption of energy for the first year

Gas	2 000,00 €
Electric power	3 320,00 €
Ewage	600,00 €
Sewerage	280,00 €
Total	5 920,00 €

Source: own processing

504 Merchandise Sold

During predicting amount of merchandise sold was used same procedure as for predicting sales of own products. Under merchandise we understand products, which are directly sold without any changes, such as beverages in bottles and snacks. Merchandise sold is also based on Sales forecast (Table 3), which we created in the same way as for own products, based on market research, seasonality, capacity and popularity of products. Expected costs on merchandise are in sum 7 403 €. This number include purchasing price of merchandise, while the revenues are consisted of selling price of merchandise. Predicted expenses and revenues of a merchandise are listed in sales forecast.

511 Repair and Maintenance

Because the Creperie is newly opened, we do not expect high expenses on repairments and maintenance during the first year. We allocate 200 € for this need in case of emergency or unexpected events.

518 Other Services

Other services consist of expenses that we did not include to any specified accounts such as expenses for rental, software, marketing and promotion activities for the first year of business. Under the software we understand collection of computer programs used for documentation, accounting and other specific use. Rental includes rent payments of the commercial space we will use as a restaurant. Amount of money spent on marketing activities during the first year is higher than it will be during the next few years, because of Creperie as a new-launched restaurant need to be well promoted. Marketing activites include also animation program, which is service we use during the special occasions in

Creperie such as face-painting, animators for children etc. Last part of this account is communication service, that covers phone and internet connection. All these expenses are predicted for the first year and there are listed in the Table 5 – Other services expenses for the first year.

Tab. 5 Other services expenses for the first year

Type of Expense	Price
Software	2 000,00 €
Rental	11 500,00 €
Marketing Activities	3 780,00 €
Communication Services	600,00 €
Total	17 880,00 €

Source: own processing

521 Wages and Salaries

We include in this account costs for staff employed under an employment contract. Annual staff expenses for the period of one year are projected at 21 600 €. In the Table 6 are calculated monthly wages of every position employed in Creperie together with total expense on salaries for one month. In addition to total sum expected for wages for one year, we count on with reserve 1 500 € for wages for part-time workers. Total sum per year is 23 100 €. All the staff will be employed according to Labour Code. We also followed Act on Minimum Wage no.663/2007 Coll. of Law, which states the amount of minimum wage as 317 euro from 1.1.2011. When determining monthly salaries we determined the amount according to the average salary in tourism and hospitality industry in region.

Tab. 6 Monthly wages

Position	Number of employees	Monthly wage
Manager	1	800,00 €
Waiter	2	500,00 €
Cook	2	500,00 €
Total		1 800,00 €

Source: own processing

524 Legal Social Insurance

Legal social insurance is our obligation we have to pay as employer contributions for workers. There are:

- 25,2% social insurance according to Social insurance Act no. 461/2003 Coll. of Laws
- 10% health insurance according to Health insurance Act no. 580/2001 Coll. of Laws

Together generates 35,2 %, which is sum 7 603 € per year. For workers employed under working agreement not under the contract (our reserve on this wages is in amount 1 500 €) , we realize payments of 1,05% in classification 0,8% accident insurance and 0,25% guarantee insurance for total 15 € per one year. The total sum of Legal social insurance for the one year is 7 618 €.

528 Other social security expenses

Other expenses according to our employees include contribution to employee alimentation in form of vouchers in sum of 1 250 € per one year.

551 Depreciation of intangible assets and property, plant and equipment

Depreciation is the reduction in the book value of an asset due to usage over a period of time. Into depreciation we include the asset which we purchased and acquisition price exceeded 996 €. Fixed assets obtained free such as donation, inheritance etc, we do not depreciate. Fixed assets are classified into the depreciation groups based on the Annex of Act on Income Tax no. 366/1999 Coll. of Laws. During the calculations of yearly depreciation of every depreciated asset we used straight line depreciation method because is the simplest and most commonly used form of depreciation calculation and refers to reduction of the value as per a constant rate. Total amount of depreciation value for the first year is 1 710 €. The total acquisition price of fixed assets is 10 260 €.

Tab. 7 Depreciation table

Fixed Assets	Amount	Depreciation group/asset class	Years of depreciation	Acquisition price	Straight-Line dep. value	Account coding
Coffee machine	1	2	6	2 760,00	460,00	551/082
Icebox	1	2	6	2 100,00	350,00	551/082
Pancake cook-range	1	2	6	1 500,00	250,00	551/082
Cooling box	1	2	6	3 900,00	650,00	551/082
Total				10 260,00	1 710,00	

Source: own processing

4.5.2 Expenses from financial activity

562 Interest

Based on detailed market research through various bank institutions operating in Slovak republic we decided to take a loan from VUB bank (Všeobecná úverová banka) in total amount 22 000 €. We chose VUB bank because it offers best conditions for our business, and loan Proinvest Plus is designed to finance mid-term and long-term investment needs to purchase business related movable assets or to finance starting business. The loan will be repaid for a period of 5 years at an interest rate of 9,1%. In Table 8 –loan repayments schedule is more detailed review of yearly repayments of a loan.

Tab. 8 Loan repayments schedule

Year	Initial Balance	Annuity	Interest	Principal	Final Balance
2012	22 000,00	5 671,00	2 002,00	3 669,00	18 331,00
2013	18 331,00	5 671,00	1 668,00	4 003,00	14 328,00
2014	14 328,00	5 671,00	1 304,00	4 367,00	9 961,00
2015	9 961,00	5 671,00	907,00	4 764,00	5 197,00
2016	5 197,00	5 670,72	474,00	5 197,00	0,00

Source: own processing

568 Other financial expenses

Among other financial expenses is concluded insurance of commercial space, where the Creperie is situated. We include here expenses on duty stamps, registration fees and other financial expense which will occur during business activity. Total sum for 1 year is 1 400 €.

4.5.3 Average annual expenses for the first year of business activity

First 7 variables such as rental, energy consumption, wages and salaries concluding legal social insurance and other social expenses, commercial insurance, communication services, repayment of loan – annuity and depreciation of an asset are our fixed costs. They will remain the same, not vary over the time for the next years. On the other hand, consumed material, purchase of production materials and merchandise, marketing activities, software, repair and maintenance and other financial expenses are costs that will vary over the time, they are our variable costs. When the sales are high, we can expect higher costs on purchase of production materials and reverse. Marketing activities will depend on occasions to organize events and on need to promote Creperie. Repair and maintenance will also vary over the time. We can not expect some certain repairments for the next few years, but there will be possible some necessary interventions in order to fix appliances or interior of Creperie. Expenses on consumed material will be high during the first year due to purpose of establishing and furnishing Creperie, obtaining appliances and equipments which will not be such high during the next years. In the line 14 is acquisition cost of the asset which we purchased and entering price exceeded 996 €. For the next five years this asset will be depreciated by sum 1 710 € per year. We used straight line depreciation, therefore the sum will remain the same for all the five years. Calculation of depreciations is described in Table 6, Depreciation table.

Based on our predictions and expectations for the first year of business, we created Income statement. According to this Income statement, during the first year we expect higher expenses than revenues, therefore we predict loss in sum of 5 819 €. Income statement is in Appendix no. 1.

Tab. 9 Average annual expenses for the first year of business activity

1.Rental	11 500,00
2.Energy Consumption	5 920,00
3.Wages and salaries, legal social insurance	31 968,00
4.Commercial Insurance	800,00
5.Communication services	600,00
6.Repayment of a loan - annuity	5 671,00
7.Depreciation of an asset	1 710,00
Fixed Costs Total	58 169,00
8. <i>Consumed material</i>	<i>16 500,00</i>
9. <i>Purchase of production material and merchandise</i>	<i>27 670,00</i>
10. <i>Marketing activities</i>	<i>3 780,00</i>
11. <i>Software</i>	<i>2 000,00</i>
12. <i>Repair and Maintenance</i>	<i>200,00</i>
13. <i>Other financial expenses</i>	<i>600,00</i>
Variable Costs Total	50 750,00
14. Acquisition cost of depreciated asset	10 260,00
Total	108 919,00

Source: own processing

4.5.4 Revenues from economic activity

601 Revenues from own products

Planning the revenues from own products was based on sales forecast of products. We predict total sum 80 618 €. Revenues from own products as well as from merchandise are listed in sales forecast table. In the this table of sales forecast, column revenues states predicted sum of revenues from own products. In our calculations we use margin in absolute value to create final price of a product.

602 Revenues from services

Except for revenues from products and merchandise, we are planning to organize birthday events, or events of some other special occasions. From this action we also expect revenues. For the first year we predict sum 1 000 €

604 Revenues from merchandise

Same as while planning revenues from own products we predict the revenues from merchandise. The result can be seen in Table 3 Sales forecast. We expect total sum 21 482€.

Tab. 10 Expected revenues for the first year of business

Revenues from own products	80 618,00
Revenues from services	1 000,00
Revenues from merchandise	21 482,00
Total	103 100,00

Source: own processing

For the first year of business we expect total revenues in sum 103 100,00 €. As we mentioned before, Creperies as newly launched business is trying to penetrate into the market, and to gain potential customers. So the volume of sales is not that high as we expect during the next years.

4.5.5 Start-up summary

In Table 11 - Start up is calculated sum necessary for our start-up in total amount 72 000 €. We divide this sum into two parts, 50 000 € will be deposit of own resources from partners, and 22 000 € will be financed by loan from bank. We predicted this sum according to our expected expenses for first six months of business, until the Creperie will start to earn on its products and services and therefore be able to pay its expenses, duties, liabilities against the suppliers and wages for employees. This ability and situation we expect to happen during the first five months, therefore we chose six months for start-up budget to have one month for financial reserve. Two of accounts, account Consumed material and marketing activities from account Other services are in 100% sum, because expenses of these accounts will be used before opening and starting business

Tab. 11 Start-up

501/001 Consumed raw material	6 months	10 140,00 €
501/002 Consumed material	100% expenses	16 500,00 €
502 Energy Consumption	6 months	2 960,00 €
504 Merchandise sold	6 months	3 700,00 €
511 Repair and maintenance	6 months	100,00€
518 Other services	6 months a 100%MA	10 830,00 €
521 Wages and salaries	6 months	11 550,00 €
524 Legal social insurance	6 months	3 809,00 €
528 Other social security expenses	6 months	625,00 €
568 Other financial expenses	6 months	700,00 €
Entering price of fixed assets		10 260,00 €
Reserve		826,00 €
Total		72 000,00 €

Source: own processing

Note: 100% MA, we count with the maximum value for marketing activities, because of high expenses due to opening of Creperie. For the other items of this account we expect the standard time horizon of 6 months.

4.5.6 Balance sheet

Because we are new, starting company, we created extraordinary balance sheet due to the date of the opening of Creperie, which is 1.1.2012. Here we listed our assets and liabilities to the opening day, which is equal to 72 000 € on both sides – side of assets and side of liabilities. Balance sheet is in Appendix no. 2.

4.5.7 Expected result from the 5 years of business activity

Table 12 shows us financial outlook for the 5 years of business. We took both, optimistic and pessimistic view of a business to predict expenses and revenues.

In next four years after the first year of opening we expect change of situation and turn from loss to profit.

During the second year of business we predicted increasing sales and no extraordinary expenses due to reparation. On the other hand, we expect decreasing expenses due to lower values in account such as Consumed material and Other services.

In third year, we expected increasing sales. We have already gained our brand-name and stable clientele. Because of positive statement of sales, we invest into some reparation and upgrade of interior.

Fourth year will remain slightly decrease in sales. We took into consideration also pessimistic view and predicted bad summer season because of weather, therefore decrease in sales during the summer season which led to decrease in sales for whole year.

During the fifth year we predicted comeback to average sales and costs with small repairs, average costs for materials and average revenues.

Tab. 12 Outlook to the 5 years of business activity

Costs	1st year	2nd year	3rd year	4th year	5th year
Fixed Costs	58 169,00	58 169,00	58 169,00	58 169,00	58 169,00
Variable C.	50 750,00	39 700,00	37 390,00	38 500,00	37 100,00
Costs Total	108 919,00	97 869,00	95 559,00	96 669,00	95 269,00
Revenues from own products, services	81 618,00	103 000,00	115 000,00	105 700,00	110 200,00
Revenues from merchandise	21 482,00	25 600,00	31 000,00	28 500,00	29 000,00
Revenues Total	103 100,00	128 600,00	146 000,00	134 200,00	139 200,00
Result	-5 819,00	30 731,00	50 441,00	37 531,00	43 931,00

Source: own processing

4.5.8 Ratio analysis

We conducted financial ratio analysis in order to evaluate the financial condition and performance of a business during the first year of business. In the Table 13 Ratio analysis are results of every particular calculated ratio.

Tab. 13 Ratio analysis results

Type of Ratio	Result
Return on assets	-8,1%
Return on equity	-11,6%
Debt to total assets	0,31
Debt to equity	0,44
Average collection period	3,5

Source: own processing

Return on assets ratio of -8,1% means that for every 1 euro invested in assets, company is generating -8,1 cents in loss. It means that as it is stated in general rule, anything below 5% is very asset-heavy. In our case, the reason of such a negative number is that during the first year we do not expect generating a profit, but loss. In the future years we expect the change because of turn from loss to profit.

Return on equity ratio for the first year is negative number. Because of this negativity, there is no return that management is earning on shareholder equity. As in the case of return on assets ratio, we expect change to positive number during the next years.

Debt to total asset ratio has value of 0,31 which means that majority of assets are financed through equity, because the ratio is less than 0,5. For the financing of total asset it is used 31% of liabilities.

Debt to equity ratio in our case is not high, the value 0,44 indicates that a company has not been aggressive in financing its growth with debt. We have to take into consideration that we are starting company, therefore is not so easy to obtain a loan.

Average collection period ratio of value 3,5 means that it takes 3 and half days to company on average to collect its receivables. The value is very low, but it is because we offer restaurant and catering services, therefore we do not expect problems with collecting receivables.

Conclusion

To be successful in today's market is not easy. If entrepreneur wants to try it, it is always about the risk which can be reduced by setting up a quality business plan. Its creation is not easy, is difficult. But each task with which man meets for the first time seems difficult, sometimes elusive. If we really carry on this task and spend some time with it, we will find out that is not unattainable, but we need to do our best.

The aim of my work was to develop a business plan for a small restaurant - Creperie with cafe bar in Piešťany. To achieve this objective I used theoretical background of the work which is processed in the first part.

Here I described the enterprise, business, purpose of business plan, its composition. Next I addressed to the theory of marketing which include marketing mix – price, product, distribution and marketing communication. Then I defined the SWOT analysis and analysis of competitive environment. Finally I paid attention to the financial part of the plan which is irreplaceable in process of developing of business plan.

In the practical part I analyzed the market and the gastronomy. I discussed customers and competition, and found out that the competition is great, but there is also a great demand for these services, so there is a space to penetrate into the market. Next, I analyzed strengths, weaknesses, opportunities and threats of the company through SWOT analysis. Among strengths I include the location, pleasant environment and professional staff. On the other side, our weaknesses are inexperience with the business and that restaurant does not have a brand-name and stable clientele. As the opportunity is to become a dominant player in the market, because there is no other player like Creperie. Of course, in this period the greatest threat is global financial crisis, and no security for the future.

Finally, I projected business plan itself. Here are brief details about the company, its products and services, personnel and management. Next I outlined the marketing mix. Important chapter of practical part is undoubtedly financial plan, where I dealt with financial projections of the business. It includes analysis of expenses, which were divided according to accounts for better orientation and analysis of revenues, which were predicted based on market research, seasonality, data obtained from similar business and other factors. This section is also dealt with depreciation costs, loan repayments schedule. Finally, after analysing all the expenses and revenues I prepared a start up summary, amount, which is necessary to start business and operate it successfully. According to the opening, I created

extraordinary Balance sheet, where are listed all the assets and liabilities to the opening day. For the purpose of an outlook for the future, I calculated an expected economic result of the first year of business which indicates, that first year will not be profitable, which is not extraordinary for the first year. Result of the first year can be seen also in Income Statement. During the next 4 years there is expected increase in sales, and decrease in investments, therefore I expect turn to the profit. For better financial orientation, I also prepared Outlook for the 5 years of business, where I took into consideration realistic view of business, optimistic but also pessimistic view.

Resumé

Kvalitne vypracovaný podnikateľský zámer je jednou z možností, ako získať záujem investorov a ďalších subjektov. Prostredníctvom plánu sa môžu dozvedieť o zamýšľaných aktivitách podniku a jeho finančných stránkach. Takýto plán slúži aj na kritické zhodnotenie našich nápadov. Vďaka nemu zistíme, či má náš návrh zmysel, či bude schopný obstáť v konkurenčnom boji a či bude jeho realizácia rentabilná. Vytvoriť zámer, ktorý by spĺňal vyššie uvedené kritéria, a ktorý by pomohol firme orientovať sa na trhu a analyzovať jej finančnú situáciu bol obsahom mojej bakalárskej práce.

V prvej časti práci som sa venovala teoretickému vypracovaniu riešenej problematiky. Opísala som, čo je to podnikateľský plán, aké sú jeho úlohy a čo má kvalitne spracovaný plán obsahovať. Ďalej som sa venovala problematike analýzy trhu, jeho prieskumu, ktorý zahŕňa analýzu konkurencie, zákazníkov a SWOT analýzu podniku, teda analýzu jeho silných a slabých stránok, príležitostí a ohrození. Dôležitou časťou je rozpracovanie kvalitnej stratégie a jej implementácie. Z marketingového hľadiska je neoddeliteľnou súčasťou marketingový mix, teda product, price, place and promotion - produkt, cena, miesto a reklama. Na záver som sa venovala najdôležitejšej časti plánu, finančnej časti. Tá obsahuje opis finančných dokumentov potrebných pre úspešné podnikanie, spôsoby financovania podniku a s tým spojené riziká a finančné ukazovatele, ktoré nám pomôžu analyzovať finančnú situáciu podniku.

V praktickej časti som vytvorila podnikateľský zámer pre začínajúci podnik – palacinkáreň Creperie Bonnes. Môj zámer bol detailne pripraviť podklady potrebné pre otvorenie a úspešné fungovanie tejto prevádzky.

Na začiatku bol zámer podnikat' a uplatniť sa v tejto oblasti. Pri samotnom nápade treba zvážiť, či sa má podnik možnosť presadiť na trhu z hľadiska momentálnej situácie na trhu, konkurencie a zákazníkov. Po dôkladnom procese rozhodovania som sa pustila do skúmania daného sektoru, v tomto prípade gastronómie a cestovného ruchu. Na to nadväzuje analýza trhu pozostávajúca z prieskumu polohy, teda miesta, kde bude podnik situovaný. Ide o mesto Piešťany, nachádzajúce sa na západnom Slovensku, 80 km od hlavného mesta Bratislava. Okres Piešťany pozostáva z 27 obcí, dôležité však je, že je to miesto, kde je rozvinutý cestovný ruch. Samozrejme vďaka kúpeľnej oblasti, do ktorej ročne smeruje veľa zahraničných, ale aj domácich turistov za cieľom kúpeľného alebo relaxačného pobytu. Z hľadiska trhu s gastronomickými zariadeniami, v Piešťanoch nie je prevádzka zameraná na reštauračné služby ako ponúka Creperie. Samozrejme, nachádza sa tu veľa kaviarní a reštaurácií, ale palacinkáreň je jedinečná. V pláne som analyzovala

najbližšiu konkurenciu, tri podniky nachádzajúce sa v blízkosti palacinkárne. Po analýze konkurencie nasledovala analýza zákazníkov, kde som bližšie definovala cieľovú skupinu zákazníkov, ako aj na koho sa budem v prvom rade orientovať. Okrem toho som spracovala aj SWOT analýzu, vďaka ktorej som zistila aké sú silné a slabé stránky podniku, jeho príležitosti a ohrozenia.

Po analýze trhu nasledoval samotný opis podniku, jeho základné údaje ako sú forma podnikania, mená spoločníkov, predmet podnikania a plánovaný dátum vzniku a otvorenia prevádzky. Stanovila som krátkodobé a dlhodobé ciele, ktoré by mal podnik v stanovenom čase dosiahnuť a splniť, ako napríklad presadiť sa na trhu, získať si dobré meno, zamestnávať kvalifikovaný personál, začať splácať úver a plniť si svoje záväzky.

Ďalej som pokračovala charakteristikou marketingového mixu podniku. Skladá sa z opisu ústredného produktu palacinkárne, teda palacínok, ako aj iných ponúkaných produktov. Súčasťou je aj zabezpečenie kvality a ponukový list. Ceny som stanovila na základe analýzy trhu tak, aby neboli príliš nízke, čo by vzbudzovalo u zákazníkov dojem nekvalitných produktov, a zároveň nie príliš vysoké, aby boli schopné konkurovať ostatným podnikom. Miesto umiestnenia prevádzky bolo vybrané na frekventovanej ulici v centre mesta, blízko nákupného strediska a pešej zóny, čo zabezpečuje neustály pohyb ľudí a ľahkú dostupnosť. Podporiť predaj a presadenie sa na trhu som sa rozhodla prostredníctvom marketingových aktivít, akými sú inzercia v miestnych novinách, a realizácií rôznych eventov počas otvorenia a po otvorení prevádzky.

Na záver je rozpracovaný finančný plán podniku. V ňom detailne analyzujem prvý rok podnikania z hľadiska plánovaných nákladov a výnosov podniku. Pri plánovaní som využila údaje získané z podniku, ktorý je podobne zameraný ako Creperie Bonnes. Plánované výsledky ovplyvnili aj faktory ako prieskum trhu, sezónnosť, kapacita a popularita jednotlivých produktov. Náklady som rozdelila podľa jednotlivých účtov stanovených v účtovnej osnove pre ľahšiu orientáciu a zostavenie plánovaného výsledku hospodárenia za prvý rok činnosti. Na základe týchto nákladov som zostavila aj potrebnú výšku počiatočného kapitálu, kde som rátala náklady na 6 mesiacov podnikania, kým sa podnik nezabehne a výnosmi nezačne splácať svoje náklady. V kalkulácií výšky potreby počiatočného kapitálu som náklady rozdelila na fixné a variabilné. Niektoré položky sú kalkované v celkovej výške z dôvodu ich zaobstarania pred otvorením prevádzky. Prvý rok podnikania prináša negatívny výsledok hospodárenia, stratu, čo ale nie je prekvapujúce, keďže ako novootvorený podnik boli náklady neporovnateľne vyššie ako predpokladám na nasledujúce obdobia. Počas nich náklady klesnú z dôvodu, že nebude potrebné

zaobstarávať vybavenie podniku ako nábytok, a zariadenia potrebné na výrobu. Okrem výkazu ziskov a strát som zostavila aj mimoriadnu súvahu ku dňu otvorenia prevádzky.

Ako poslednú uvádzam analýzu finančných ukazovateľov, prostredníctvom ktorých som vypočítala rentabilitu majetku, vlastného kapitálu, mieru zadlženosti a

Samotný plán dôkladne skúma a analyzuje obdobie palacinkárne Creperie Bonnes od prvotného úmyslu podnikat' v tejto oblasti až po dosiahnutie zisku a prinavrátenie vložených prostriedkov. Z výsledkov tejto práce vyplýva, že prevádzka Creperie Bonnes má možnosť byť úspešná. Napriek tomu, že počas prvého roka podnikania nedosahuje zisk, počas ďalších rokov má možnosť presadiť sa na trhu. Je však potrebné neustále sledovať dianie na trhu, mať prehľad o konkurencii, zákazníkoch, trendoch v gastronómii, dbať na kvalitu poskytovaných produktov a služieb, zamestnávať kvalifikovaný personál a efektívne pracovať s nákladmi a výnosmi.

Bibliography

1. AAKER, D., KUMAR, V., DAY, G. 2001. *Marketing Research*. In duhoc-online [online]. John Wiley & Sons, Inc., 2001, 36 p. Retrieved January 2, 2011, available at: <http://www.duhoc-online.net/modfnet/Librarian/eBooks/Eco/Mic/Marketing/Summary/Summary%20-%20Marketing%20research.pdf>
2. ABRAMS, R., KLEINER, E. 2003. *Successful business plan: secrets and strategies*. 4th edition. In google books [online]. Published by the Planning shop, 2003, 417 p. Retrieved December 25, 2010, available at: http://books.google.com/books?id=hpFxfjEsZLUwC&printsec=frontcover&hl=cs&source=ggb_ge_summary_r&cad=0#v=onepage&q&f=false
3. BARROW, C., BARROW, P., BROWN, R. 1992. *The Business plan workbook*. 2nd edition. London: Kogan Page, 1992, 278 p. ISBN 0-7494-0644-5.
4. BERRY, Tim. 2004. *What is Business Plan?* In Bizinfo library [online]. Palo alto software, 2004-06-15. Retrieved December 17, 2010, available at: <http://www.bizinfo library.org/index.cfm/article/What-is-a-Business-Plan->
5. BERRY, Tim. 2006. *Determining a plan for setting prices*. In entrepreneur [online]. 2006-01-01. Retrieved December 29, 2010, available at: <http://www.entrepreneur.com/startingabusiness/businessplans/businessplancoach timberry/artarti82730.html>
6. BERRY, Tim. 2007. *Use SWOT to kick-start your planning*. In entrepreneur [online]. 2007-07-23. Retrieved December 30, 2010, available at: <http://www.entrepreneur.com/startingabusiness/businessplans/businessplancoach timberry/artarti182034.html>
7. BROWN, Dan. 2006. *Competitive analysis*. In digital-web [online]. 2006-08-21. Retrieved December 27, 2010, available at: http://www.digital-web.com/articles/competitive_analysis
8. GREENE, Glen. 2006. *How to develop and use a business plan?* In Bizinfo library [online]. The Edward Lowe Foundation, 2006. Retrieved December 19, 2010, available at: <http://www.bizinfo library.org/index.cfm/article/How-to-Develop-and-Use-a-Business-Plan>
9. GREENE, Glen. 2006. *How to develop and use a business plan?* In Bizinfo library [online]. The Edward Lowe Foundation, 2006. Retrieved December 19, 2010,

- available at: <<http://www.bizinfo library.org/index.cfm/article/How-to-Develop-and-Use-a-Business-Plan>>
10. KINGSTON, Peter. 2002. *Efektívny marketing. Malý sprievodca podnikaním*. Bratislava: Ikar, 2002, 192 p. ISBN 80-551-0399-2.
 11. KEEGAN, Brenna. 2010. *Planning and implementing a strategy*. In ezinearticles [online]. 2010-02-17. Retrieved December 21, 2010, available at: <<http://ezinearticles.com/?Planning-and-Implementing-a-Strategy&id=3777168>>
 12. KITA, Jaroslav. et al. 2005. *Marketing*. 3rd edition. Bratislava: IURA Edition, 2005, 431 p. ISBN 80-89047-23-8
 13. KOSTINE, Philippe. 2005. *How to choose a legal structure for your business*. In ezinearticles [online]. 2005-09-05. Retrieved January 7, 2011, available at: <<http://ezinearticles.com/?How-To-Choose-a-Legal-Structure-For-Your-Business&id=67487>>
 14. LARSON, Paul. 2010. *Operational issues in strategy implementation*. In suite101.com [online]. 2010-05-02. Retrieved December 21, 2010, available at: <<http://www.suite101.com/content/operational-issues-in-strategy-implementation-a232820>>
 15. LIEBLER, J. G., McCONNEL, CH. R. 2004. *Management principles for health professionals*. 4th edition. In google books [online]. Jones and Bartlett Publishers Inc., 2004, 560 p. Retrieved January 5, 2011, available at: <http://books.google.com/books?id=GTkruDxbZ2cC&printsec=frontcover&hl=cs&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false>
 16. McKEEVER, Mike. 2008. *How to write a business plan?* In google books [online]. NOLO small business essentials, 2008, 274 p. Retrieved December 19, 2010, available at: <http://books.google.com/books?id=2pFfHS6hmmIC&dq=business+plan&hl=cs&source=gbs_navlinks_s>
 17. MEDNICK, Barbara. 2006. *Top 10 PR tips to help build your small business*. In Bizinfo library [online]. 2006. Retrieved December 28, 2010, available at: <<http://www.bizinfo library.org/index.cfm/article/Top-10-PR-Tips-To-Help-Build-Your-Small-Business>>
 18. MERANUS, Rachel. 2007. *The Communications Cycle*. In entrepreneur [online]. 2007-08-31. Retrieved December 25, 2010, available at:

- <<http://www.entrepreneur.com/marketing/publicrelations/prcolumnistrachelmeranus/article183794.html>>
19. PEABODY, Mary. 2008. *Financial Ratios*. In extension.org [online]. 2008-04-06. Retrieved January 6, 2011, available at: <http://www.extension.org/pages/Financial_Ratios>
 20. PINSON, Linda. 2001. *Anatomy of business plan*. In google books [online]. Dearborn Trade publishing, 2001, 278 p. Retrieved December 19, 2010, available at: <http://books.google.com/books?id=IXdt3oXxS0UC&printsec=frontcover&hl=cs&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false>
 21. PRIDE, W. M., HUGHES, R. J., KAPOOR, J. R. 2009. *Business*. In google books [online]. Cengage Learning, 2009, 627 p. Retrieved December 18, 2010, available at: <http://books.google.com/books?id=zb0cItqvLJUC&printsec=frontcover&hl=cs&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=falsehttp://ezinearticles.com/?How-To-Choose-a-Legal-Structure-For-Your-Business&id=67487>
 22. SHARMA, Geetika. 2009. *Financial Ratio Analysis*. In ezinearticles [online]. 2009-06-06. Retrieved January 2, 2011, available at: <<http://ezinearticles.com/?Financial-Ratio-Analysis&id=2452691>>
 23. SHEA, Peter. 2010. *Start your own business*. 5th edition. In Amazon [online]. Entrepreneur Media Inc., 2010, 782 p. Retrieved December 22, 2010, available at: <http://www.amazon.com/gp/product/1599183870?ie=UTF8&tag=entrepreneurpress-20&linkCode=as2&camp=1789&creative=9325&creativeASIN=1599183870#reader_1599183870>
 24. SHUMBA, Rabison. 2010. *10 Considerations for choosing suppliers*. In ezinearticles [online]. 2010-06-23. Retrieved December 27, 2010, available at: <<http://ezinearticles.com/?10-Considerations-For-Choosing-Suppliers&id=4535581>>
 25. SCHNECK, Findlay Barbara. 2010. *Three steps to effective sales promotion*. In entrepreneur [online]. 2010-02-01. Retrieved January 2, 2011, available at: <<http://www.entrepreneur.com/sales/howtoguides/jumpstartyoursales/article204860.html>>

26. SLÁDEK, Gustáv. 2003. Podnikanie v pohostinstve a hotelierstve. Bratislava: EPOS, 2003, 558 p. ISBN 80-8057-523-1
27. SPECULAND, Robin. 2009. *Strategy Implementation*. In ezinearticles [online]. 2009-06-22. Retrieved December 22, 2010, available at: <<http://ezinearticles.com/?Strategy-Implementation&id=2507997>>
28. SPENCER PYLE, Lesley. 2010. *How to do market research – the basics*. In entrepreneur [online]. 2010-09-23. Retrieved January 2, 2011, available at: <<http://www.entrepreneur.com/article/217345>>
29. SUGARS, Brad. 2008. *7 Biggest mistakes in setting prices*. In Bizinfo library [online]. 2008-08-26. Retrieved January 2, 2011, available at: <<http://www.bizinfo library.org/index.cfm/article/7-Biggest-Mistakes-in-Setting-Prices>>
30. TRACY, Brian. 2004. *The 7Ps of marketing*. In entrepreneur [online]. 2004-05-17. Retrieved January 4, 2011, available at: <<http://www.entrepreneur.com/marketing/article70824.html>>
31. WILSON, Elizabeth. 2009. *Know your target market*. In entrepreneur [online]. 2009-06-19. Retrieved January 1, 2011, available at: <<http://www.entrepreneur.com/marketing/article202334.html>>
32. ZAHORSKY, D. 2007. *A business owners secret weapon: Swot analysis*. In sbinformation [online]. 2007. Retrieved December 30, 2010, available at: <<http://sbinformation.about.com/cs/bestpractices/a/swot.htm>>
33. *Základné údaje mesta Piešťany*. In Piešťany [online]. 2010-01-01. Retrieved February 12, 2011, available at: <<http://www.piestany.sk/index.php?id=10>>

Legislation:

- Labour Code
- Commercial Code no. 531/1991 Coll.of Law
- Act on Prices no. 18/1996 Coll.of Law
- Act on Income Tax no. 366/1999 Coll.of Laws
- Health insurance Act no. 580/2001 Coll.of Laws
- Social insurance Act no. 461/2003 Coll.of Laws
- Act on Minimum wage no. 663/2007 Coll.of Law

Appendices

Appendix no. 1 Income Statement for the first year of business

Denotation	ITEM	Line	Current	Previous
I.	Revenue from the sales of merchandise	1	21 482	
A.	Cost of merchandise sold (504)	2	7 403	
+	Trade margin (001-002)	3	14 079	
II.	Production(005+006+007)	4	81 618	
II.1.	Revenue from the sale of own products and services(601,602)	5	81 618	
2.	Change in inventory(+/-account group 61)	6		
3.	Own work capitalized (account group 62)	7		
B.	Purchased consumables and services (009+010)	8	60 767	
B 1.	Consumed raw materials,energy,consumption,consumption of other non/inventory supplies(501,502,503)	9	42 687	
2.	Services (account group 51)	10	18 080	
+	Added value (003+004-008)	11	34 930	
C.	Personnel expenses – total (13 to 16)	12	31 968	
C 1.	Wages and salaries (521,522)	13	23 100	
2.	Remuneration of board members (523)	14		
3.	Social security expenses (524,525,526)	15	7 618	
4.	Social expenses(527,528)	16	1 250	
D.	Taxes and fees (account group 53)	17		
E.	Depreciation expense of intangible and tangible fixed assets (551)	18	1 710	
III.	Revenues from sales of fix.assets and sales of materials(641,642)	19		
F.	Net book value of fixed assets sold and material sold (541,542)	20		
IV.	Use and reversal of reserves against operating income and accounting for komplex deferred expenses(652,654,655)	21		
G.	Creation of reserves for operations and accounting for komplex deferred expenses(552,554,555))	22		
V.	Accounting and reversal of provisions against operating income (657,658,659)	23		
H.	Additions to provision against operating expenses(557,558,559)	24		
VI.	Other operating revenues (644,645,646,648)	25		
I.	Other operating expenses (543 to 546,548,549)	26		
VII.	Transfer of operating revenues (-) (697)	27		
J.	Transfer of operating expenses (-) (597)	28		
*	Profit or loss from operations [011-012-017-018+019-020+023-024+025-026+(-027)-(-028)]	29	1 252	
VIII.	Revenues from sales of shares and ownership (661)	30		
K.	Shares and ownership interests sold (561)	31		
IX.	Revenues from long/term financial assets(033+034+035)	32		
IX.1.	Revenues from ownership interests with kontrol influence in enterprises and ownrship interests with substantiv influence of enterprises(665A0)	33		
2.	Revenues from other long-term ownership and shares (665A)	34		

3.	Revenues from other long-term financial assets (665A)	35		
X.	Revenues from short-term financial assets (666)	36		
L.	Expenses for short-term financial assets (566)	37		
XI.	Revenues from revaluation of securities and revenues from derivative operations (664,667)	38		
M.	Expenses for revaluation of securities and expenses for derivative operations (564,567)	39		
XII.	Interest income (662)	40		
N.	Interest expense (562)	41	5 671	
XIII.	Exchange rate gains (663)	42		
O.	Exchange rate losses (563)	43		
XIV.	Other financial revenues (668)	44		
P.	Other financial expenses (568,569)	45	1 400	
XV.	Use and reversal of reserves against income from financial activities (674)	46		
Q.	Additions to reserves financial (574)	47		
XVI.	Accounting for provisions against income from financial activities (679)	48		
R.	Additions to provisions financial (579)	49		
XVII.	Transfer of financial revenues (-) (698)	50		
S.	Transfer of financial expenses (-) (598)	51		
*	Profit or loss from financial activities [030-031+032+036-037+038-039+040-041+042-043+044-045+046-047+048-049+(-050)-(-051)]	52	-7 071	
T.	Income tax on ordinary activities (054+055)	53		
T 1.	-current (591,595)	54		
T 2.	-deferred (+/- 592)	55		
**	Profit or loss from ordinary activities (029+052-053)	56	-5 819	
XVIII.	Extraordinary revenues (account group 68)	57		
U.	Extraordinary expenses (account group 58)	58		
V.	Income tax on extraordinary activities (060+061)	59		
V 1.	Current (593)	60		
2.	Deferred (+/-594)	61		
*	Profit or loss from extraordinary activities (057-058-059)	62		
Z	Transfer of profit or loss to partners (+/- 596)	63		
***	Profit or loss of the accounting period (+/-) (+/- 056+062-063)	64	-5 819	
	Control number	65	417 924	

Appendix no. 2 Extraordinary balance sheet due to opening

Denotation	ASSETS	Line	Current acc. period
	Total assets (002 + 003 + 032 + 062)	1	72 000
A.	Receivables for subscriptions (for own equity capital) (353)	2	
B.	Non-current assets (004 + 013 + 023)	3	10 260
B. I.	Intangible fixed assets (005 to 012)	4	
B. I. I.	Incorporation expenses (011) - /071, 091A/	5	
2.	Development expenses (012) - /072, 091A/	6	
3.	Software (013) - /073, 091A/	7	
4.	Valuable rights (014) - /074, 091A/	8	
5.	Goodwill (015) - /075, 091A/	9	
6.	Other intangible fixed assets (019, 01X) - /079, 07X, 091A/	10	
7.	Acquisition of intangible fixed assets (041) - 093	11	
8.	Advance payments for intangible fixed assets (051) - 095A	12	
B. II.	Tangible fixed assets - total (014 to 022)	13	10 260
B. II. I.	Lands (031) - 092A	14	
2.	Constructions (021) - /081, 092A/	15	
3.	Separate movable assets and sets of movable assets (022) - /082, 092A/	16	10 260
4.	Perennial crops (025) - /085, 092A/	17	
5.	Breeding and draught animals (026) - /086, 092A/	18	
6.	Other tangible fixed assets (029, 02X, 032) - /089, 08X, 092A/	19	
7.	Acquisition of tangible fixed assets (042) - 094	20	
8.	Advance payments for tangible fixed assets (052) - 095A	21	
9.	Adjustment to acquired assets (+/-097) +/-098	22	
B. III.	Long-term financial investments (024 to 031)	23	
B. III. I.	Shares and ownership interests with control influence in enterprises (061) - 096A	24	
2.	Shares and ownership interests with substantial influence of enterprises (062) - 096A	25	
3.	Other long-term shares and ownership interests (063, 065) - 096A	26	
4.	Intercompany loans (066A) - 096A	27	
5.	Other long-term financial investments (067A, 069, 06XA) - 096A	28	
6.	Loans with maturity up to one year (066A, 067A, 06XA) - 096A	29	
7.	Acquisition of long-term financial investments (043) - 096A	30	
8.	Advance payments for long-term assets (053) - 095A	31	
C.	Current assets (033 + 041 + 048 + 056)	32	61 740
C. I.	Inventory - total (034 to 040)	33	30 340
C. I. I.	Material (112, 119, 11X) - /191, 19X/	34	26 640
2.	Work-in-progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	35	
3.	Construction contracts where the expected time of completion exceeds one year (12X - 192A)	36	
4.	Finished products (123) - 194	37	
5.	Animals (124) - 195	38	
6.	Merchandise (132, 13X, 139) - /196, 19X/	39	3 700
7.	Advance payments made for inventory (314A) - 391A	40	
C. II.	Long-term receivables - total (042 to 047)	41	
C. II. I.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 319A	42	
2.	Receivables from a controlled entity and a controlling entity (351A) - 391A	43	
3.	Other intercompany receivables (351A) - 391A	44	
4.	Receivables from participants, members and	45	

	association (354A, 355A, 358A, 35XA) - 391A		
5.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	46	
6.	Deffered tax asset (481A)	47	
C. III.	Short - term receivables - total (049 to 055)	48	
C. III. I.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 319A	49	
2.	Receivables from a controlled entity and a controlling entity (351A) - 391A	50	
3.	Other intercompany receivables (351A) - 391A	51	
4.	Receivables from participants, members and association (354A, 355A, 358A, 35XA, 398A) - 391A	52	
5.	Social security (336) - 391A	53	
6.	Taxation and subsidies (341, 342, 343, 345) - 391A	54	
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	55	
C. IV.	Financial accounts - total (057 to 061)	56	31 400
C. IV. I.	Cash (211, 213, 21X)	57	826
2.	Bank accounts (221A, 22X +/-261)	58	30 574
3.	Bank accounts with notice period exceeding one year (22XA)	59	
4.	Short-term financial assets (251, 253, 256, 257, 25X) - /291, 29X/	60	
5.	Acquisition of short-term financial assets (259) - 291	61	
D.	Prepayments line 063 and 064	62	
D. 1.	Deferred expenses (381, 382)	63	
2.	Accrued revenues (385)	64	
	Control number - total (001 to 064)	888	288 000

Denotation	LIABILITIES	Line	Current accounting period
	Total capital and liabilities (066 + 086 + 116)	65	72 000,00
A.	Capital (067 + 071 + 078 + 082 + 085)	66	50 000,00
A. I.	Registered capital - total (068 to 070)	67	50 000,00
A. I. 1.	Registered capital - total (411 or +/- 491)	68	50 000,00
2.	Own shares and own business shares (/ - / 252)	69	
3.	Change in registered capital (+/-419)	70	
A. II.	Capital funds - total (072 to 077)	71	
A. II. 1.	Share premium (412)	72	
2.	Other capital funds (413)	73	
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	74	
4.	Gains or losses from revaluation of assets and liabilities (+/- 414)	75	
5.	Gains or losses from investments (+/- 415)	76	
6.	Gain or losses from revaluation from join and divesting (+/- 416)	77	
A. III.	Funds created from profit - total (079 to 081)	78	
A. III. 1.	Legal reserve fund (421)	79	
2.	Indivisible funds (422)	80	
3.	Statutory funds and other funds (423, 427, 42X)	81	
A. IV.	Retained profit or loss from previous years (083 and 084)	82	
A. IV. 1.	Retained earnings from previous years (428)	83	
2.	Retained earnings from previous years (/ - / 429)	84	
A. V.	Profit or loss for the accounting period /+ - / (001 - (067 + 071 + 078 + 082 + 086 + 116)	85	
B.	Liabilities 087 + 091 + 102 + 112	86	22 000,00
B. I.	Reserves - total (088 to 090)	87	
B. I. 1.	Legal reserves (451A)	88	

2.	Other long-term reserves (459A, 45XA)	89	
3.	Short-term reserves (323, 32X, 451A, 459A, 45XA)	90	
B. II.	Long-term liabilities - total (092 to 101)	91	
B. II. 1.	Long-term trade liabilities - total (479A)	92	
2.	Uninvoiced long-term supplies (476A)	93	
3.	Long-term liabilities to a controlled entity and a controlling entity (471A)	94	
4.	Other intercompany long-term liabilities (471A)	95	
5.	Long-term advances received (475A)	96	
6.	Long-term bills of exchange to a paid (478A)	97	
7.	Bonds issued (473A/-/255A)	98	
8.	Liabilities from social fund (472)	99	
9.	Other long-term liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100	
10.	Deffered tax liability (481A)	101	
B. III.	Short-term liabilities - total (103 to 111)	102	
B. III. 1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	
2.	Uninvoiced supplies (326, 476A)	104	
3.	Liabilities to a controlled entity and a controlling entity (361A, 471A)	105	
4.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	106	
5.	Liabilities to partners and participants in association (364, 365, 366, 367, 368, 398A, 478A, 479A)	107	
6.	Liabilities to employees (331, 333, 33X, 479A)	108	
7.	Social security liabilities (336, 479A)	109	
8.	Taxation and subsidies (341, 342, 343, 345, 346, 347, 34X)	110	
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	
B. IV.	Bank loans and financial assistance - total (113 to 115)	112	22 000,00
B. IV. 1.	Long-term bank loans (461A, 46XA)	113	22 000,00
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	
3.	Short-term financial assistance (241, 249, 24X, 473A, -/-/255A)	115	
C.	Prepayments - total (117 to 118)	116	
C. 1.	Accrued expenses (383)	117	
2.	Deferred revenues (384)	118	
	Control number - total (065 to 118)	999	288 000,00